

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428
www.ncua.gov

**Media Contact: NCUA Office of
Public & Congressional Affairs**
Phone: (703) 518-6330
Email: pacamail@ncua.gov



NCUA Media Advisory

Over \$12M Available for VITA and Elderly Tax Counseling Grants

May 12, 2010, Alexandria, Va. - The Internal Revenue Service (IRS) recently announced it will award nearly \$12 million in Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) grants. The VITA and TCE application deadline is July 9, 2010.

IRS VITA grants provide funding to qualified non-profit organizations, including credit unions, enabling them to offer free tax-preparation for underserved people in hard-to-reach areas. Related TCE grants fund free tax preparation and counseling services for individuals 60 and over. The TCE program also funds training and technical assistance for volunteers who provide free Federal income tax preparation assistance in elderly communities.

“By providing free tax preparation in hard-to-reach areas, credit unions offer a vital community service that helps low-income workers receive full credit for their hard-earned dollars,” said NCUA Chairman Debbie Matz. “I strongly encourage qualified credit unions to apply for VITA grants from IRS as well as from NCUA. The more credit unions provide this service to underserved taxpayers, the greater the likelihood that low-income families can build a solid financial foundation for their future.”

The IRS TCS grant program is open to credit unions and other qualified non-profit organizations. Eligible organizations must qualify for tax exemption under *Section 501* of the Internal Revenue Code of 1986. They include, but are not limited to, credit unions, educational institutions or faith-based and community organizations, and regional, statewide, or local *coalitions* with one lead organization that meets eligibility requirements. The lead organization filing the application must have a substantive role in the coalition.

There is no maximum grant amount. However, all applicants must obtain dollar-for-dollar matching funds and provide appropriate documentation to the IRS. For example, if

a credit union requests \$50,000 in grant funds, it must provide at least \$50,000 in matching designated VITA Program funds.

The IRS 2010 VITA application, with specifics regarding eligibility and program requirements, can be found on the IRS website: www.irs.gov, Publication 4671

The NCUA VITA Initiative also provides funds to low income credit unions wishing to help existing and potential members prepare their tax returns, especially those members eligible for the Earned Income Tax Credit^[1]. The amount allocated for this initiative is \$125,000, and a maximum award amount is \$6,500. Technical assistance will be awarded from this initiative until monies are exhausted.

Information about the NCUA VITA Initiative technical assistance grant, along with an application, can be found at the following website:
[click here](#).

For more information contact:

NCUA Office of Small Credit Union Initiatives
(703) 518-6610 OSCUIApps@NCUA.gov
IRS VITA Grant: (404) 338-7894 Grant.Program.Office@IRS.gov
TCE Grant: (404) 338-7894 TCE.Grant.Office@IRS.gov

NCUA is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of over 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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[1] The Earned Income Tax Credit or the EITC is a refundable federal income tax credit for low to moderate income working individuals and families. Congress originally approved the tax credit legislation in 1975 in part to offset the burden of social security taxes and to provide an incentive to work. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit.