

FACT SHEET – For Partners and Employees

Quality Updates for 2014 Filing Season



September 2013

Key Messages

- SPEC Shopping reviewers observed volunteers not following the Intake and Interview process.
- Review results indicate there is a correlation between performing a complete Intake/Interview & Quality Review Process and preparing accurate returns.
- All Volunteers are required to take awareness training on the Intake/Interview & Quality Review Process.
- Awareness training on the Intake/Interview & Quality Review process training is embedded in Volunteer Standards of Conduct Training.
- Instructors, tax return preparers, Quality Reviewers, and Site Coordinators are required to take mandatory in-depth training on the Intake/Interview & Quality Review process.
- Volunteers are required to wear name badges with their first name and, at a minimum, the first initial of their last name.
- Quality reviewers must certify (at a minimum) to the Basic or Advanced certification levels.
- Instructors must certify (at a minimum) to the Advanced certification level.
- Quality reviewers should be one of the most experienced volunteers in tax law application.
- Form 13614-C was removed from TaxWise.
- Schedule C Pilot extended one more year.

This document summarizes the findings from oversight reviews and quality updates for the 2014 Filing Season.

Background:

The results of SPEC oversight reviews continue to show there is a correlation between performing a complete Intake/Interview & Quality Review Process and the preparation of an accurate tax return.

During SPEC shopping reviews, SPEC shoppers often observed volunteers preparing tax returns without having a discussion with the taxpayer or reviewing the Form 13614-C, Intake/Interview & Quality Review Sheet. **As a result, volunteer adherence to use of the Intake and Interview Process was 56%, with a return accuracy rate of only 49%.**

Quality Statistical Sample (QSS) reviewers observed volunteers reviewing and completing the Form 13614-C and conducting interviews with the taxpayers on a consistent basis. **As a result, volunteer adherence to use of the Intake and Interview Process was 84%, with a return accuracy rate of 91%.**

Oversight reviews also found that volunteers/sites are not consistently:

- Requesting photo identification for taxpayers and/or their spouses, Requiring proper verification of tax identification numbers for everyone listed on the tax return,
- Advising taxpayers of their responsibility for the information reported on their tax return (due diligence), and
- Displaying Title VI posters (Publication 4053 or AARP D-143).

Based on our review and assessment of the filing season, SPEC implemented the following updates to make sure we have adequate procedures in place to prepare accurate returns for taxpayers:

Quality Site Requirement (QSR) Updates

QSR #1 – Certification

- Site Coordinators are required to have a process that determines the certification level for every volunteer at the site. AARP badges and IRS wallet cards are no longer valid as proof of certification. **Why:** To ensure every volunteer is preparing or quality reviewing returns within their certification level.
- Partners are required to report all volunteers to SPEC on Form 13206, *Volunteer Assistance Summary Report*, or a similar listing containing the same information by February 3rd and the 3rd business day of each month as new volunteers report to the site. **Why:** As our volunteer base increases, the difficulty of

obtaining an accurate volunteer count for each site increases. To ensure SPEC territories received accurate volunteer counts, partners are required to provide the data they received from their site coordinators. The new electronic Form 13206 allows partners to add unlimited volunteers to their form. Partners still have the option to submit a partner created listing if the listing contains the same information shown on Form 13206.

- Domestic Military sites will be treated as a partner; this means relationship managers will continue to secure this information from the site using Form 13206 or similar list containing the same information. The site's relationship manager will enter the number of volunteers into SPECTRM. Overseas Military sites will continue to report their volunteer data to their national relationship manager. **Why:** The process used last year did not work and caused inaccurate volunteer data for the military and additional re-work to determine an accurate count.

QSR #2 – Intake and Interview Process

- **All volunteers** are required to take annual awareness training on the Intake/Interview & Quality Review Process. The training and certification test questions are embedded in Form 6744, *Volunteer Assistors Test/Retest*, and Publication 4961, *Volunteer Standards of Conduct – Ethics*, and Link & Learn Taxes.
- In addition, a PowerPoint presentation is being developed to provide a more detailed **mandatory training module for certified preparers, quality reviewers, instructors, and site coordinators.** **Why:** For the past few years, volunteers were either not following the required process or not using Form 13614-C as they prepared tax returns and performed quality reviews.
- Form 13614-C will be created in nine foreign languages including Spanish, Chinese, Chinese Traditional, Creole, Korean, Polish, Tagalog, Portuguese and Vietnamese. **Why:** To comply with reasonable accommodations, we wanted to ensure various taxpayers understand what we are asking. Other than English and Spanish, these foreign language forms will only be available electronically on www.irs.gov.

QSR #3 – Quality Review Process

- Quality reviewers must certify, at a minimum, to the Basic certification level or higher (including the specialty levels) based on the complexity of the tax return. SPEC encourages the quality reviewer to be the most experienced person in tax law application.

QSR #5 – Volunteer Agreement

- Form 13615, *Volunteer Standards of Conduct Agreement*, was updated to capture information for issuing Continuing Education (CE) credits for Enrolled Agents and other tax return preparers. **Why:** Last year, volunteers, partners, and the recipients did not understand the policy for issuing CE credits or the process for reporting CE credits to the Return Preparer Office (RPO). The new procedures will simplify this process. Form 13615 was updated to assist with obtaining the necessary information to report CE credits to the RPO.

QSR #7 – Title VI

- All sites are required to display Publication 4053/4053 (EN/SP), *Your Civil Rights are Protected Poster*, or the AARP D-143 Poster at the first point of contact between the volunteer and the taxpayer. **Why:** Based on Civil Rights Division visits, Form 13614-C and the AARP and IRS envelopes no longer satisfy this requirement.

QSR #10 – Security, Privacy and Confidentiality • Volunteers must wear a name badge with their first name and (at a minimum) the first initial of their last name. **Why:** Identity theft is on the rise. This requirement is SPEC's corrective action for creating security procedures for identity theft deterrence. In addition, having just the first name and first letter of the last name also protects the volunteer.

- Form 14509, *Volunteer ID Card*, is an optional product developed for volunteers to identify themselves to taxpayers they assist. Form 14509 is evergreen and can be used every year unless the volunteer's name or certification level changes.
- In addition, there will be a one-time purchase of plastic holders, which will allow volunteers to wear their name badge around their neck. The product number for these ID holders is Document 13123, *Volunteer ID Holder*. The holders must be

ordered separately from the volunteer ID cards but should not be ordered as holders for other products.

- Volunteers are required to request photo ID from every taxpayer. **Why:** This consistent requirement deters identity theft and eliminates the perception of preferential treatment. This will eliminate complaints from taxpayers who are asked to show their ID while others are not. Exceptions for requiring photo ID should only be made by the site coordinator under extreme circumstances and should not be the common practice. For example, there may be limited situations where an exception may apply to a person with a disability, the elderly, or someone with some other unique circumstance.
- Volunteers are required to request verification of social security or tax identification numbers from everyone listed on the tax return. **Why:** Return rejects continue to include social security numbers and name mismatches. In addition, validating the taxpayers' identification number reduces identity theft. Volunteers can validate social security numbers by using various documents issued from the Social Security Administration. This includes social security cards, social security letters, social security income statements and other documents issued from SSA. Medicare cards with the letter "A" after the social security number can also be used. For more information, please refer to Publication 4299, *Security, Confidentiality, and the Standards of Conduct*.

Other Updates:

- The methodology for measuring a site's adherence to the ten Quality Site Requirements will be updated to provide ten percentage points for each correctly followed QSR. **Why:** In previous years, site reviews were rated as either "met" or "not met". If one or more QSR was not followed, the site was rated as "not met". This also allows us to evaluate overall adherence to the QSR against the accuracy rate.
- Form 13614-C will be removed from TaxWise. **Why:** Based on partner and employee feedback, this form is not productive in TaxWise; therefore, most sites are not using it.
- The Schedule C, *Profit or Loss From Business (Sole Proprietorship)*, business expenses have increased from \$5,000 to \$10,000 for all sites. **Why:** This reflects the assistance needed by taxpayers at volunteer sites based on partner feedback.
- The Schedule C pilot was extended for one more year. This pilot allows approved sites to prepare Schedule C returns with business expenses up to 25,000. In addition, these pilots can prepare Schedule C returns with limited business use of the home, business losses, and depreciation.