Internal Revenue Service
United States Department of the Treasury

2012 VITA/TCE
Grant Overview
June 2011

What we are going to cover:

- Grant objectives
- Results from 2011
- Lessons learned
- 2012 program changes
  - Applicable to both programs
  - Applicable to VITA only
  - Applicable to TCE only

VITA Grant Objectives

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

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.

2011 VITA Grant Program Results

- Applicants – 374
- Funds Requested – $33.3 million
- Applicant Locations – 50 states, DC and Puerto Rico
- Eligible Applicants – 321
- Recipients Selected – 179 (2010 was 147 recipients)
- Funds Awarded - $12 million
- Returning Recipients – 112
- Returns Prepared – 964,297
- Sites Opened – 3,454
- Return Accuracy – 82.90%

2011 TCE Grant Program Results

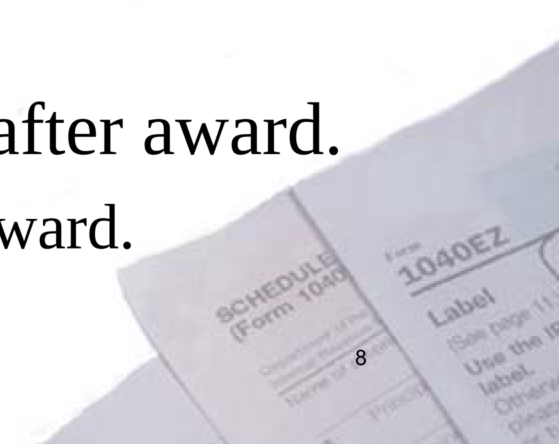
- Applicants – 53
- Funds Requested – $9.6 million
- Applicant Locations – 24 states and DC
- Eligible Applicants – 41
- Recipients Selected – 31 (2010 was 24 recipients)
- Funds Awarded - $6.1 million
- Returning Recipients – 19
- Returns Prepared – 1,306,205
- Sites Opened – 5,543
- Return Accuracy – 89.59%

What we learned from 2011:

- Reasons for Non-Selection
  - Tax compliance
  - Low evaluation scores
  - Incomplete applications
  - Limited funding
- Budget and Payment
  - Unallowable items
  - Changes to budget plans
  - Access to funds (delays experienced)
- Orientation Methods Matter

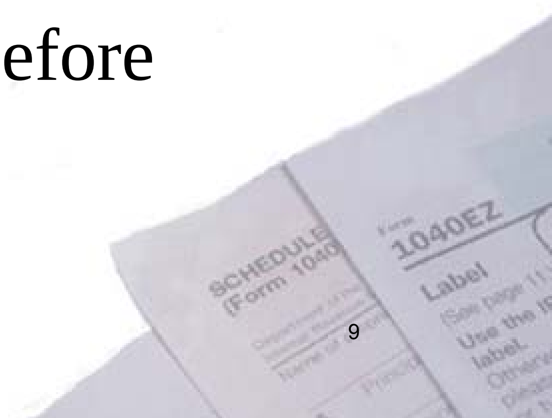
Tax Compliance

- Applicants did not always know they had not filed a return and/or had a balance due.
  - Phone numbers provided in application to check prior to applying.
- Can only discuss with individual authorized to discuss tax matters in organization.
  - Requesting contact information in the Financial Plan narrative for VITA.
- Be tax compliant at time of award and after award.
  - Only one compliance check near time of award.



Low Evaluation Scores

- Applicants did not always address each category of the program plan.
  - Comment on all items requested.
- Did not provide a thorough response.
  - Be as specific as possible.
- Some pages were left out of the application.
  - Number and account for each page before submission.



Payment Management System

- Standard Form 1199, Direct Deposit, had to be submitted multiple times due to incorrect completion, erasures, and/or corrections.
- IRS funding late for TCE due to continuing resolution.
- IRS funding late for VITA due to incomplete matching documentation.

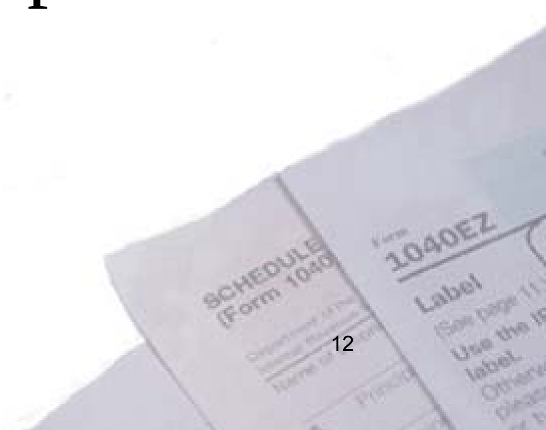
IRS is working with DPM to improve process.

Orientation

- Utilized different delivery methods for important information
  - Webinar
  - Conference Calls
  - Publication
- Saved funds for IRS and grantees
- Reduced time away during critical implementation period

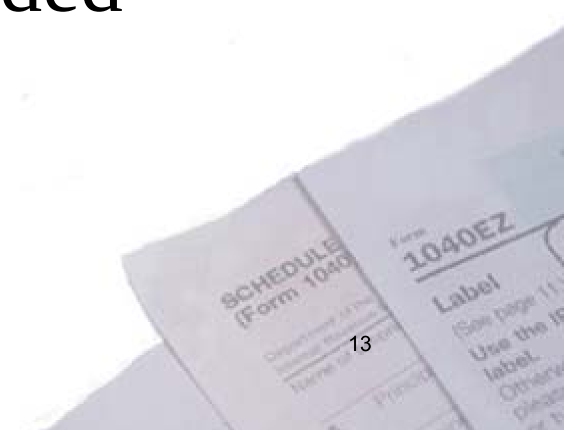
2012 Grant Time Line

- Application period – May 23 – June 30, 2011
- Review and ranking – June 30 – October 30, 2011
- Notification of selection – November 1, 2011
- Program period – July 1, 2011 – June 30, 2012 for VITA and October 1, 2011 – September 30, 2012 for TCE



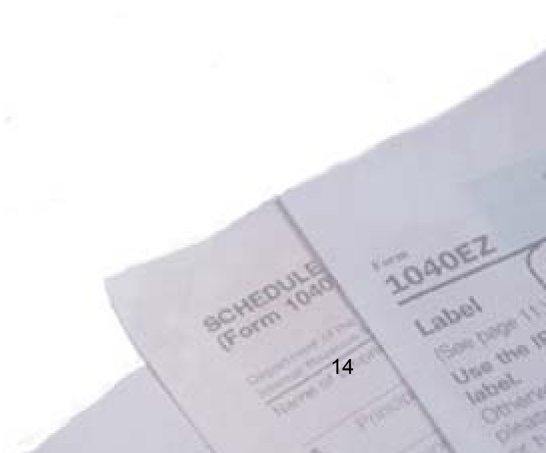
Changes for 2012 for both VITA and TCE

- Grants.gov submission strongly suggested
- Executive compensation reporting required
- Central Contractor Registration (CCR) required
- DUNS number required for sub-recipients
- Self-assisted return preparation added



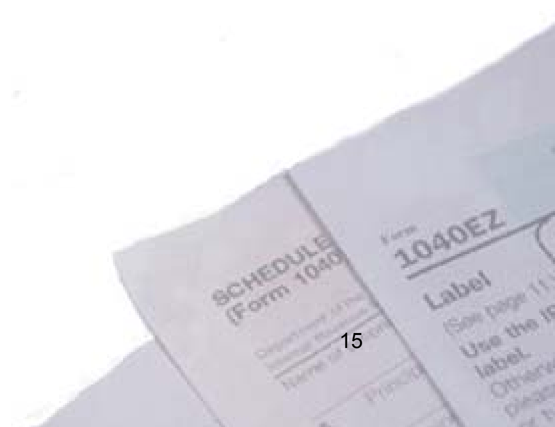
Changes for 2012, continued

- VITA
  - Definition of rural changed to concur with definition used in rural strategy
  - Information added to assist in addressing all program plan requirements
  - Instructions added for Grants.gov submission
- TCE
  - Formatting changes



Apply using Grants.gov

- Grants.gov is available to submit applications electronically
- Numerous system improvements to support the Recovery Act benefit all grant programs
- Tracking available to acknowledge when application is received by IRS



Executive Compensation Reporting

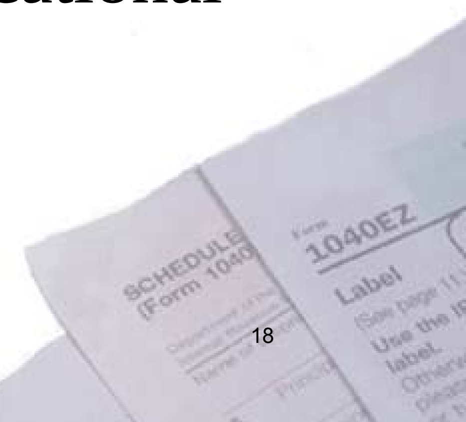
- Reporting is not required when completing the application
- If awarded a $25,000 or more grant <u>and</u> your organization meets certain other criteria, reporting is required
- Recipient reporting is at www.ccr.gov
- Sub-recipients may also be impacted

CCR Required

- Central Contractor Registration is at www.ccr.gov
- Must maintain active registration
  - During application
  - After receipt if awarded
  - Through final reporting
- Required for Grants.gov use

DUNS Number and Sub-recipients

- DUNS number required for all sub-recipient entities
  - Consideration at application submission
  - Requirement at award
- Entity
  - A state, local or tribal government
  - A nonprofit organization including educational institutions
  - A for-profit organization



Self-assisted Return Preparation

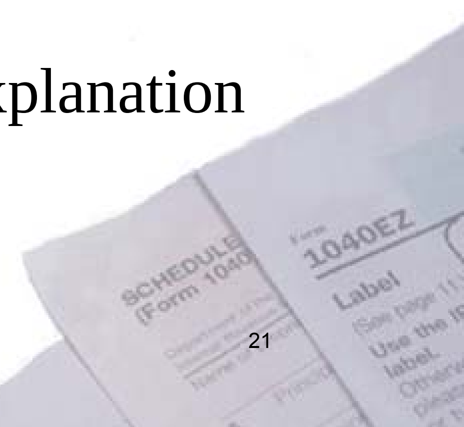
- Site Benefits
  - Prepare and e-file more tax returns
  - Allows sites to more fully leverage its volunteers
  - Target taxpayers who need one-on-one help
  - Reduce lines at peak times
  - Increase options for taxpayers
  - Receive credit for returns filed

Self-assisted Return Preparation, continued

- Taxpayer Benefits
  - Access to online tax software
  - Assistance from volunteers as needed
  - Increased knowledge of how tax laws impact individual returns
  - Reduced wait time for tax preparation
  - Expanded free tax help options
  - Builds confidence to file without assistance

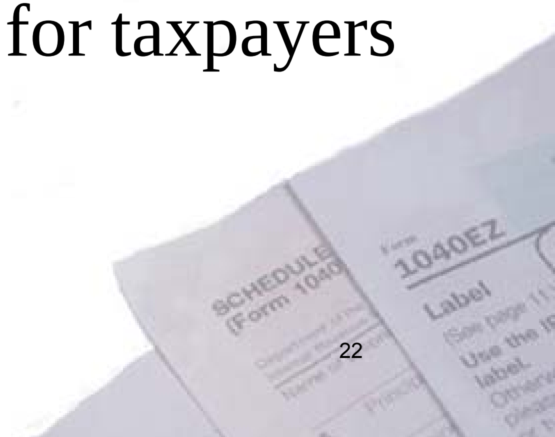
Differences between VITA and TCE Grant Programs

- VITA
  - 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
  - Dollar-for-dollar matching required
  - All service is expected to be to low-to-moderate income individuals
  - Budget includes SF 424A and budget detail explanation



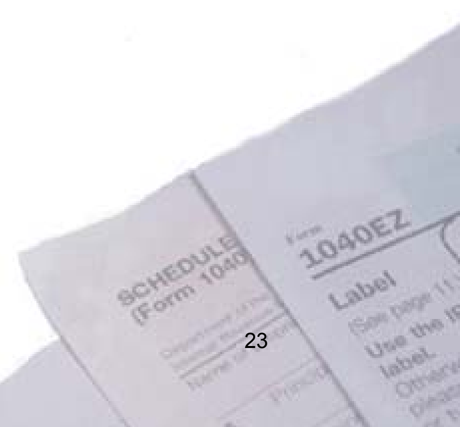
Differences between VITA and TCE Grant Programs

- TCE
  - – Only direct costs allowed
  - – Salaries limited to administrative and technical personnel only
  - – Administrative costs limited to 30%
  - – No matching requirement
  - – 65% of all e-filed returns completed for taxpayers aged 60 or over
  - – Budget is shown on Form 8653



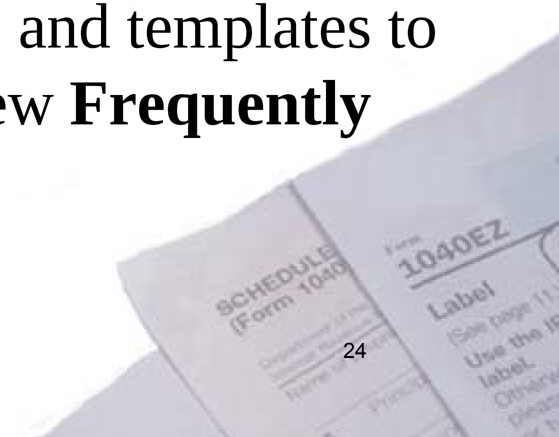
Matching Fund Sources – VITA Only

- Cash, salaries, etc.
- Third party in-kind contributions
  - Computers, printers, supplies, etc.
  - Volunteer time
  - Space
- Other federal funds cannot be used unless allowed by statute



Before Completing Your Application

- Secure a Dun and Bradstreet Number (DUNS)
- Register with the Central Contractor Registration
- Determine if application is subject to State review
- Determine if tax compliant
- Review Publication 4671 and/or 1101
- Visit IRS.gov
  - Keyword **Community Network** for forms and templates to use for application completion and to review **Frequently Asked Questions**

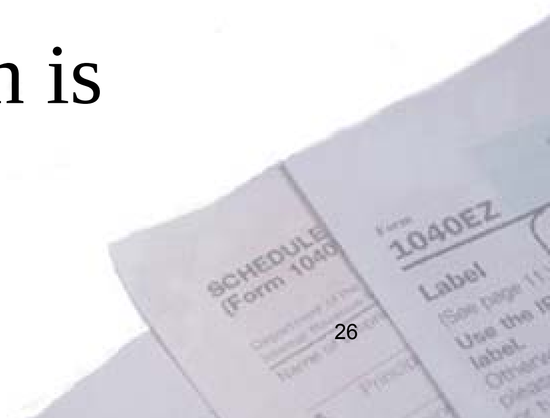


Submitting Your Application

- Insure all components present
- Submit via Grants.gov or
- Assemble correctly and submit by mail to the addresses shown in the grant publications.
  - Address for VITA is found on page 41 of Publication 4671
  - Address for TCE is found on page 19 of Publication 1101

Receipt and Completeness of Application

- Initial contacts limited to contact person and authorized representative shown on SF 424
- Confirmation email sent acknowledging receipt does not indicate completeness or eligibility
- Requests for additional information sent with response date; don’t ignore, respond
- Applicants notified that application is incomplete

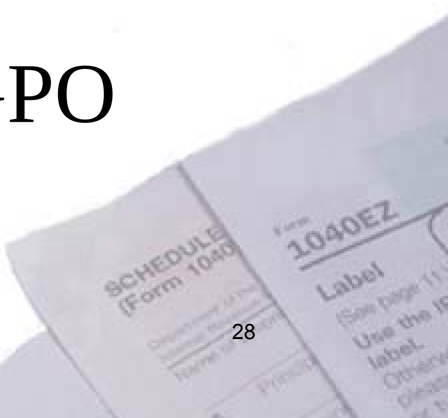


Evaluation and Selection Process

- Technical Evaluation
  - Points awarded for program plan categories
  - Minimum score of 70% to be considered
- Grant Program Office Evaluation
  - Geographic need for target audience evaluation
  - Financial plan review
  - Prior year reporting and performance, if applicable
- Executive approval of recommendations for selection

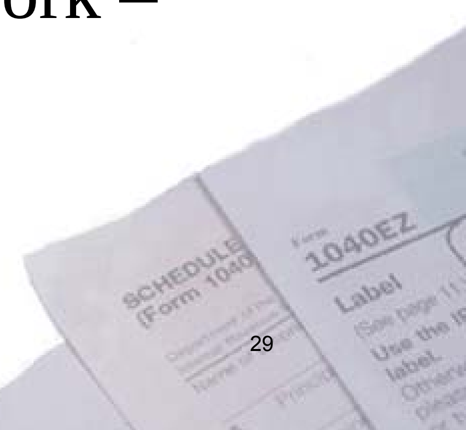
Recipient Responsibilities

- Comply with agreement and terms and conditions
- Adhere to OMB requirements
- Submit reports timely
- Provide oversight of funds and program
- Maintain documentation
- Respond promptly to requests from GPO



Contact Information

- Questions about the VITA and TCE Grant should be directed to the GPO Monday thru Friday (except Federal holidays) from 8:00 a.m. to 4:30 p.m.
- Phone is: 404.338.7894
- VITA E-mail is: Grant.Program.Office@irs.gov
- TCE E-mail is: TCE.Grant.Office@irs.gov
- Web: IRS.gov, search: Community Network – available 24/7.



Talk Points for 2012 VITA/TCE Grant Overview – June 2011

Slide 1 - Introduction
This call is in the listen only mode to help keep background noises and interruptions to a minimum. Slide numbers will be announced to allow you to follow along with the presentation material. We will open the call up for questions, however, we are limited to two hours on this call and we need to ensure we get through the entire presentation. Therefore, some questions may not get answered. If we do not get to your question, please email your question to us at the email addresses provided on slide 29.

The discussion today will cover the slide presentation available on IRS.gov. The presentation is on the VITA Grant web page (VITA Grant Program on IRS.gov address is included on the inside front cover of Publication 4671). The presentation is posted in the What's Happening section (mid page) and is titled, "2012 VITA/TCE Grant Overview."

Be sure to check back in two weeks for a copy of the talk points covering our discussion on June 2 and June 3 and the questions/answers that are covered during the Q&A session. Note that only questions with recurring themes will be captured.

Before we get started with the presentation, Mike McBride, our acting director, headquarters operations, in SPEC would like to take a few minutes of your time.

Stakeholder Partnerships, Education and Communication Director, Headquarters Operations
Welcome! We are glad we have the opportunity to offer VITA and TCE grants once again. Let me say thank you! We had an outstanding year in the VITA and TCE programs.

- Volunteer prepared returns increased by 4% over last year – over 3.1 million returns prepared,
- E-filed returns increased by 1.3% – almost 95% of the returns prepared were e-filed, and
- Overall quality of returns increased as well.

Again, the VITA and TCE programs produced outstanding results even in the midst of facing many challenges this year, such as:

- Late legislation;
- Delayed filing for some returns (Schedule A and EITC);
- Transition to modernized e-file; and
- Challenges with tax preparation software and support.

Thank you again for your dedication and for helping make this filing season a success!

I know Robin and his staff will cover information about the overall grant opportunities. Therefore; I will just make a few points on areas that are key to successfully continuing these two programs.

Volunteers
I know each of you have dealt with budget reductions in both your professional and personal lives in the recent past and I anticipate we'll need to continue to find balance in the coming years. I say this to focus your attention on one of the VITA/TCE programs' most valuable resources – its volunteers. They are one of the keys to sustaining and growing the free tax return preparation service you offer and they greatly contribute to reducing your overall out-of-pocket expenses.

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

We had a few instances this year where individuals involved in the program completely disregarded our standards of conduct. They used their position for financial gain. It's very unfortunate but a few individuals can negatively impact the work performed day-in and day-out by thousands of conscientious, trustworthy, and dedicated volunteers.

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

Thank you for your time.

Slide 2 – What we are going to cover
The grant programs had a great year and we continue to identify improvement opportunities. Feedback is gathered formally and informally throughout the year and we make every effort to give the suggestions due consideration. Unfortunately, we are not able to adopt all recommendations.

We'll briefly go over the results from 2011, discuss lessons learned and then provide information specific to the applications for VITA and TCE grant programs. One of the recommendations we received involved delivering similar presentations for Tax Counseling for the Elderly (TCE) as we did for VITA. This presentation will cover both VITA and TCE.

Slide 3 – 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 when Congress directed IRS to establish and administer a matching grant program for community volunteer tax assistance. The grant supports the original VITA program that offers **free** tax help to low income individuals who cannot afford professional tax preparation. This is only the fourth time this grant has been offered.

Slide 4 – TCE Grant Objectives
Unlike the VITA Grant program, the Tax Counseling for the Elderly grant program 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 provide matching funds.

Slides 5 and 6 – 2011 VITA/TCE Grant Program Results
Slides 5 and 6 provide statistical data about the VITA and TCE programs. Mike mentioned a couple of the results for the overall program in his presentation, so we will not spend any time on these two slides. However, they are available should you have questions about the two programs.

Figures presented are representative of the calendar year only and do not reflect returns filed between October 1 and December 31, 2010.

Overall production is 3,124,773 (calendar year) as of 5/22/2011.

Overall sites are 12,493 as of 5/13/2011.

Overall quality is 87.29% as of 5/13/2011. The return accuracy figures are not statistically valid to the grant program only at the overall quality level. Note: Figures previously reported in early presentation adjusted down due to validation activities. Final weighted results are still pending at the time of this presentation.

Slide 7 – What we learned from 2011
Non-Selection - Issues are similar between the two programs.
Tax Compliance Issues - 31 applicants (33 in 2010)
Low Evaluative Scores - 108 applicants (60 in 2010)
Incomplete Applications - 10 applicants (15 in 2010): Several applications did not contain all the required forms, DUNS #, EIN, or narratives to be considered complete applications. Requests are only made when application demonstrates a good faith effort at submitting the application. When requesting additional information, the additional information must be received by the requested date in order to provide time for consideration.

Limited Funding - 53 were not awarded due to lack of funds; scored lower on technical evaluation; coverage area the same as other applicant; and/or low income population did not support award of more funds.

Budget and Payment - With the exception of the last issue under budget and payment, the two programs differ.
Unallowable items – Federal funds continue to be proposed/paid for site coordinators that also prepare returns and/or perform quality review. Although the site coordinator can be paid with VITA Grant funds, they cannot be paid for the activities of return preparation and quality review. See Publication 4671 terms and conditions for more information on this topic. For TCE, salaries are only allowed for administrative and technical support. Site coordinators may not be paid with TCE funds.
Changes to Budget Plans – Organization did not always request pre-approval of budget changes when needed. For TCE, all changes require pre-approval. For VITA, changes totaling 25% of the award amount require pre-approval.
Access to funds – Both programs experienced this problem.

Slide 8 – Tax Compliance
Applicants were not aware a filing requirement existed and/or that a return had not been filed. Make sure all required returns are filed.

Start today! Call and check to ensure filing requirements are correct and that all returns due are shown as submitted. Contact numbers for IRS questions are included on the inside front cover of the Publication 4671 and on the first page of the Publication 1101.

Delays experienced because the applicant contact was not necessarily the individual that could discuss tax matters in the organization. Obtaining this information in 2010 helped so we're continuing to ask for this in the VITA Grant application for 2012.

One change in this area is the elimination of a compliance check at time of filing application. Only one check will be done this year near time of award to determine tax compliance. Because it is near the time of award, time to respond is reduced. Be aware that a response is required within **five business days**. We recommend you continue to work with the individuals that file your returns to ensure timely filing and payment of taxes.

Slide 9 – Low Evaluation Scores
Program narratives ranged from a half page to 30 pages. Although we don't want you to repeat things, half a page is not sufficient for the program plan.

Some program plans did not address all requested information. For instance, under Quality Control Program, several plans told us that IRS completed a quality review; however, they did not go on to tell us what the results were and/or what the organization did to address the findings. Many did not provide any information on reviews they conducted. As a partner and especially as a grant recipient, you are responsible for testing your processes for adherence and improvement opportunities.

Missing pages of a narrative will not be identified during completeness and eligibility reviews unless the missing page contains information required to determine completeness and/or eligibility. For instance, having a program plan is a completeness item; however, addressing all topics is not. The discovery that pages are missing during the technical evaluation will result in lower points. Some repeat applicants did not adjust plan submission for changes between application periods. The same information was submitted for the 2011 application as for the 2010 application, even though the publications had changed.

PLEASE BE ALERT FOR THIS ISSUE IN THE 2012 APPLICATION BOOKS. WE'VE IMPROVED AREAS WHERE APPLICANTS SCORED LOWEST TO ENSURE MORE UNDERSTANDING OF WHAT IS REQUESTED. PLEASE REVIEW THE NARRATIVE SECTIONS CLOSELY.

We have provided feedback for all applications that received a technical evaluation. The comments represent the notes provided by three different individuals that independently ranked the application. Applications that were incomplete or ineligible did not receive a technical score because the plan was not reviewed. If you're unsure whether your organization received feedback, check with the authorized organization representative. Feedback is normally provided to this individual unless we know they are no longer with the organization. If you find you do not have it, you may contact us via email or phone for the information.

More information is discussed about the technical evaluation latter in this presentation.

Slide 10 – Payment Management System

We did better this year at funding VITA grant recipients earlier; however, there is still room for improvement. About half of the VITA Grant recipients received full or partial funding two weeks earlier than 2010.

The Division of Payment Management (DPM) provides the funding service. The Payment Management System (PMS) is the system for requesting, monitoring and reporting funds.

Standard Form 1199, Direct Deposit, continues to cause delays in account establishment. It must be completed correctly and not contain any erasures and/or corrections. We continue to see mark outs, correction tape or liquid and/or blank fields on these forms. Corrections by anyone including the bank employee require starting over. Save time, complete multiple forms and review at each stage to ensure no changes or corrections were made. Take time to review the instructions for completion.

IRS and DPM are working together to identify the cause of delays and institute a solution to reduce the time between notification of award and the ability to request funds. Although not all issues can be resolved, e.g., continuing resolution which impacts TCE, we do expect improvements in the process for this next year.

Slide 11 - Orientation

The Grant Program Office (GPO) eliminated face-to-face orientation sessions for the 2011 grant recipients by using a multi-faceted approach to delivering information to recipients.

- Using webinar & conferencing technologies along with the development of Pub 4883, Grant Programs Resource Guide, eliminated the need for recipients to travel to HQ for a seminar.
- Alternative delivery methods saved time for SPEC tax analysts to deliver information - time used to focus on activities to improve the recipients' experience. Grantees were not pulled away during critical implementation period for orientation.
- Earlier interaction realized. The first conference call occurred in mid-November to explain the grant award package. Previously the first contact occurred in early December.
- Monies traditionally spent for this activity could be directed toward more direct delivery aspects of the programs.
- Greater participation experienced as these delivery methods made it possible for even the lowest dollar grantees to participate.
- Feedback received was positive.

Slide 12 – 2012 Grant Time Line

Application period opens and closes earlier (one week) for VITA and for TCE.

Applications were available sooner on IRS.gov and hard copy mail outs earlier. Next year, for the 2013 announcement, we will only publish the application packages electronically. No hard copy documents will be produced. Check irs.gov for posting of these documents. A news release will also be issued. We will also look at other opportunities to “get the word out” that the announcement and application publications are available. Mark your calendars and take time to check in May 2013.

We are continuing to offer multi-year opportunities.

- If you’re applying for a multi-year opportunity, be sure to provide the requested information in the locations requested. Each publication provides guidance. For instance, in the Pub 1101, you’ll need to provide information in the program plan at items 10 and 16 (pages 21 and 22). For VITA, you'll provide information on the Standard Form 424A and in the financial plan at item 5 (page 29). You'll also need to address it as you complete the program plan covered on pages 16-20). We're not looking for detailed information but general information on how you see the program changes year-to-year if awarded a multi-year grant. It doesn't mean you need to address every aspect but those where you see the benefit of continued funding impacting most.

- Designation as a multi-year recipient is shown in the grant award package. If it was not mentioned, you were not a multi-year recipient.
- If you apply for a multi-year grant and are not selected, you are automatically considered for a one year grant.
- In order to continue as a multi-year grant recipient and avoid competition in the subsequent year, your organization must meet the criteria for continued consideration. The criteria include a prior year recipient in good standing and delivered 90% or more of their return production goal. An applicant is considered to be in good standing based on our records. More information is available in both publication in the multi-year grant sections (pages 10-11 of the Pub 4671 and pages 18-19 of the Pub 1101).

Slide 13 – Changes for 2012 for both VITA and TCE

We look forward to receiving feedback on the programs and consider each suggestion as an improvement opportunity. For those that have provided feedback thank you. Some of the suggestions will continue to be considered for future years.

We adjusted the due date of the applications. As mentioned on the previous slide the due date is June 30 – one week earlier than last year for VITA and TCE.

The next few slides will provide more information on the other changes made to both programs.

Slide 14 – Changes for 2012, continued

- The glossary now has an updated definition for rural --A designated rural area is defined as a non-metropolitan county. A metropolitan county must contain at least one core urban area with a population of 50,000 or more. A population that lives in one county or several connecting counties and is socio-economically connected to an urban core city (typically by employment, shopping, or other major services) is considered metropolitan.

- We realize this definition may not fit all locations – there are unique factors that must be considered about a location. If you feel your target audience is in a rural location, provide your assessment information. It would normally not be challenged.

- We've added additional information in the program plan area of the publication to assist applicants in fully addressing a category, such as the quality process. It now refers the applicant back to the ten quality site requirements. Each area should be addressed within the plan.

- More information on using Grants.gov is included in the publication along with labeling instructions for submission of attachments.

- For TCE, the pre-approval requirement for budget changes was relaxed somewhat. Last year, all budget changes required pre-approval. This year, budget change over 10% of the total award require pre-approval.

Slide 15 – Apply Using Grants.gov
Last year, we accepted applications by mail or Grants.gov. This year we will continue to accept the same way. In 2011, 69% filed their applications using Grants.gov. We hope this number goes higher this year. We plan to allow only submissions by Grants.gov for 2013. Processing of electronic applications reduces our overall costs and simplifies process flow. We're looking to reduce cost and simplify flow so that we can improve on our review and awards processes.

Register early on Grants.gov; review the training materials available and utilize their help desk for questions on the submission processes. Allow sufficient time for submission, validation and acknowledgement prior to the deadline. Don't wait until the due date to submit. Time is needed to ensure the application passes validation and your organization has time to act if problems are identified.

Grants.gov has continued to improve its processing and added additional resources to improve its infrastructure – more servers are available and processes were reengineered to improve operations. Positive feedback has been received by Grants.gov from agency users and applicants on these improvements.

IRS encourages you to utilize the Grants.gov system for application submission. It provides receipt acknowledgement by Grants.gov of the application and lets you know when IRS downloads the application from the system. It also will not allow submission of the application when key components such as the SF 424, SF 424B and SF 424A are not completed properly. **It reduces your costs for submitting an application by eliminating the need to provide multiple copies of the application and a CD containing the application – both are required when using mail or courier.**

Slide 16 – Executive Compensation Reporting
This new requirement does not impact the actual filing of an application but will impact your organization if you are awarded.

The requirement is part of the Sub-award reporting instituted last year in October 2010. Sub-recipient reporting is required for recipients meeting certain conditions. In addition, executive compensation reporting may also be required. Applicants will want to consider the requirement to report if they receive an award. It may impact how you structure any sub-awards and/or your consideration as to whether federal funds will be used.

More information can be found on this subject in the publications. For VITA, see the Addendum to the Terms and Conditions, which begin on page 46 of publication 4671 and pages 55 of publication 1101.

The Grant Programs Resource Guide, Publication 4883, contains legislative requirements for reporting executive compensation and decision tables to assist you in meeting this requirement.

Definitions of sub-award and sub-recipients are available in the Addendum to Terms and conditions found beginning on page 46 of Pub 4671 and on page 55 of Pub 1101. Many organizations that provide tax preparation services are operating as coalitions and on the most part all coalition members would be considered a sub-recipient. The definition of a sub-award describes a legal instrument (a memorandum of understanding, contract, or letter of intent are the most common terms we've seen) to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to the eligible sub-recipient. Awards are both cash and non-cash. TaThis new requirement does not impact the actual filing of an application but will impact your organization if you are awarded.

The requirement is part of the Sub-award reporting instituted last year in October 2010. Sub-recipient reporting is required for recipients meeting certain conditions. In addition, executive compensation reporting may also be required. Applicants will want to consider the requirement to report if they receive an award. It may impact how you structure any sub-awards and/or your consideration as to whether federal funds will be used.

More information can be found on this subject in the publications. For VITA, see the Addendum to the Terms and Conditions, which begin on page 46 of publication 4671 and pages 55 of publication 1101.

The Grant Programs Resource Guide, Publication 4883, contains legislative requirements for reporting executive compensation and decision tables to assist you in meeting this requirement.

Definitions of sub-award and sub-recipients are available in the Addendum to Terms and conditions found beginning on page 46 of Pub 4671 and on page 55 of Pub 1101.

Many organizations that provide tax preparation services are operating as coalitions and on the most part all coalition members would be considered a sub-recipient. The definition of a sub-award describes a legal instrument (a memorandum of understanding, contract, or letter of intent are the most common terms we've seen) to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to the eligible sub-recipient. Awards are both cash and non-cash. Please take time to review the addendum so that you'll know what your responsibilities will be if you receive an award.

Slide 17 – CCR Required
This requirement does affect the filing of an application. Completed registration in CCR is required.

This process can take three to five business days, so register early.
In order to complete the CCR process, a DUNS number is required.
If already registered in CCR, renewal of the registration is required at least once annually.

Check when your registration will expire and update. You may update as often as you want but at least once per year. This will ensure your account remains active throughout the grant selection process. The complete resource for CCR is located at www.ccr.gov.

Slide 18 – DUNS Number and Sub-recipients
Applicants have had to have a DUNS number (**Dun and Bradstreet Data Universal Numbering System Number)** for requesting a grant for a number of years. It is a requirement of both the VITA and TCE grants.

Recently, the requirement was extended to all entities that are sub-recipients of a grant. It does not apply to individuals. Although this does not impact your filing of an application, it should be discussed early with entities that will receive a portion of your grant to deliver activities. They should plan to take the necessary action to register early so that if an award is made, funding is not delayed while a DUNS is requested. Requesting a DUNS number is easy and free. So if you're planning to work with other entities that will help you deliver your program plan, let them know about the requirement to obtain a DUNS number.

Information on the DUNS number is available in Publication 4671 on page 9 and in Publication 1101 on page 4.

Requests for DUNS number can be made:

- Via internet: http://fedgov.dnb.com/webform
- Phone: Just call D&B at 866.705.5711 or individuals hard of hearing can contact 866.814.7818.
- The number is staffed from 7 a.m. to 6 p.m. C.S.T.
- Takes about 10 minutes

For more information on the DUNS number or for the policy relating to this requirement, visit http://fedgov.dnb.com/webform.

Slides 19 and 20 – Self-assisted Return Preparation
In its initial pilot, 103 sites operated with 3,904 returns electronically filed (May 10, 2011). Feedback demonstrated both successes and challenges. If you're considering adding this to your portfolio of services, here are some considerations:

- Marketing – Service type and delivery of messages about services must differ.
- Planning – Early planning required -- it can't be established successfully without pre-planning that includes testing of connectivity.
- Customer - A traditional VITA customer does not necessarily appreciate this service. Need to look to attract a different customer -- one that is experienced in using the internet and the computer.
- Volunteer - Many volunteers prefer one-on-one service delivery. Volunteers that support the kiosk concept are more adept at training multiple individuals at once, have more general computer use skills, is more flexible in utilizing tax preparation products and has a broad tax law knowledge to answer a wide range of questions.
- Sites – Self-service is not for every location. Consideration must be given to space and equipment needs. If part of an overflow plan, shouldn't be used at an appointment only site. Overflow is too rare at appointment only sites to justify the set aside of space, equipment or volunteer.

You may want to seek SPEC territory input on use of model. In addition, more information will be posted about this model on irs.gov, keyword search: Community Network or VITA Grant

Slides 21 and 22 – Differences between VITA and TCE Grant Programs
The VITA and TCE programs differ as to the audience served as well as the financial requirements governing the programs. Please review each application thoroughly before completing. Although there are many similarities, these slides point out several key differences.

- Direct and indirect costs – The VITA Grant allows for indirect costs in the budgeting process. Indirect costs include such items as depreciation or use allowances on buildings and equipment; costs of operating and maintaining facilities; general and administrative expenses; and personnel and accounting administration. Indirect costs are considered within the award amount and are not in addition to the award amount. For organizations without an approved indirect cost agreement, indirect costs can be shown as long as information on how the figure is determined is included in the calculation. Where practical, the cost should be shown as direct.

- Salaries are limited to administrative and technical personnel only on the TCE grant. VITA allows a broader coverage of positions with the restriction that funds may not be paid for tax preparation, quality review and screeners. Persons performing activities that are allowable and non-allowable must allocate their time appropriately so as not to be paid for unallowable activities with federal funds.

- TCE imposes a 30% limitation on administrative costs to total program cost. VITA does not. The grant could be for all administrative costs. If applying for a TCE grant, the TCE program designates by line item what is considered part of the administrative costs.

- VITA requires a one-to-one ratio of matching funds. For example, if you request $10,000 in federal funds, your organization must expend or demonstrate in-kind contributions for $10,000. The match does not need to be in the same categories. That is to say, if you're proposing $3,000 in salaries, the match does not need to be $3,000 in salaries. It can be in any of the other categories as long as the total direct and indirect equal the amount requested under federal funding.

- Service under VITA can be to elderly but there is not a percent established as a goal. However, with the TCE program, there is a goal that 65% of all returns filed electronically are filed for individuals 60 years of age or older.

- Supporting budget documents differ between the programs. Extensive details are provided in the Publication 4671 covering the VITA requirements beginning on page 19 and continuing through page 32. Budget information is found on pages 21 and 22 of Publication 1101.

Slide 23 – Matching Fund Sources – VITA Only
This list is not all inclusive.

Detailed information on matching funds can be found in Publication 4671 on pages 7 and then throughout the Financial Plan Information section (Pages 19-32).

These are dollars or in-kind contributions that are committed exclusively to support the delivery of the VITA Grant program. They cannot be used to support or provide matching for other federal grants.

Cash, salaries - The applicant organization may use as match cash they have set aside for the program from other than federal sources. Remember federal funds retain their identity as federal funds even if you are a first or subsequent tier recipient. It is important if you plan to use state funding that you know the source of the funds.

Third party in-kind contributions – This can be anything an organization other than the applicant provides that supports the program. For tax preparation programs, common third-party in-kind contributions include:

- Volunteers – Students are included; to assist in valuing volunteer time, check out the information on page 22. It provides tips to assist in properly valuing this resource.
- Equipment – computers and printers – there is no standard value determine for equipment. It would depend on age, initial cost, time used, whether it is exclusively used; whether the organization has an already established rate, etc. Information on how the value is determined is included in the matching funds documentation.

Other federal funds – Cannot be used unless allowed by statute. Unallowable sources identified include SPEC assistance and/or tax preparation software; VISTA and Americorps, LITC, TCE, etc. A few can be used because the statute allows. Two examples are provided in the publication.

Slide 24 – Before Completing Your Application
Review the eligibility requirements for each grant. Both require that you be a non-profit but the types of non-profit organizations differ between the programs. More information can be found on this subject in the publications. For VITA, see pages 6-8 of Publication 4671 and pages 2-3 of Publication 1101.

DUNS - DUNS number required when applying for federal grants. It provides a means to identify entities receiving awards and their business relationships. Used for tracking and to validate address and point of contact information. Information on how to request the DUNS number is included in the publications.

CCR - CCR is the primary registrant database of contacts and assistance awards for the federal government. Information on how to register is included in the publications.

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

Tax Compliance - Do not assume you are tax compliant. Have the person in your organization responsible for filing tax returns contact the IRS.

Publications 1101 and 4671 - The publications provide all of the information, examples, and instructions needed to prepare an application. Both publications are available now.

Slide 25 – Submitting your Application
Submission of the application by email is not acceptable.

If planning to submit by Grants.gov and a problem is encountered requiring that you submit by mail, remember to sign the documents prior to mailing. Signature fields completed by Grants.gov are not acceptable when submitted via mail. Multiple copies are needed and a CD with the entire application is also required for mail submissions.

Slide 26 – Receipt and Completeness of Application
Double check your email address and phone numbers. Both are used by IRS for corresponding with you about the application submission.

If you're going to be away for an extended time, be sure to have someone else check your phone messages and/or emails or leave another person's contact information for assistance.

If you can't get the information by the due date, contact the sender/caller to see if time can be extended.

We will call you via phone when we know an email is not successfully sent; however, some servers do not return rejected messages quickly.

We only contact applicants that made a good faith effort to furnish the entire application. If an application is woefully incomplete, it is not processed nor the applicant contacted for additional information.

Slide 27 – Evaluation and Selection Process
Technical evaluation is completed by IRS employees involved in coordinating the delivery of the VITA program.

Application must score a minimum of 70% on the technical evaluation. This is 140 points for VITA and 70 points for TCE.

The GPO will evaluate applications for proposed geographic coverage and target audience.

The GPO will review financial plan information for proposed expenses and matching funds.

For those applicants that received a previous VITA or TCE grant, the grant file will be reviewed to determine if reporting requirements were met.

Slide 28 – Recipient Responsibilities
Last year was the first year we included expanded terms and conditions with the grant/cooperative agreement. Be aware of what you are agreeing to when it is signed. We will be looking for adherence.

OMB Circulars – Administrative requirements, cost principles and audit requirements

Timely Reports - VITA and TCE reporting requirements differ slightly.
Federal Cash Transaction Report (VITA and TCE) – Submitted electronically in the Payment Management System (PMS); quarterly; 30 days after quarter ends (January 30, April 30, July 30, and October 30)

- Form 8654, *Tax Counseling for the Elderly Semi-Annual/Annual Program Report,* and Narrative (TCE) – Submitted to Grant Program Office – TCE in Lanham, MD; semi-annually and annually; semi-annual report is due June 30, which covers October 1 – May 31 activity; this report is due only if site activity continues after April 30; and annual report is due 90 days after the completion of the program or December 31, whichever is earlier.
- Financial Status Report (VITA) – Submitted electronically in the Payment Management System (PMS); annually; due 90 days after project period ends (September 28; IRS does not consider report late as long as completed by September 30. The PMS automatically locks the account from disbursement after September 28 until this report is filed.)
- Performance Progress Reports (3) and Narrative (VITA) – Submitted to Grant Program Office – VITA in Atlanta, GA; annually; due September 30; and includes Standard Form PPR, Performance Progress Report; Standard Form PPR-A, Performance Measures; Standard Form PPR-B, Program Indicators; Narrative; Budget Detail Explanation.

Oversight of funds and program - Effective monitoring and communication processes are required to ensure adherence to both financial and program management requirements. Be sure to establish an effective system of checks and balances in order to ensure proper usage of grant and matching resources.

Documentation
- Recipients are expected to maintain proper documentation for all grant funds expended
- Subject to financial and administrative field reviews
- Ensure that funds are spent in a manner that is deemed appropriate and reasonable
- File reports timely
- Maintain receipts, invoices, cancelled checks to support reported expenses
- Documentation for matching funds received and expended (VITA Grant)

Slide 29 – Contact Information
Thank you.

VITA /TCE Conference Call Question & Answer Sessions

Allowable/Unallowable

1. ***Can an electronic return originator be paid under the VITA grant?***

   Yes as long as they aren't responsible for tax preparation, but you want to elevate that to whoever the assigned employee is in your budget.

2. ***What is the maximum amount for in-kind matching funds?***

   There is no maximum; however, there is a minimum. For every federal dollar requested, an equal amount of matching funds is required.

3. ***Can volunteer time that comes from VISTA and AmeriCorps be used?***

   No, because they are considered a federal resource.

4. ***When determining volunteer salary, do I go by the website amount or the amount provided on page 22?***

   When valuing services not generally performed by your employees, a good resource for determining the value of volunteer services and other salaries is the Bureau of Labor Statistics Occupational Employment Statistics Program. The program's web address is www.bls.gov/oes/home.htm. Please refer to IRS Publication 4671 (see Financial Plan Information) for more information.

5. ***Are interpreters an allowable salary cost?***

   Yes, an interpreter is an allowable cost for the VITA Grant and can be included in the personnel or contractual sections of the budget depending on the relationship of the interpreter to the organization.

6. ***Can site coordinators be paid more than $500?***

   It depends. If you're looking for them to still be considered a volunteer, the answer is no. If you're not concerned about liability issues, then a site coordinator can be paid more than $500. See the next question for more information.

7. ***According to the Volunteer Protection Act a volunteer paid more than $500 is no longer protected against liability under this Act. Can a volunteer choose to give up their liability to accept a stipend which pays more than $500?***

   Yes, but then they possibly become an employee of your organization or an independent contractor. Depending on how the services are contracted the organization or the individual accepts the liability.

8. ***Could the whole budget be administrative salaries?***

   If applying for the VITA grant the whole budget can be used for administrative cost. However, the TCE grant imposes a 30% limitation on administrative costs. Please refer to the individual application packages for allowable paid positions for the VITA and TCE grant.

9. ***Can we still include the role of a smaller partner in our program plan without giving them a portion of the funds?***

   Yes, but only report production for the organizations that will be funded by the VITA grant.

Application Process

10. ***If you apply using grants.gov, is there a way to sign electronically?***

    Yes, once the authorized representative signs with their digital pin or password, their signature is automatically placed on the document.

11. ***When you submit your application, does the documentation of estimated travel need to be attached to the application?***

    No, documentation to support the proposed budget is not required at the time of application. Documentation is for your records to support your expenditures throughout the program.

12. ***If I submit and validate the application earlier and find a mistake can I resubmit it again before the deadline?***

    Yes; as long as you resubmit your application prior to the deadline. Please contact the Grant Program Office by email and let us know which submission is your final application. Include in the email the identification numbers assigned your applications by grants.gov to ensure we process the correct application. We will process the final application only.

13. ***What are you looking for when completing the Civil Rights Narrative?***

Information requested is specific to free income tax preparation activities. It also requires they provide any pending applications or financial assistance currently provided for free tax return preparation received from other federal programs.

14. ***How do I find the naming convention for my program narrative on submission for the VITA Grant?***

Please refer to the section labeled "How do I Assemble and Label my Application" on page 40 of the Publication 4671.

15. ***Is the number of volunteers on the target audience workbook the number of tax preparer volunteers, non tax preparer volunteers or both?***

It should include the total volunteers for the VITA program -- both tax preparers and non tax preparers.

16. ***Do primary and secondary focuses have to be different or can they both be low-income?***

No, they both can both be low income.

17. ***For hours of operation for our site, can we put TBD or do site hours need to be established early?***

No, the hours of operation for the sites can be provided at a later date.

18. ***If we are a first year recipient applying for a multi-year grant how much detail do I need to provide about future goals?***

If applying for a multi-year grant, you must address any significant changes in your proposal for years two and three. At a minimum, you must provide year two and three data under the VITA Target Audience section. Also, on the SF 424A you must estimate the amount of federal funds needed for year two and three.

General

19. ***When defining persons with disabilities, would you use the answer to the question from the survey "Are you or anyone in your home disabled?" to account for disability?***

Technically it should be the person that you're serving

.

20. ***Are there any standards or reasonable ratios for how many people to serve per dollar amounts?***

No, there are no standards and this will vary based on geographical location.

21. ***How many days does it take to validate applications and receive notification that everything in the application has been received?***

Grants.gov provides validation for key forms such as the SF 424, SF 424A, and SF424 B; however, it does not validate the required attachments. A list of required information is available in each publication. Your organization can easily ensure that all required information is submitted by closely reviewing these lists. In both publications, the information on what is required is mentioned throughout the application packages. For VITA, the information can be found on page 40 of the Publication 4671; and for TCE, the information can be found on page 20 of the Publication 1101. Notification is not provided by the Grant Program Office that your application is complete.

22. ***Is there any way to get a question answered personally while completing the application?***

The Grant Program Office number is listed on the front cover of the Publication 4671 or you may email us at Grant.Office.Program@irs.gov.

23. ***Are there any efforts made to distribute the grant funds to different areas within the state, regarding very rural or very urban areas?***

Funds are disbursed based on target audience and geographic area.

24. ***Is the amount of grant funding asked for effected by whether or not this is the applicants first me applying?***

No, all applications are evaluated on their own merits. The amount of grant funds is based on the service provided and the needs of the targeted audience.

25. ***How do I find out the cost of the Kiosk to include it in the budget?***

Information regarding establishing a kiosk site should be directed to your relationship manager or tax consultant.

26. ***Can we apply as a credit union?***

Yes, as long as you meet the eligibility requirements indicated on page 7 of the Publication 4671.

27. ***On page 17 of the Publication 4671 it states to describe the qualifications of the program coordinator and financial administrator. Are these the only positions that need to be included?***

If there are other key personnel involved in administering the program, their qualifications can be included as well.

28. ***Is the tax law instructor a mandatory component in the program?***

Training is required for all individuals screening, preparing and performing quality review activities. Some programs may elect to obtain this training using the IRS provided on-line training tool, Link and Learn Taxes. If using this product for all your training needs, a separate tax law instructor is not required.

29. ***Are you looking specifically for special populations as far as hard of hearing or is bilingual ok?***

No, bilingual is ok. Sell your program.

30. ***To apply for a multi-year do you have to be a previous applicant?***

You have to have been a prior year grant recipient.

31. ***How do we find out if our VITA program is in good standing?***

The Grant Program Office will determine whether an applicant is in good standing based on the records it maintains. Please refer to the multi-year section in the Publication 4671 for more information.

32. ***How do we find out if our state is subject to state review under Executive Order 12372?***

Visit http://whitehouse.gov/omb/grants_spoc to determine if your state is participating. Follow state instructions, if applicable.

33. ***Is there one number I can call for compliance problems?***

On the front cover of Publication 4671 there are telephone numbers to verify federal tax compliance based on the type of entity.

34. ***On page 17 under the VITA Target Audience section, item C1 in the Publication 4671, does extending mean expanding?***

Not necessarily, it is what your plans are to reach out to these populations.

35. ***Do you consider single site awards or coalitions only?***

We have awarded single sites in the past and plan to do so in the future.

36. ***Can an applicant participate in both VITA and TCE concurrently? Could they share the same site coordinator?***

Yes, but it is not recommended that they share site coordinator or location.

37. ***Does the definition of low-income apply to a single person as well or just EITC?***

For purposes of the VITA program, low income means adjusted gross income at or below the maximum Earned Income Tax Credit income limit for all taxpayers regardless of their filing status.

38. ***What is the definition of sub-recipient? Is there a minimum or maximum amount?***

The term sub-recipient is defined on page 48 of the Publication 4671. There is no minimum or maximum amount.

39. ***How do you determine what to use for reimbursement purposes for travel?***

The amount that your agency has already determined it will provide for reimbursement purposes should be used. If no rate is established by your organization the IRS published rate should be used.

40. ***Is there a maximum for indirect cost rate?***

No there is no maximum amount. There must be an approved indirect cost rate agreement to charge indirect costs to the VITA grant.

41. ***Explain the 25% budget approval for the VITA site?***

If you have changes to your budget that are more than 25% of the total award, it has to be approved by your assigned tax analyst.

42. ***Am I at a disadvantage if my final narrative is not submitted before the 2012 application is received?***

No, you will not be adversely affected because the final narrative is not due until September 30.

43. ***How do you calculate return accuracy rate?***

The accuracy rate of volunteer returns is calculated based on a quality review of returns selected as part of a statistically valid sample.

Matching Funds

44. ***If requesting funding, how are funds allocated if money is pending pertaining to matching funds?***

If you don't have the required match, include pending match on the matching funds summary chart as amount to be raised. You are able to secure funds through January 31.

45. ***Do in-kind matching funds have to follow any regulations?***

The regulations governing matching funds are covered in 2 CFR 215 and additional information can be found in the Publication 4671 under the Eligibility Requirements section for the VITA Grant.

46. ***For in-kind equipment support, is there a standard rate for computers and printers?***

There is no standard rate. Donated or loaned equipment is valued at the fair market value of the property at the time of loan or donation.

47. ***Can CDBG funding generally be considered matching funds?***

Yes, for more information please refer to the Publication 4671, Financial Plan Information, under the heading Federal Funds as Match.

48. ***Can a college use students, office space, and computers as in-kind match?***

Yes, these are all considered third party in-kind contributions and can be used as match.

49. ***If we request indirect costs would we have to match the value of the indirect cost as well?***

The match is dollar for dollar; however, it is not by category. Total match must equal or exceed federal dollars requested, which may or may not include indirect costs.

Selection Process

50. ***How do I go about getting evaluation comments back?***

To get feedback from prior applications, contact the Grant Program Office.

51. ***Can the Grant Program Office send out an email to those applicants who did not receive an award so that they know before November 1 whether they will have funding?***

We will consider adding another email to those applicants who will not receive funding.

52. ***How does the Grant Program Office ensure communications are going to the correct person in the organization?***

Communications are sent to the persons identified in the application as the contact person. If your contact (person, address, phone, or email) information changes, please notify the GPO at Grant.Program.Office@irs.gov

Service Provided

53. ***Is the use of the kiosk a required service?***

No.

54. ***How do taxpayers using the kiosk service access the software at the site?***

The kiosk is a linked site. Your organization will be provided a link with the built in information for your organization.