



# Earned Income Tax Credit Resource Guide

3<sup>rd</sup> Edition

TAX TIME IN COMMUNITY ACTION



California / Nevada Community  
Action Partnership

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This manual was developed for members of the *Community Action Sharing Hope (CASH)* campaign. The information herein may or may not apply to your specific agency or circumstances but is provided as a reference only.



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The “Earned Income Tax Credit Resource Guide” is designed to assist Community Action Partnership agencies (CAP agencies) with establishing and sustaining Earned Income Tax Credit (EITC) programs. This resource guide is organized into six major sections: I) Getting Started; II) Developing Partnerships; III) Outreach and Marketing; IV) Tax Preparation / Volunteers; V) Asset-Building; and VI) Program Evaluation. Each section includes best practices and helpful tips on how to operate successful EITC campaigns in local service areas.

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# **Introduction**

## **The Earned Income Tax Credit**

### **What is EITC?**

Created in 1975, the Earned Income Tax Credit (EITC) is a refundable federal tax credit for eligible taxpayers, who work but do not earn enough to become self-sufficient. To qualify, a taxpayer must meet certain eligibility requirements and file a federal tax return, even if their income is below the threshold for filing a return. Many American families filing tax returns are EITC eligible but fail to claim the refunds. The EITC is important to low-income workers and their families because it can reduce their tax burden, provide a refund, supplement their earnings, and provide a significant work incentive. It helps families create savings accounts, pay off debt, invest in education, secure safe and affordable housing, and secure brighter futures. The EITC is important to communities because it can help build assets, generate additional revenue, and encourage local spending.

The EITC is the most effective anti-poverty program ever developed, but the credit is seriously underutilized. Studies show a number of reasons for this under-utilization; low-income taxpayers: 1) may not be aware of the credit; 2) do not believe they are eligible for the credit; 3) are unfamiliar with how to file a tax return to claim the credit; or 4) believe they will jeopardize their welfare benefits or immigration status if they claim the credit.

### **Community Action Sharing Hope (CASH) Campaign**

A statewide collaborative of Community Action Partnership agencies (CAP agencies) and community partners was established in 2004 to bring communities, families, counties, and private and public organizations together to ensure that low-income families receive the tax credits to which they are entitled. Through the partnership of CAP agencies and their partners, California/Nevada Community Action Partnership State Association (Cal/Neva), Volunteer Refund Preparation Program (VRPP), Volunteer Income Tax Assistance (VITA) Program, and the Internal Revenue Service (IRS), free tax preparation and asset-building services are provided to low-income people to help them maximize their tax refund. The California EITC Collaborative was established to: 1) increase the number of CAP agencies participating in the EITC program; 2) provide training and technical assistance to sustain successful EITC programs statewide; and 3) increase family economic security by linking EITC programs to other high-impact asset-building programs and services.

## EITC Eligibility Requirements

EITC eligibility requirements change with every tax year. Always check the Internal Revenue Service (IRS) website for the up-to date requirements and guidelines for claiming the EITC.

- The taxpayer must have earned income from employment or from self-employment (e.g., wages, salaries, tips, strike benefits, etc.)
- The adjusted gross income (AGI) and investment income, such as interest, must meet income limitations. For example, a taxpayer's earned income and AGI for Tax Year 2010 must be less than:
  - \$43,352 (\$48,362 married filing jointly) with three or more qualifying children
  - \$40,363 (\$45,373 married filing jointly) with two qualifying children
  - \$35,535 (\$40,545 married filing jointly) with one qualifying child
  - \$13,460 (\$18,470 married filing jointly) with no qualifying children

Tax Year 2010 maximum credit:

- \$5,666 with three or more qualifying children
  - \$5,036 with two qualifying children
  - \$3,050 with one qualifying child
  - \$457 with no qualifying children
- 
- The taxpayer's filing status cannot be "married, filing separately."
  - The taxpayer must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
  - The taxpayer and any qualifying children must have a valid social security number or an ITIN (a tax processing number issued, regardless of immigration status, to individuals who are not eligible to obtain a Social Security Number from the Social Security Administration).
  - The taxpayer cannot be the qualifying child of another person. The Fostering Connections to Success and Increasing Adoptions Act of 2008 changed the uniform definition of a child. Now, a "qualifying child" must:
    - Be younger than the taxpayer claiming that child unless the child is disabled
    - Not have filed a joint return except to claim a refund
  - If the taxpayer does not have a qualifying child, he or she must:
    - Be age 25 but under 65 at the end of the tax year,
    - Live in the United States for more than half of the tax year, and
    - Not qualify as a dependent of another person.

## **Why operate an EITC program?**

The EITC can change a family's life. It acts as a work incentive to the most in need families. It also assists in the redistribution of income. Research indicates that the EITC has a powerful effect in increasing employment among single female parents and also that the EITC lifts more children out of poverty than any other program or category of programs. Community Action Partnerships across the state are able to assist families comprehensively by providing EITC services, public benefits assistance, and other self-sufficiency programs.

- **Benefits:** The EITC provides a tax refund or tax reduction for low-income families and individuals.
- **Resources:** The EITC helps low-income families and individuals recycle dollars back into the community and move closer to self-sufficiency.
- **Customers:** EITC filers are community action customers; they may already be receiving services from you and your community partners.
- **Affordable Tax Preparation:** Commercial tax preparation can be costly. Low-income families and individuals need access to low or no cost income tax preparation services.
- **Partnerships:** The Internal Revenue Service will provide training and technical assistance to agencies interested in providing free tax preparation and advocacy for EITC eligible families and individuals. The EITC program provides community volunteer and private sponsorship opportunities.
- **Connection with public benefits:** The EITC program can be a conduit to other asset-building strategies that increase family economic security. It is a perfect complement to resources for other self-sufficiency and asset-building programs.

*Helpful Tip:* Do only what you can. Be intentional. Start small and build.

# Section I

## Getting Started

The CASH Campaign recognizes three key activities for EITC campaigns, depending upon the agency's funding, staffing and agency capacity. These three key activities include: 1) operating Volunteer Income Tax Assistance (VITA) sites to offer free tax preparation; 2) operating VITA sites tied to asset-building programs such as Individual Development Account (IDA) programs or financial education; and 3) referring customers to other VITA sites. A successful EITC campaign can include any or all of these key activities.

The CASH Campaign recommends that an agency first research child poverty rates for the local area and then conduct a community-assessment to determine its capacity and ability to include an EITC program as one of its services. The assessment should take into consideration how an EITC program applies to the National Performance Indicators (NPIs) outlined by the Results Oriented Management and Accountability (ROMA) requirements.

### **National Performance Indicators**

The ROMA system was implemented in the mid-1990s to use results-focused management principles to revitalize and strengthen the Community Services Network. The ROMA framework enabled local CAP agencies to report the family, community and agency *outcomes* achieved through their efforts (see **Appendix B**).

Since 1994, the Community Services Network has been guided by six broad anti-poverty goals established by the Monitoring Assessment Task Force:

**Goal 1:** Low-income people become more self-sufficient.

**Goal 2:** The conditions in which low-income people live are improved.

**Goal 3:** Low-income people own a stake in their community.

**Goal 4:** Partnerships among supporters and providers of service to low-income people are achieved.

**Goal 5:** Agencies increase their capacity to achieve results.

**Goal 6:** Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

In an effort to capture the most universal accomplishments of approximately 1,000 diverse CAP agencies, the federal Department of Health and Human Services (DHHS), Office of Community Services (OCS) -- in collaboration with the national Community Services



Network -- developed National Performance Indicators (NPIs). While the older system enabled each agency to report local achievements, nationally it made aggregation of outcomes very difficult. The additional indicators represent a more uniform and coherent system for reporting the activities and achievements of CAP agencies at the national level.

CAP agencies should keep in mind that the NPIs are about *all* community action services and activities, not just services supported by the Community Services Block Grant (CSBG) funding. Agencies should report all service outcomes that are a result of community action support, regardless of their funding sources and tracking methods and whether or not they are provided directly, sub-contracted or referred to outside services. This includes partnerships with non-CSBG funded sources such as, but not limited to, educational institutions, community-based organizations, faith-based organizations, and public or private service providers.

The CASH Campaign recommends that EITC and asset-development outcomes be reported under the NPIs (see **Appendix B**).

## **Program Timeline**

The program timeline is critical to launching and implementing a successful EITC and VITA program. Create a sequence of events for the year to include all aspects of implementing and sustaining the program. Share the timeline with staff, volunteers, and partners to ensure everyone is operating with the same schedule and priorities. The timeline provides benchmarks and accountability measures for the agency and/or a local coalition. The program timeline can also provide assistance in community assessment. A sample timeline is included (see **Appendix C**).

### ***Helpful Tips:***

- Conduct a community needs assessment and community asset mapping
- Organize key tasks / milestones by the month
- Use color coding to easily identify scheduled events (e.g., red for start date and deadline dates; blue for volunteer training dates; green for site dates; etc.)

## **Program Support and Sustainability**

Programmatic support is most frequently calculated in hard dollars. Programs should research public and private funding opportunities such as increasing asset-building, financial literacy, and tax credit opportunities.

A significant amount of program support is in-kind, also referred to as non-cash or soft dollars. External partnerships and internal partnerships between an agency's programs can provide non-cash support such as staffing, trainers, facilities, printing, mailings, supplies,

refreshments, recognition gifts for volunteers, etc. For example, one of your programs or partners may have staff with seasonal slow periods in their workload; these individuals could assist with outreach or recognition activities. Some partners may contribute media contacts, making outreach to your target population much easier to accomplish.

Many funders will allow grantees to use in-kind support to satisfy match dollar requirements. It is important to record both hard dollars and in-kind support.

For an in-kind contribution template (see **Appendix D**).

## **Section II**

# **Developing Partnerships**

To develop a successful EITC program, it is important to build strategic partnerships. This section of the resource guide will 1) help you develop an appropriate network structure, 2) identify, recruit and cultivate new partners to help carry your mission forward year after year, 3) identify funding streams, and 4) discuss strategies to maintain your network.

### **Identifying and Recruiting Partners**

CAP agencies historically have extensive experience in grassroots organizing to increase access to services for low-income families. This has led to CAP agencies adopting the concept of “strategic partnerships”. By cultivating strategic partnerships, CAP agencies significantly increase their capacity to layer multiple funding streams, create linkages between programs that foster solutions, positively impact the communities they serve, and leverage cash and in-kind resources. Partners can help market the EITC program through their established community contacts and constituents.

A CAP agency’s first step before recruiting program partners is to determine the long and short-term goals and outcomes for their EITC program. The National Performance Indicators are excellent references for developing these goals and outcomes. Once this step is completed, the agency can identify and recruit partnerships with shared and/or similar goals.

### **Potential Partners**

CAP agencies should survey their communities through the process of community mapping to identify established groups and other stakeholders, such as: customers, the Internal Revenue Service, private and corporate foundations, financial institutions, public and private social service agencies, faith-based organizations, schools, community colleges, universities, private businesses, service clubs, media outlets, local, county and state government agencies, etc. All of these potential partners can bring valuable resources to a successful EITC program. For example, schools, community colleges, and universities are dual opportunity partners; they are filled with EITC eligible students and potential volunteer tax preparers.

Recruiting partners to participate in an EITC program can take many forms. Convene a community meeting to generate interest by sharing how the EITC program responds to findings from the agency’s biennial Community Needs Assessment. Join the local EITC collaborative, if there is one, to determine whether current services are meeting the needs of your community.

## **Partner Relationships**

Successful relationships with partners start with clearly defined roles and expectations. Memorandums of Agreement (MOA) or Memorandums of Understanding (MOU) help to formalize partner roles. Flexibility provides opportunities for partners to support the EITC program at levels that are best suited for them; allow partners to self-select their role. Engage all partners in establishing goals for the EITC program and leverage their expertise to share the workload. Support partner relationships by providing training, technical assistance, and periodic recognition. Always debrief with partners, including the IRS, after a tax season to maximize lessons learned and strengthen the next year's efforts.

## **Partner Recognition and Retention**

Acknowledging your partners and their contributions is very important and will aid in the recruitment of new partners. Public recognition increases the visibility of CAP agencies and their partners, helping to advance their goals and mission. For example, include partners' names and logos on outreach materials, newsletters, press releases, websites, and recognition events. If specific materials are provided by a partner, recognize that effort with a sponsorship statement, i.e. "Made possible by the generous support of ABC Agency."

Keep partners involved throughout the entire year, not just during tax season. Host a post-tax season celebration just for partners. This is a good time to personally thank them, debrief from the current tax season, revisit partnership roles, and renew partnership agreements for the next tax season.

### ***Helpful Tips:***

- Develop "strategic" partnerships where all partners take an active role.
- Every partner has something to bring to the table, from purchasing refreshments to providing cash support. Be sure to record both hard dollars and in-kind contributions to the program (see **Appendix D**).

## Section III

# Outreach and Marketing

To have a successful EITC program, a successful outreach and marketing campaign is essential. Some communities are challenged with a wide range of area to market. Word of mouth and mobile sites can assist in reaching families. Research shows that rural families receive the EITC at higher rates than urban families.

### Marketing Best Practices

An outreach and marketing campaign should take into consideration the current trends such as marketing through the internet utilizing websites and social networking etc (facebook, myspace, craigslist), especially rural and large spread out communities.

- **Identify the target population:** Who are they? Where do they live, work, and play?
- **Tailor the message:** Make sure the marketing campaign *informs* and *educates*. Research suggests that 15 to 20 percent of eligible EITC households do not claim the credit because they do not realize that they are eligible or they cannot pay for tax preparation services. Placing education and advocacy at the forefront ensures a successful outreach campaign.
- **Make the message succinct and promote it:** Keep it plain, simple, and appealing to the eyes and ears. Educate the community about the EITC's asset-building potential and how eligible customers can maximize benefits.
- **Keep it professional:** Always double-check your message and its intention.
- **Find A Voice:** Identify a spokesperson, if possible, to spearhead the outreach campaign. Government officials, prominent community or business leaders, and celebrities can draw attention to the program.
- **Be sincere in your message:** Clarity and consistency will reinforce your positive commitment to the program.
- **Do not recreate the wheel:** Use marketing strategies that already work. Distribute flyers, posters, use billboards, contact local news media and enlist volunteers to get the word out. Fun, social events, like open houses, community awareness days, or "Community Tax Day" kick-off events, bring people together and provide a great opportunity to get the message out. Other potential marketing and outreach resources include: local radio and television public service announcements (PSAs); media interviews; newspaper, newsletter and website advertisements; local telephone "Hotline" (1-800 numbers); and publicize EITC at community venues such as Head Start, schools, libraries, health clinics, churches, League of Cities, job fairs, health fairs, conferences, social service agencies, etc. Templates, toolkits and websites are

listed (see **Appendix E**).

***Helpful Tips:***

- Provide outreach materials for key languages in your community.
- Keep the program visible year-round; publish “success stories” about local residents who benefited from EITC.
- Take advantage of the internet and new forms of communication.

## Section IV

# Tax Preparation / Volunteers

EITC tax preparation sites are called Volunteer Income Tax Assistance (VITA) sites. VITA sites are unique in that they are generally staffed 100% by volunteers. This section is a blueprint for recruiting and retaining volunteers for the EITC program.

### Volunteer Positions

VITA volunteers do not need accounting experience to join the program. Internal Revenue Service sanctioned training is available and should occur prior to the start of tax filing season. It is important to identify the tasks and services needed to operate your EITC program. Organizing the tasks into jobs and then developing job descriptions help to accurately estimate the number of volunteers needed. Sample volunteer application and job descriptions are found (**see Appendix F**).

The many volunteer positions that are needed include Screeners, Tax Assistors, Quality Reviewers, Interpreters, and Site Coordinators.

The  *Screener*  is the first volunteer a taxpayer meets when arriving at the site. This volunteer manages the appointment, intake processes and keeps the taxpayers comfortable as they await their turn. After the taxpayer completes the intake form, the Screener interviews the taxpayer, ensuring that all the necessary paperwork is complete and in order: such as W-2s, 1099s, 1098s, social security cards and other identification. Any necessary photocopies are then made. The ideal Screener will have good organizational skills and a basic knowledge of documents needed to prepare a tax return. It is essential that Screeners enjoy working with people, are friendly, cordial, and courteous.

The  *Tax Assistor*  takes the information provided during the intake process and prepares the federal and state tax returns. The Tax Assistor is not required to have accounting experience, but must complete Internal Revenue Service sanctioned tax preparation training and pass proficiency examinations. Tax Assistors also receive software training to expedite preparation of returns.

The  *Quality Reviewer*  is vital to the program. Each tax return receives a quality control check, prior to being filed, to ensure compliance with tax laws. Quality Reviewers are generally veteran tax preparers with more than a basic knowledge of tax laws and tax preparation software.

*Interpreters* , both verbal and sign language, may be needed to serve non-English speaking and hearing-impaired taxpayers. Interpreters are generally assigned to greet the public and serve as Screeners to ensure non-English speaking/hearing-impaired taxpayers understand what is required to prepare the returns. This ensures that all taxpayers have access to services.

The *Site Coordinator* is responsible for making certain that the site operates smoothly. The site coordinator ensures that there is adequate staffing for the site, hours of operation are observed, and any problems with tax returns are resolved. The site coordinator supervises the facility, ensuring its cleanliness, safety, and comfort for both clients and volunteers. The ideal site coordinator will have strong management skills and experience and is well organized. Site coordinators work with the Quality Reviewers to ensure volunteers prepare accurate tax returns. Site coordinators encourage volunteers to use Internal Revenue Service publications, quick reference guides, quality review checklists and interviewing techniques to determine the taxpayer's eligibility for allowable credits, adjustments and deductions.

***Helpful Tips:***

- Always give a prospective volunteer a written job description. It adds credibility to the volunteer position and reduces misunderstandings.
- Utilize a schedule to follow-up on or track each volunteer position.

**Volunteer Recruitment**

It is best to start with your local volunteer service center. E-mail solicitations work well, at virtually no cost. Utilize social networking and other website opportunities to post volunteer announcements. Some sites allow the creation of a fan club or membership for your program. Flyers, mailers, ads in local periodicals, radio and television public service announcements and community presentations all have the possibility to raise interest in the program. Ask board members and staff to refer volunteers to the program. While various costs are associated with each method, using a variety of approaches will ensure the largest market coverage.

Many programs have found success recruiting through civic groups, local businesses, faith-based organizations, sororities and fraternities, local chambers of commerce, Parent / Teacher Associations (PTAs), government agencies, and professional organizations such as the American Institute of Certified Public Accountants (AICPA), Service Corps of Retired Executives (SCORE), and even high school students. Most colleges and universities require their students to complete community service and will refer their students to a local ETIC program. Also, advertise through the Accounting and Business Schools at local colleges and universities. Contact your IRS representative for referrals of retired IRS agents and tax preparers.

The personal touch is always the second step in any recruitment campaign. One person's passion is infectious and will garner more volunteer participation than any other means. Always keep volunteers informed of dates and times for pre-season meetings and



trainings by following-up with recruitment calls and letters. Plan an individual or group welcoming orientation to express appreciation for their interest and to make certain all volunteers start off on the right foot.

Be consistent with all volunteers and keep the lines of communication open. Stay in touch – especially during the first critical weeks when the program is just getting off the ground and your volunteers are new.

### ***Helpful Tips:***

- Consider giving an incentive for every new volunteer recruited to the program.
- Place a listing with the local community volunteer service center, Retired Senior Volunteer Program (RSVP), AICPA, and SCORE.
- Send a thank-you card to volunteers, including returning volunteers, immediately after volunteers sign-up for the program.

## **Volunteer Training**

Training is one of the most daunting aspects of the program to new and potential volunteers. It is important to inform each volunteer of your program's expectations and how the training will support them in achieving these expectations (**see Appendix G**). Communication is the key to success; confirmation letters, e-mails, and/or phone calls all work to cement the relationship between the volunteer and the program. The training phase is also the point to begin to foster a sense of teamwork. Cooperation among volunteers is essential if a site is to run smoothly and effectively. Help individuals feel like they are part of the team and they will give their best.

There are three facets to training volunteers about the EITC program: 1) technical tax law and preparation skills; 2) computer-based software training; and 3) customer relations. The IRS provides excellent free to low-cost training materials and resources to help build tax preparation technical skills. There are many customer service staff development programs available that are helpful. This section will identify some of the basic customer relation skills volunteers will need.

***Technical Skills:*** Tax preparation training should be a combination of classroom and computer-based training on the Tax Wise software program. The tax law can be taught by a trained instructor or through self-study using IRS Publication 678 and/or the IRS website *Link & Learn Taxes* ([www.irs.gov](http://www.irs.gov) - keyword "Link & Learn").

***E-File*** is the preferred system for submitting tax returns. Using tax preparation software greatly increases return compliance and reduces errors. *E-File* is fast, efficient, and taxpayers receive their refunds in record time – often within 10 working days of transmission. *TaxWise* is the IRS sanctioned software used at all VITA sites, and is provided

to the VITA sites free of charge by the IRS Stakeholders Partnership Education and Communication (SPEC) division.

**Link & Learn Taxes** (<http://www.irs.gov/app/vita/>) is an online course of study broken into six modules. Students learn, at their own pace, and are tested at the end of each module. The first module, titled “Course Introduction”, teaches students how to take the course. The “Basic” and “Wage Earner” modules are required for all volunteer tax preparers donating time at a VITA site. “Pension Earner” is geared toward the retired taxpayer and is compulsory for those sites assisting the over 65 population. Likewise, the “Military” module is mandatory for the military tax return.

**Publication 678** is a self-study text that covers the same information as the online *Link & Learn*. It is available free of charge from the local IRS SPEC office and includes an open book test. All volunteers, even those who are professional tax preparers, are required to take the IRS VITA certification test prior to preparing any tax returns.

The IRS provides additional training support materials in an EITC Toolkit available at [www.irs.gov/eitc](http://www.irs.gov/eitc). The toolkit is a valuable resource and reference guide for teaching volunteers the basics of the EITC. The toolkit also includes the ***Volunteer Standards of Conduct document, IRS form 13615***, which must be signed by each volunteer after they complete training and before they begin service at a VITA site.

### ***Helpful Tips:***

- Be aware of other tax credits that are beneficial to taxpayers; **(see Appendix H)**.
- Make certain that the training meets IRS requirements.

## **Volunteer Retention**

The same principles that attract volunteers to participate will keep them engaged year after year. Open and frequent communication is fundamental to the success of any volunteer program. Establishing clear rules and expectations are the hallmarks of a successful program. Volunteers need to know what is expected of them; give them tools, encouragement, and acknowledgement and they will build the program.

Each volunteer provides a valuable service by preparing tax returns, greeting taxpayers, preparing brochures for distribution, or doing quality control checks. Volunteers, that feel a sense of accomplishment from his/her experiences, are more likely to continue to volunteer with a program. Ensure that each volunteer knows that he/she is a valuable member of the team by frequently thanking and encouraging them.

Make volunteering at the sites something to look forward to. The physical comfort of the site is a priority. The site itself should be a clean, cheerful and safe environment. The site coordinator will assume much of this responsibility. Coffee, water, perhaps a snack or

two are worth their weight in gold to a busy volunteer. Local food banks are great sources for these “in-kind” donations.

***Helpful Tip:*** Helping people and the community are why many people volunteer. Be sure to share program results with the volunteers.

## **Volunteer Recognition**

Often overlooked is an end of tax season celebration. Volunteers will return for the next tax season if they believe their hard work and dedication are of value to the team and their community. The recognition need not be elaborate, but can be made memorable by enhancing the team aspect of the site and acknowledging the spirit of volunteerism. Celebrations can range from a simple cake and coffee reception to a more elaborate recognition dinner. Whatever the scale of the celebration, each volunteer should, at minimum, receive a Certificate of Appreciation. The resource section of this guide includes websites on creative and low cost volunteer recognition, such as the President’s Volunteer Service Award, a community volunteer service award given by the White House.

Recognition of community organizations that participated should be an integral part of any recognition event. Acknowledgement letters to local companies, thanking them for employee involvement in the program is an excellent way to recognize partners and each volunteer for a job well done.

***Helpful Tip:*** Use the media to highlight your program and personally thank each volunteer by name.

## Section V

# Asset-Building

*“Few people ever spend their way out of poverty.  
Those who escape, do so through saving and investing for long-term goals.”*  
- - Michael Sherraden, Director, Center for Social Development

Asset building has a natural link with tax preparation, the EITC, and community action. Asset building strategies combined with EITC programs work together to provide a complete, well rounded, high impact asset development initiative to lift people out of poverty and move them to economic security.

### Asset Building Disparity

The history of asset building can be seen in such initiatives as the Homestead Act and the GI Bill, yet these initiatives did not reach all citizens and ostracized some groups. Low-income citizens for the most part have been left out of asset building strategies of the past. It is this isolation that has left a disparity between rich and poor and income and assets. With the emergence of asset building for low-income people, the CASH Campaign seeks to extend asset policy initiatives and services to low-income families.

Research is showing that increased household income alone is not enough to enable poor families to lift themselves up and out of poverty. What does appear to be a significant influence in achieving economic self-sufficiency is to pair financial education with incentives to save money and accumulate assets or wealth. Assets are a measurement or indicator of an individual or family’s access to life’s opportunities. It is this accumulation of assets that helps to create the opportunity to secure a better, more stable life for the family, and build a better community.

### Net Worth and Asset Poverty

Net worth is measured by subtracting a family’s liabilities or debts from its assets. When a household or person does not have sufficient financial resources or access to resources to enable them to meet basic needs for a limited period of time, they are considered to be “asset poor”. Poverty trends over the previous decade show asset poverty steadily increasing.

Historically, “for every \$10 Americans earn, they spend \$9.99.” Many people were raised **hearing that they need** to save, but few were ever **taught how** to save. Individual Development Accounts (IDA) programs help low-income working and poor families learn how to save money and become part of the “American Dream.”

## **The Natural Link with Community Action Partnerships**

Community Action Partnerships (CAPs) can make a difference by introducing clients to high impact strategies that are focused on creating economic independence and wealth accumulation opportunities. As a lead agent in free tax preparation and EITC outreach partnerships, CAPs can provide unprecedented access to asset building strategies through trust established within the communities. CAPs have typically been associated with programs and strategies that focus on supplementing a family's income and emergency assistance.

Income maintenance and emergency assistance are important programs that provide necessary assistance in cash, health care, food, and more to help low-income families in hard times. These programs give CAPs access to millions of families each year.

Sometimes families deplete their assets before qualifying for services and taking advantage of emergency and income maintenance programs. This is known as "asset stripping." CAPs can minimize asset stripping by establishing a connection with families and better understanding their experience with services, while providing education on asset building, wealth accumulation, financial education, and overall asset building strategies.

## **The Natural Link with Tax Time**

Tax time presents the most opportune time for linking tax credits, cash, financial education, and asset building strategies together. The tax refund may be the largest sum of money that low income families will receive in a year. It is necessary to have the venue and resources available, to encourage and educate families to make the best use of the financial resource. Implementing a VITA site allows for **access** to asset building programs, while doing EITC outreach allows for dissemination and education on **how to apply** tax refunds to an asset building program.

During tax time, low-income families are preparing their taxes and focused on a potential cash return. At this critical time, information regarding asset building opportunities can be conveyed utilizing printed brochures, pamphlets, flyers, postcards, as well as on-site bank representatives, counselors, and more. Dissemination of information will lead to more client participation in tax preparation and asset building programs. Some agencies have even enrolled people into on-site programs and classes. This process is effective; it offers the taxpayer an opportunity to commit to and begin a program prior to spending their refund.

Tax time onsite information and enrollment has proved to be beneficial to CAPs, as it provides access to taxpayers who may otherwise not have access. Some sites have partnered with banks to offer free accounts, free check cashing, low-cost or free financial education.

CAPs can provide information and education on other programs that they may offer. This also begins a trend for the taxpayer; linking tax time with thoughts of savings and asset

accumulation services. Tax time allows for maximum impact on an asset building campaign by reaching people at a time when finances are on their mind.

Tax time can also be a year round venture for the agency in line with asset building strategies such as savings, financial education, and IDAs. Some agencies have chosen to provide free tax preparation all year around, in line with other programs. This allows new filers and late filers to begin to understand the importance of tax preparation and linked services. Year round tax preparers typically do amended and prior year returns. These returns have the capability of bringing even more dollars back to the client, increasing the need for access to asset building services.

### **Asset Building Strategies may include:**

- Earned income tax credit access
- Individual Development Accounts
- Homeownership
- Financial Education
- Retirement programs
- Employer Benefit Programs
- Small Business expansion
- Small Business development
- Human Capital development

### **Assets for Independence Act (AFI) of 1998**

The AFI legislation authorized and funded a 5-year, \$125 million national Individual Development Accounts (IDA) demonstration grant managed by the U.S. Department of Health and Human Services, Administration of Children and Families, Office of Community Services (OCS). AFI builds upon welfare reform policy changes of 1996 and views asset accumulation as a high impact component of the self-empowerment strategy set forth in the welfare reform legislation. IDAs are emerging as one of the most promising tools enabling families to accumulate assets, primarily because IDAs empower families to make an investment in themselves, creating the ladder needed to climb out of poverty.

### **Savings Initiative**

In 2007, the IRS released the “refund splitting” program. This feature was created to allow taxpayers to direct deposit their refund into multiple accounts, encouraging savings. Taxpayers can deposit their refund in up to three different accounts, including retirement

accounts. With marketing and outreach, agencies can encourage families to increase savings activity automatically at tax sites.

To utilize refund splitting, IRS created form 8888 to determine the split between accounts. Taxpayers need their account and routing numbers for each destination to have the federal tax split among accounts. For more information on Federal tax refund splitting, please visit <http://www.splitrefunds.net/index.php>

Also in California, the state tax can also be split among two accounts. California was the first state to allow for this savings tool. For more information on the California tax refund split, visit [www.assetpolicy-ca.org](http://www.assetpolicy-ca.org)

### **The American Recovery and Reinvestment Act (ARRA)**

The American Recovery and Reinvestment Act (ARRA) provides a temporary increase in the earned income tax credit (EITC) for taxpayers with three or more qualifying children. The maximum EITC for this new category is \$5,657. ARRA also increases the beginning point of the phaseout range for the credit for all married couples filing a joint return, regardless of the number of children. These changes apply to 2009 and 2010 tax returns.

Prior to ARRA, if an EITC-eligible single parent married another low-income worker, because the couple must combine their incomes for EITC purposes, and since the EITC phases out at higher incomes, they risked reducing their credit or losing their eligibility altogether. ARRA addressed this problem by raising the income levels for married couples, allowing them to have a higher combined income without losing their benefit. The extra benefit of ARRA can be maximized with an asset building strategy such as an IDA or a savings bond.

### **Benefits/Changes Noted with the Acquisition of Assets**

According to research by the Corporation for Economic Development (CFED), when people acquire assets,

on a personal level they:

- Develop an increased sense of well-being,
- Gain knowledge and experience in managing family economics,
- Develop confidence in the power of saving and investing,
- Provide greater household stability,
- Become oriented to long-term thinking and planning,
- Improve their chances of homeownership,
- Increase home values,

- Enhance the well-being and life of children,
- Have assets available to pass on to children,
- Develop their own human capital potential,
- Provide a foundation for prudent entrepreneurial risk-taking

and at the community level, they:

- Note increased social status and social connectedness,
- Be inspired to participate more in community issues,
- Increase their commitment to the quality of their neighborhoods,
- Build safer communities by working to reduce juvenile delinquency and domestic violence,
- Enhance networks of organizations and institutions serving low-income neighborhoods,
- Strengthen neighborhood leadership and stability.

Asset accumulation clearly demonstrates that people can change their thinking and behavior in positive ways, when asset accumulation and IDAs are aligned with Results Oriented Management and Accountability (ROMA) goals and National Performance Indicators (**see Appendix B**) of this guide.

Higher education, home ownership and small business enterprise are all ladders that can help working poor families climb out of poverty. Given the evidence that asset accumulation has a positive impact on families and communities, the CASH Campaign advocates that member agencies consider expanding their capacity by including this high-impact strategy in their portfolio of anti-poverty strategies. Check out the Cal/Neva website [www.cal-neva.org](http://www.cal-neva.org) for more information about funding opportunities as well as training and technical assistance in developing an IDA program.

***Helpful Tip:*** Partner your EITC campaign with an asset development program. The CASH Campaign encourages every campaign to partner with an asset-building or self-sufficiency program to help sustain EITC and maximize benefits to the taxpayers.

***“Money is what we use to get by; assets are what we use to get ahead.”***

- - John Edwards, Former Senator, North Carolina



## **Section VI**

# **Evaluation and Data Collection**

Program evaluation is essential to determine which aspects of the EITC program will work best in your community. Data collected through a demographic/customer satisfaction survey can provide information to assess the success of the program.

The Tax Wise tax preparation software provides seven undefined fields that can be used by each community to define data to be collected on taxpayers. This customization enables CAP agencies to maintain local control over their EITC programs. Data is collected and tracked, that not only meets IRS guidelines, but also reflects the local community. All taxpayer information is kept confidential; statistics are maintained separately from the taxpayers' identification.

Volunteer Screeners at the VITA sites distribute the survey to taxpayers to complete. The data is entered during the preparation of the return. Reports are then generated that aggregate total numbers without revealing individual identities for privacy purposes

Data and reports from the Tax Wise customized survey can be used to report on National Performance Indicators (NPIs). CAP agencies should review the NPIs to determine which indicators can be met by their local EITC programs. On a local level, CAP agencies can use reports to provide follow-up asset-building services to taxpayers who expressed interest.

### ***Helpful Tips:***

- EITC programs generate a volume of data that is best maintained electronically in a database or spreadsheet.
- Enter data at least weekly to prevent backlogs of data entry.
- Reconcile data at least monthly to correct any errors and to revise program activities.

## Appendix A: Glossary

TERM	DEFINITION
Community Action Sharing Hope (CASH) Campaign	A partnership of California Community Action Agencies that was formed to develop and link Earned Income Tax Credit programs with asset-building programs throughout California.
Earned Income Tax Credit (EITC)	A federal tax credit for mid to low-income working individuals and families.
High-impact Programs	Programs with strategies that achieve self-sufficiency for poor families.
Memorandum of Agreement/Understanding (MOA/ MOU)	A formal agreement that defines the roles and expectation of partners.
National Performance Indicators (NPIs)	A uniform and coherent system for reporting the activities and achievements of community action agencies at the national level.
Results-Oriented Management and Accountability (ROMA)	A sound management practice that incorporates the use of outcomes or results into the administration, management, and operation of human services.
Volunteer Income Tax Assistance (VITA)	A program run by trained volunteers offering free tax preparation services to low-income taxpayers.
Volunteer Refund Preparation Programs (VRPP)	Programs that provide free tax return preparation assistance, e.g. Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE).

## **Appendix B: National Results-Orient Management and Accountability (ROMA) Goals**

Six National ROMA Goals and 16 National Performance Indicators Summary

<http://www.roma1.org/554/interior.html>

<http://www.nascsp.org/>

### Goal 1: Low-Income People Become More Self-Sufficient (Family)

National Performance Indicator 1.1 Employment

National Performance Indicator 1.2 Employment Supports

National Performance Indicator 1.3 Economic Asset Enhancement and Utilization

### Goal 2: The Conditions in Which Low-Income People Live are Improved (Community)

National Performance Indicator 2.1 Community Improvement and Revitalization

National Performance Indicator 2.2 Community Quality of Life and Assets

National Performance Indicator 2.3 Community Engagement

National Performance Indicator 2.4 Employment Growth from ARRA Funds

### Goal 3: Low-Income People Own a Stake in Their Community (Community)

National Performance Indicator 3.1 Community Enhancement through Maximum Feasible Participation

National Performance Indicator 3.2 Community Empowerment through Maximum Feasible Participation

### Goal 4: Partnerships Among Supporters and Providers of Service to Low-Income People are Achieved (Agency)

National Performance Indicator 4.1 Expanding Opportunities through Community-Wide Partnerships

### Goal 5: Agencies Increase Their Capacity to Achieve Results (Agency)

National Performance Indicator 5.1 Agency Development

### Goal 6: Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems (Family)

National Performance Indicator 6.1 Independent Living

National Performance Indicator 6.2 Emergency Assistance

National Performance Indicator 6.3 Child and Family Development

National Performance Indicator 6.4 Family Supports (Seniors, Disabled and Caregivers)

National Performance Indicator 6.5 Service Counts

## Appendix C: Sample EITC Program Timeline

<p style="text-align: center;"><b>June</b></p> <ul style="list-style-type: none"> <li>• Conduct Community Needs Assessment to better understand current resources being provided and determine what need exists</li> <li>• Convene a planning/coalition building meeting, inviting potential partners and stakeholders to discuss collaborative, funding, services to be provided and how they can become involved</li> <li>• Establish a name for the collaborative</li> </ul>	<p style="text-align: center;"><b>July</b></p> <ul style="list-style-type: none"> <li>• Form a governance council/steering committee and establish short and long-term campaign goals, organizational structure and distribution of work load</li> <li>• Contact IRS to discuss their role, in-kind support, volunteer training, tax preparation software, and computer specifications for tax prep sites</li> <li>• Work with steering committee to develop volunteer recruitment and marketing plan</li> </ul>	<p style="text-align: center;"><b>August</b></p> <ul style="list-style-type: none"> <li>• Begin identification of potential tax prep sites for the upcoming season</li> <li>• Continue resource identification process to develop budget for outreach/marketing for volunteers, taxpayers, and additional partners</li> <li>• Develop outreach and volunteer recruitment materials</li> </ul>
<p style="text-align: center;"><b>September</b></p> <ul style="list-style-type: none"> <li>• Establish what tax preparation and financial education services will be provided at the volunteer sites and identify the provider</li> <li>• Finalize volunteer training schedule and begin volunteer recruitment</li> <li>• Finalize volunteer sites</li> </ul>	<p style="text-align: center;"><b>October</b></p> <ul style="list-style-type: none"> <li>• Begin volunteer tax preparation training</li> <li>• Contact IRS to obtain Electronic Filing Identification Numbers (EFIN) and reserve tax preparation software for each site</li> <li>• Hire staff required to manage EITC campaign and begin data collection and tax preparation training</li> <li>• Order additional resource materials for hand out bags at tax sites; include partner materials as well</li> </ul>	<p style="text-align: center;"><b>November</b></p> <ul style="list-style-type: none"> <li>• Begin outreach to community-based and faith-based organizations to promote free tax sites and enlist additional partners</li> <li>• Begin planning for kick-off events on first day of tax preparation in January</li> <li>• Allocate or purchase equipment for site operations, i.e. laptop computers, printers, copiers etc.</li> <li>• Identify volunteers with prior experience who can act as site coordinators and mentors to new volunteer</li> </ul>

## Appendix C – Sample EITC Program Timeline (continued)

<p style="text-align: center;"><b>December</b></p> <ul style="list-style-type: none"> <li>• Begin marketing campaign to taxpayers via utility bill stuffers, outreach flyers and posters, public service announcements and print media advertisements</li> <li>• Conduct volunteer job specific training</li> <li>• Select public officials to be invited as featured guests at Opening Day press conference</li> <li>• Arrange media coverage for Opening Day press conference</li> </ul>	<p style="text-align: center;"><b>January</b></p> <ul style="list-style-type: none"> <li>• Continue public education outreach campaign advertising free tax prep sites</li> <li>• Finalize volunteer assignments and training for each free tax prep site</li> <li>• Install, test and update tax preparation software at all sites</li> <li>• Open tax sites and conduct Opening Day press conference</li> <li>• Begin data collection process at sites</li> </ul>	<p style="text-align: center;"><b>February</b></p> <ul style="list-style-type: none"> <li>• Continue public education outreach campaign advertising free tax prep sites</li> <li>• Begin financial education training</li> <li>• Monitor flow of tax payers utilizing free sites to ensure adequate volunteer staffing levels to mirror needs</li> <li>• Provide continuing education support and training for volunteers to ensure quality customer service is being provided</li> <li>• Begin developing plans for Wrap-up press conference for the 1<sup>st</sup> weekend of April</li> </ul>
<p style="text-align: center;"><b>March</b></p> <ul style="list-style-type: none"> <li>• Continue to monitor flow of taxpayers utilizing free sites to ensure adequate volunteer staffing levels</li> <li>• Continue monitoring customer service quality at sites and offer additional training as required</li> <li>• Secure public officials and partners to attend Wrap-up press conference</li> </ul>	<p style="text-align: center;"><b>April</b></p> <ul style="list-style-type: none"> <li>• Continue to monitor flow of taxpayers utilizing sites and increase volunteers as needed</li> <li>• Hold Wrap-up press conference during 1<sup>st</sup> weekend to focus attention on free sites</li> <li>• Close out volunteer sites at conclusion of tax filing season</li> </ul>	<p style="text-align: center;"><b>May</b></p> <ul style="list-style-type: none"> <li>• Finalize data reports, analyze and evaluate campaign performance</li> <li>• Continue community financial education and referrals to IDA and asset-building programs</li> <li>• Conduct Recognition ceremony for volunteers and partners</li> <li>• Begin planning for next tax season</li> </ul>

# Appendix D:

## (YOUR AGENCY NAME) IN-KIND GIFT / VOLUNTEER RECEIPT



**Instruction:** Complete form as each service rendered or donation received.

<b>Donating Agency/Institution/Individual:</b>		
<b>Address:</b>		
<b>Contact Person:</b>		<b>Title:</b>
<b>Phone:</b>	<b>Fax:</b>	<b>E-mail Address:</b>
<b>Program/Purpose</b> (Identify the program , such as EITC, to which services or donations are being given)		
<b>Item/Service Description</b> (i.e. Volunteer hours, office space, cash donation)		
<b>Date(s) Received/Rendered:</b>		
<b>SERVICE</b>		<b>ITEM</b>
Total Number of Days _____ or Hours _____		Quantity _____
<b>Fair Market Value:</b> Hourly Rate: \$ _____ Daily Rate: \$ _____ Flat Rate: \$ _____		<b>Fair Market Value Per Unit:</b> \$ _____
Total Fair Market Value: \$ _____		Total Fair Market Value: \$ _____

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Name (please print)**

\_\_\_\_\_  
**Title**

Return this Form to:  
Your Agency Name  
Address  
City, State Zip Code

## Appendix E-1: EITC Resources

### **California/Nevada Community Action Partnership:**

[www.cal-neva.org](http://www.cal-neva.org) The California/Nevada Community Action Partnership (Cal/Neva) is the member Association of California and Nevada Community Action Agencies (CAA's) and other non-profit organizations that together serve more than 4 million low income individuals each year.

### **AARP Tax-Aide:**

[www.aarp.org/taxaide](http://www.aarp.org/taxaide) Offers tax counseling, frequently asked tax questions, program information, volunteer opportunities, and, from February 1 to April 15, the locations of free Tax-Aide tax filing sites nationwide. AARP Tax-Aide helps taxpayers with middle and low-incomes, with special attention to those ages 60 and older. AARP Tax-Aide provides 24-hour year-round Internet tax counseling service at its web site. Taxpayers can pose questions online and get quality-reviewed answers back within a few business days. Interested volunteers with web access can sign up online at the website.

### **Annie E. Casey Foundation, National Tax Assistance for Working Families Campaign:**

<http://www.aecf.org> The Annie E. Casey Foundation National Tax Assistance for Working Families Campaign seeks to build the capacity of participating local campaigns and to increase national attention to the importance of the EITC, free or low-cost tax preparation services, and asset development for low-income working families. This website provides valuable information and resources to campaign site leaders, volunteers, policymakers, advocates and the general public.

### **Brookings Institution Metropolitan Policy Program:**

<http://www.brookings.edu/topics/earned-income-tax-credit.aspx> Available state and local data on the number of EITC claims filed and refund dollars received can be used effectively to generate support for EITC initiatives. Reports using this data can assist with outreach efforts and are available at this website. It provides guidance on how these data reports can be used to describe the local impacts of the credit and efforts to increase the number of eligible families claiming it.

### **Center on Budget and Policy Priorities:**

Community Outreach Kit <http://eitcoutreach.org/category/outreach-works-have-you-heard> This Kit provides a guide to outreach strategy on the EITC and Child Tax Credit, fact sheets and outreach tools such as flyers, posters and envelope stuffers to organizations planning to conduct community outreach efforts on tax credits for low- and moderate-income workers. The Kit is updated each year and distributed to over 20,000 organizations. A free hard copy of the Kit will be mailed to any organization, which requests it. Requests for the Kit can be made at the website, which also provides translations of an outreach flyer in 19 languages other than English and Spanish.

### **The Hatcher Group, State EITC On-Line Resource Center:**

[www.stateeitc.com](http://www.stateeitc.com) Provides ready access to research, resources and updated information about state Earned Income Tax Credits and efforts to enact the credit in particular states. It

features a “50 State Resource Map,” providing a quick status report on each state’s EITC or efforts to enact one, as well as a state contact for more information.

**Internal Revenue Service, Stakeholder, Partnership, Education and Communication (SPEC):**

[www.irs-eitc.info/SPEC](http://www.irs-eitc.info/SPEC) This site is an electronic EITC tool-kit for community partners and IRS SPEC employees. It contains a variety of fact sheets and links to assist communities in developing and implementing Community Based Partnerships that link education and awareness of federal tax credits (including the EITC and Child Tax Credit) with free tax preparation services and asset-building opportunities. The site provides state-by-state IRS data on EITC claims.

**National Assembly of Health and Human Service-Family Strengthening Policy Center:**

<http://www.nassembly.org/fspc/News/Default.aspx?ID=144> The Assembly has produced a toolkit for nonprofit organizations, encouraging them to extend EITC to their employees and clients. It builds on the fine work of others in the Partnership but tailors the appeal to nonprofit agencies and particularly how they can make EITC known to their lower-earning employees.

**National Community Tax Coalition:**

[www.tax-coalition.org](http://www.tax-coalition.org) Drawing on the experience and materials developed by the Center For Economic Progress’ Tax Counseling Project in Illinois and hundreds of community tax preparation programs, this site features a resource library to assist organizations to operate free tax preparation programs, carry out EITC outreach, and serve immigrant taxpayers. A “Program Locator” provides state-by-state information on free tax preparation programs.

**National League of Cities:**

<http://www.nlc.org/IYEF/EITC/> This on-line tool kit for Municipal Leaders describes steps that mayors, city council members, and other municipal leaders can take to help working families by developing outreach campaigns to claim federal benefits like the EITC. It suggests how to get started, describes proven outreach strategies, and offers background information and additional resources.

**Points of Light Foundation & Volunteer Center National Network:**

<http://www.pointsoflight.org/> This website is devoted to building and strengthening volunteer engagement in connecting low-income families to the Earned Income Tax Credit. The site seeks to provide information and resources to enable all community sectors (including Volunteer Centers, businesses, schools, nonprofits, government agencies, faith based organizations, and volunteers) to become engaged as partners in local EITC/Asset Development Volunteer Initiatives.

**The President’s Volunteer Service Award:**

<http://www.presidentialserviceawards.gov/> This is an initiative of the President’s Council on Service and Civic Participation. The website describes various service award levels based upon volunteer hours contributed to the community. Volunteers receive a pin, a personalized



certificate of achievement, and a personalized congratulatory letter from the President of the United States.

## Appendix E-2: Websites

EITC Publications and Forms: <http://www.irs.gov/individuals/article/0,,id=96406,00.html>

- **Publications:**
  - Publication 3, Armed Forces' Tax Guide
  - Publication 517, Social Security and Other Information for Members of the Clergy & Religious Workers
  - Publication 596, Earned Income Credit (English and Spanish)
  - Publication 972, Child Tax Credit
- **Forms:**
  - Form 1040 (Schedule EIC) Earned Income Credit
  - Form 4029, Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits
  - Form 4361, Application for Exemption from Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners
  - Form 8812, Additional Child Tax Credit
  - Form 8862, Information To Claim Earned Income Credit After Disallowance
  - Form W-5, Earned Income Credit Advance Payment Certificate

### **Web sites:**

For more information about the IRS, visit [www.irs.gov](http://www.irs.gov)

For more information about the EITC, visit  
<http://www.irs.gov/individuals/article/0,,id=96406,00.html>

To view the Electronic Press Kit, visit <http://www.eitc.irs.gov/central/main/>

For information about efile, visit [www.irs.gov/efile](http://www.irs.gov/efile)

For more information about California taxes, visit [www.ftb.ca.gov](http://www.ftb.ca.gov)

For more information about the CASH Campaign, visit the Cal/Neva website at  
[www.cal-neva.org](http://www.cal-neva.org)

# Appendix F-1: EITC Volunteer Application

## EITC Volunteer Application

This application is for new and returning VITA volunteers and must be completed each year. Please fill in the appropriate information and mail or fax your application to:

**INFORMATION ABOUT YOU:**

Last Name \_\_\_\_\_ First Name \_\_\_\_\_

Home Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Home Phone (\_\_\_\_)\_\_\_\_-\_\_\_\_ Work Phone (\_\_\_\_)\_\_\_\_-\_\_\_\_ Ext. \_\_\_\_\_

Cell Phone (\_\_\_\_)\_\_\_\_-\_\_\_\_ Email \_\_\_\_\_

Languages spoken other than English (including sign) \_\_\_\_\_

Are you a previous VITA volunteer? \_\_\_\_ no \_\_\_\_ yes. If yes, how many years? \_\_\_\_\_

**\*All volunteers are asked to donate a minimum of 20 hours during the tax season.**

**INFORMATION ABOUT VOLUNTEERING:**

Please check the volunteer opportunities you are interested in (see attached volunteer descriptions):

\_\_\_\_ Volunteer Screener      \_\_\_\_ Volunteer Tax Assister      \_\_\_\_ Volunteer Interpreter  
 \_\_\_\_ Volunteer Quality Reviewer      \_\_\_\_ Volunteer Site Coordinator

Have you ever prepared tax returns using Tax Wise software? \_\_\_\_ no \_\_\_\_ yes

When are you available to volunteer? Please fill-in all that apply:

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Morning						
Afternoon						
Evening						

Where would you prefer to volunteer? Please circle all that apply

Site A                      Site B                      Site C                      Site D

## **Appendix F-2: Volunteer Position Description**

### **Volunteer Screener**

#### **Program:**

The Volunteer Income Tax Assistance (VITA) Program offers free tax help to people who cannot afford paid professional assistance. Volunteers help prepare basic tax returns for taxpayers with special needs, including persons with disabilities, non-English speaking persons and elderly tax-payers. Assistance is provided at community and neighborhood locations. All sites offer electronic filing.

#### **Purpose of Position:**

Provide support to the Volunteer Tax Assistors that volunteer at a VITA site. Performs screening of all taxpayers that are requesting assistance at the site to identify what type of return and tax schedules each taxpayer will need assistance with and to ensure the taxpayer has the necessary information required to complete his/her return. The screener usually does not have to pass the volunteer training test. If he or she does not pass the test, they are not allowed to perform quality review on technical issues but may check the return to make sure that procedural type items have been completed correctly. For instance, they may check the returns to make sure that the VITA return acronym is entered correctly.

#### **Length of Appointment:**

- January 1 through April 15; renewable upon agreement with the volunteer.

#### **Responsibilities:**

- Maintain the site's taxpayer sign-in sheet for all taxpayers requesting assistance at the site.
- Greet all taxpayers visiting the site to create a pleasant atmosphere.
- Perform screening process of all taxpayers:
  1. Survey taxpayers to determine the type of assistance they will need and the tax forms that will be required to complete their tax return.
  2. Ensure that taxpayer has brought the necessary information (e.g. W-2, 1099's, last year's return) from which a tax return can be completed.
  3. Complete taxpayer information sheet for Volunteer Preparer's reference.
  4. Ensure all taxpayers complete the Taxpayer Intake Survey Form.
  5. Codes all Taxpayer Intake Survey Forms for data entry.
- Monitor site traffic to ensure that sufficient time is allowed for all taxpayers being checked in at the site to receive assistance.
- Refer taxpayers with complex returns to a tax practitioner or firm. However, volunteers should never refer taxpayers to a specific practitioner or firm.
- Maintain confidentiality of taxpayer information.
- Provide general assistance to site patrons, including answering tax questions.
- Assist Volunteer Assistors as needed.
- Provides additional referrals to taxpayers as needed.

#### **Qualifications:**

- Basic tax knowledge (Form 1040, Form 1040A, and Form 1040EZ). Basic tax training will be provided as needed.
- Willingness to share time, skills, and interests – e.g., volunteer an average of 2 to 4 hours per week on VITA from approximately January 1 through April 15.
- Ability to deal with the public in a helpful and supportive manner.
- Pride in performing tasks completely and accurately.
- Friendly, dependable and flexible.

#### **Support Available:**

- Orientation, training and on-site support will be provided by the Community Action VITA Program Coordinator.

#### **Time Required:**

- The exact volunteer time required depends on specific responsibilities, number of other volunteers assigned to the VITA site, size of the VITA site and volume of traffic.

For more information, please contact \_\_\_\_\_

## **Appendix F-3: Volunteer Position Description**

### **Volunteer Tax Assistor**

#### **Program:**

The Volunteer Income Tax Assistance (VITA) Program offers free tax help to people who cannot afford paid professional assistance. Volunteers help prepare basic tax returns for taxpayers with special needs, including persons with disabilities, non-English speaking persons and elderly tax-payers. Assistance is provided at community and neighborhood locations. All sites offer electronic filing.

#### **Purpose of Position:**

Provide FREE tax return preparation assistance to taxpayers in the community, including those persons with a low to limited income, persons with disabilities, the non-English speaking, and elderly individuals.

#### **Length of Appointment:**

- January 1 through April 15; renewable upon agreement with the volunteer.

#### **Responsibilities:**

- Attend basic and/or refresher tax law training as needed, including the use of electronic filing software.
- Successfully pass a test on required tax law knowledge.
- Provide high-quality tax return preparation assistance to all taxpayers. Directly prepare taxpayer's return based on information provided by taxpayer or answer tax related questions.
- Interview taxpayer to determine if all income, deductions and allowable credits are claimed.
- Prepare only those tax returns for which training was provided.
- Prepare tax returns using electronic filing software.
- Refer taxpayers with complex returns to a tax practitioner or firm. However, volunteers should never refer taxpayers to a specific practitioner or firm.
- Identify all returns with the VITA acronym and site number.
- Ensure no compensation of any kind is accepted for the volunteer services provided.
- Complete and submit required statistical reports at the end of each volunteer shift.
- Maintain confidentiality of taxpayer information.
- Ensure on-site quality review is performed on completed returns prior to being returned to the taxpayer.
- Ensure a copy of the completed return is provided to the taxpayer.

#### **Qualifications:**

- Basic tax knowledge (Form 1040, Form 1040A, form 1040EZ). Basic tax training will be provided as needed.
- Willingness to share time, skills, and interests – e.g., volunteer an average of 2 to 4 hours per week on VITA from approximately January 1 through April 15.
- Basic computer skills for inputting tax return information.
- Pride in performing tasks completely and accurately.
- Deal with the public in a helpful and supportive manner, including interviewing skills.
- Interviewing skills training will be provided as needed.
- Friendly, dependable and flexible.

#### **Support Available:**

- Orientation, training and on-site support will be provided by the Community Action VITA Program Coordinator.

#### **Time Required:**

- The exact volunteer time required depends on specific responsibilities, number of other volunteers assigned to the volunteer site, size of the VITA site and volume of traffic. Time will also be required before January to attend either a basic or refresher tax law course, including the use of electronic filing software.

For more information, please contact \_\_\_\_\_.

## **Appendix F-4: Volunteer Position Description**

### **Volunteer Quality Reviewer**

#### **Program:**

The Volunteer Income Tax Assistance (VITA) Program offers free tax help to people who cannot afford paid professional assistance. Volunteers help prepare basic tax returns for taxpayers with special needs, including persons with disabilities, non-English speaking persons and elderly tax-payers. Assistance is provided at community and neighborhood locations. All sites offer electronic filing.

#### **Purpose of Position:**

Provide on-site review of all tax returns completed by Volunteer Tax Assistor's at the VITA site. Ensure every taxpayer visiting the site receives top quality service and that the tax returns are error-free.

#### **Length of Appointment:**

- January 1 through April 15; renewable upon agreement with the volunteer.

#### **Responsibilities:**

- Attend basic and/or refresher tax law training as needed, including the use of electronic filing software.
- Successfully pass a test on required tax law knowledge.
- Work with the Site Coordinator to establish a quality review process or procedure for the site.
- Ensure that all Volunteer Tax Assistors are aware of the Quality Review procedures.
- Perform review all tax returns for accuracy before the returns are provided to the taxpayer and/or are electronically filed.
- Provide feedback to Volunteer Tax Assistors regarding errors made on tax returns prepared at the site to reduce overall error rate.
- Complete and submit any required statistical reports on the quality of the returns prepared at a site to the Volunteer Site Coordinator at the end of each volunteer shift.
- Maintain confidentiality of taxpayer information.

#### **Qualifications:**

- Basic tax knowledge (Form 1040, Form 1040A and form 1040EZ). Basic tax training will be provided as needed.
- Willingness to share time, skills, and interests – e.g., volunteer an average of 2 to 4 hours per week on VITA from approximately January 1 through April 15.
- Basic computer skills for inputting tax return information.
- Pride in performing tasks completely and accurately.
- Ability to deal with the public in a helpful and supportive manner.
- Friendly, dependable and flexible.

#### **Support Available:**

- Orientation, training and on-site support will be provided by the Community Action VITA Program Coordinator.

#### **Time Required:**

- The exact volunteer time required depends on specific responsibilities, number of other volunteers assigned to the volunteer site, size of the VITA site and volume of traffic. Time will also be required before January to attend either a basic or refresher tax law course, including the use of electronic filing software.

For more information, please contact \_\_\_\_\_.

## **Appendix F-5: Volunteer Position Description**

### **Volunteer Interpreter**

#### **Program:**

The Volunteer Income Tax Assistance (VITA) Program offers free tax help to people who cannot afford paid professional assistance. Volunteers help prepare basic tax returns for taxpayers with special needs, including persons with disabilities, non-English speaking persons and elderly tax-payers. Assistance is provided at community and neighborhood locations. All sites offer electronic filing.

#### **Purpose of Position:**

Provide FREE interpreter services to taxpayers at a VITA site (e.g., non-English speaking and hearing-impaired.)

#### **Length of Appointment:**

- January 1 through April 15; renewable upon agreement with the volunteer.

#### **Responsibilities:**

- Work with the Volunteer Site Coordinator to provide free interpretation/translations as required at VITA sites.
- Ensure no compensation of any kind is accepted for the volunteer services provided.
- Complete and submit required statistical reports to Site Coordinator at the end of each volunteer shift.
- Ability to deal with the volunteers, stakeholders, partners, and the public in a helpful and supportive manner.
- Friendly, dependable and flexible.

#### **Qualifications:**

- Experienced interpreter. Volunteer Interpreter should be proficient in a particular interpreter skill (e.g., speaks and can translate to and from English, sign-language).
- Basic tax knowledge (Form 1040, 1040A, 1040EZ) is helpful, but it is not required for this position. Basic tax training will be provided.
- Willingness to share time, skills, and interests – e.g., provide interpreter services during the filing season (January 1<sup>st</sup> through April 15<sup>th</sup>).
- Pride in performing tasks completely and accurately.
- Ability to deal with volunteers, stakeholders, partners, and the public in a helpful and supportive manner.
- Friendly, dependable and flexible.

#### **Support Available:**

- Orientation, publicity, on-site and training support will be provided by the Community Action Partnership VITA Program Coordinator.

#### **Time Required:**

- The exact time required depends upon number of VITA sites that request the need for interpreter services or the number of special sites offering a specific interpreter skill.

For more information, contact \_\_\_\_\_.

# **Appendix F-6: Volunteer Position Description**

## **Volunteer Site Coordinator**

### **Program:**

The Volunteer Income Tax Assistance (VITA) Program offers free tax help to people who cannot afford paid professional assistance. Volunteers help prepare basic tax returns for taxpayers with special needs, including persons with disabilities, non-English speaking persons and elderly tax-payers. Assistance is provided at community and neighborhood locations. All sites offer electronic filing.

### **Purpose of Position:**

Provide coordination, organization, and supervision for all aspects of VITA site operation.

### **Length of Appointment:**

- October through May; renewable upon agreement with the volunteer.

### **Responsibilities:**

- Maintain a listing of volunteers that have successfully passed the VITA training and are interested in volunteering at the site.
- Maintain volunteer address and telephone list for purposes of assigning volunteers to corresponding sites.
- Once the hours of operation are established for the site, work with the Program Coordinator to develop a volunteer site schedule.
- Ensure that adequate volunteer coverage (including assistor, screener, quality reviewer,) supplies, and equipment is scheduled/maintained at corresponding VITA sites.
- Act as liaison between volunteers, the volunteer site(s) and taxpayers accessing the site.
- Gather/compile timely statistical reports from volunteers and provide the reports to the Community Action Program Coordinator at the end of each volunteer shift.
- Monitor site to ensure quality review is being conducted, privacy is being maintained and the VITA acronym is being correctly utilized on each return.
- Work collaboratively with Volunteer Interpreter(s) in establishing special VITA site(s) that focus on the Interpreter's skill (e.g., Spanish-speaking, hearing-impaired).
- Complete electronic filing of batched taxpayer returns at the conclusion of each volunteer shift. Site Coordinator is responsible for researching and resolving any rejection error codes and resubmitting corrected returns electronically.
- Submits weekly e-file transmission statistical reports to the Community Action Coordinator.
- At the conclusion of filing season, work with the Community Action Program Coordinator to host recognition event(s) or ceremony(ies) for volunteers.

### **Qualifications:**

- Organizational and leadership/management skills. Leadership training will be provided using the IRS Volunteer Leadership Enhancement Series publication (Pub. 1883) as needed.
- Basic tax knowledge (Form 1040, form 1040A and Form 1040EZ), although not a requirement for this position. Basic tax training will be provided as requested.
- Willingness to share time, skills, and interests – e.g., spend time each week from October through May in performing site coordinator responsibilities.
- Basic computer skills for inputting tax return information.
- Pride in performing tasks completely and accurately.
- Ability to deal with volunteers, stakeholders, partners and the public in a helpful and supportive manner.
- Friendly, dependable and flexible.

### **Support Available:**

- Orientation, technical, on-site and training support will be provided by Community Action Partnership VITA Program Coordinator.

### **Time Required:**

- The exact volunteer time required depends on specific responsibilities, number of other volunteers assigned to the volunteer site(s), size of the VITA site and volume of traffic. Time will also be required before January to attend either a basic or refresher tax law course as well as Volunteer Leadership training.

For more information, contact \_\_\_\_\_.



# Appendix G: Volunteer Training Schedule

This volunteer training reservation and scholarship application is for new and returning VITA volunteers and must be completed each year. Please fill in the appropriate information and mail or fax your reservation to: \_\_\_\_\_

**INFORMATION ABOUT YOU:**

Last Name \_\_\_\_\_ First Name \_\_\_\_\_

Home Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_ Zip Code \_\_\_ Home Phone (\_\_\_) \_\_\_ - \_\_\_ Work Phone(\_\_\_) \_\_\_ - \_\_\_ Ext. \_\_\_

Cell Phone (\_\_\_) \_\_\_ - \_\_\_ Email \_\_\_\_\_

Are you a previous VITA volunteer? \_\_\_no \_\_\_yes. How many years? \_\_\_\_\_

Are you CTEC certified?  no  yes. If yes, when? \_\_\_\_\_ By whom? \_\_\_\_\_

**INFORMATION ABOUT THE TRAINING:**

Community Action Partnership is providing California Tax Education Council (CTEC) certification training for all VITA volunteers **free of charge**. Upon successful completion of the training class and earning a passing score on the final examination, volunteers will be eligible to receive CTEC certification, showing competency as a tax preparer. Training consists of 60 hours classroom and computer instruction in preparing basic tax returns.

**ALL VOLUNTEERS ARE ASKED TO DONATE A MINIMUM OF 20 HOURS AT A COMMUNITY ACTION VITA SITE DURING THE TAX SEASON.**

Please select a training site and time that suits your schedule from the list below:

Location	Date & Time	Date & Time	Date & Time
*If you are interested in a class that has already started, the instructor will work with you so you can complete the training/certification process. Additional classes may be added as needed.			

Please register me for the 60 hour volunteer income tax preparation class as listed below:

Location: \_\_\_\_\_ Day/Time \_\_\_\_\_

Upon completion of the training, I agree to donate a minimum of 20 hours at one of the Community Action Partnership VITA free tax preparation sites.

Signature		Date

## Appendix H: Additional Tax Credits

**Additional Child Tax Credit:** The Credit is for individuals who do not benefit from the full amount of the child Tax Credit. The additional Child Tax Credit may give you a refund even if you do not owe any tax.

**Adoption Credit:** You may be able to take a tax credit for qualifying expense paid to adopt an eligible child. The credit may be more if the expenses are for the adoption of a child with special needs.

**American Recovery and Reinvestment Act (ARRA):** ARRA provides a temporary increase in EITC and expands the credit for workers with three or more qualifying children. These changes are temporary and apply to 2009 and 2010 tax years.

**Child and Dependent Care Credit:** You may be able to claim the credit if you pay someone to care for your child under age 13 so that you can work or look for work.

**Child Tax Credit:** A nonrefundable credit and may be as much as \$1,000 per qualifying child depending upon your income, as defined by Publication 972.

**Coverdell Education Savings Account:** This savings account can now be used to meet expenses for kindergarten through twelfth grade, tuition for private and parochial schools and expenses for state-approved home schooling, as well as college. Contributions are not deductible; however, qualified distributions are tax-free. Anyone can make contributions in the child's name, but the total cannot exceed the stated maximum for any one year.

**Health Coverage Tax Credit (HCTC):** The Health Coverage Tax Credit is a program that can help pay for nearly two-thirds of eligible individuals' health plan premiums. This website can help you figure out whether you are eligible for the HCTC and help you through the registration process. Please follow all instructions carefully so you and your family can receive the full benefit of this program.

### Saver's credit

If you make eligible contributions to an employer-sponsored retirement plan or to an individual retirement arrangement, you may be eligible for a tax credit. Like other tax credits, the saver's credit can increase a taxpayer's refund or reduce the tax owed. For income limits and eligibility requirements go to:

<http://www.irs.gov/newsroom/article/0,,id=107686,00.html>

**Qualified Tuition Programs:** This tax benefit includes programs established and maintained by one or more eligible educational institutions. The beneficiary may claim the HOPE or Lifetime Learning Credit on qualified expenses paid for with the funds distributed from the Qualified Tuition Program.

## References

Center on Budget and Policy Priorities

<http://www.cbpp.org>

*National Guide to Organizing and Reporting National Indicators of Community Action Performance.* Sacramento, CA: State of California Department of Community Service and Development (CSD) website: [www.csd.ca.gov](http://www.csd.ca.gov).

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Page-Adams, D. & Scanlon, E. (2001). *Assets, Health, and Well-Being: Neighborhoods, Families, Children, and Youth.* St. Louis, MO: Center for Social Development at Washington University.

United States Department of the Treasury - Internal Revenue Service

<http://www.ustreas.gov/>