

# Volunteer Income Tax Assistance (VITA) Sites

A REAL Solutions® Implementation Guide



## **Volunteer Income Tax Assistance (VITA) Sites – A REAL Solutions®**

**Implementation Guide** is a 2010 publication of the National Credit Union Foundation's REAL Solutions® program.

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Ellen Murtha	Santa Cruz Community Credit Union (\$81M in assets) in Santa Cruz, CA
Brian Zapf	Alternatives Federal Credit Union (\$67M in assets) in Ithaca, NY



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# Introduction

Volunteer Income Tax Assistance (VITA) is an Internal Revenue Service (IRS) program that offers free tax help to taxpayers who qualify based on a predetermined amount of annual gross income (for tax year 2009, those qualifying generally had incomes of \$49,000 or less). The program provides trained and certified community and credit union volunteers to help taxpayers with completion of their returns, ensuring they receive any special tax credits, such as the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). Another IRS program is the Tax Counseling for the Elderly (TCE) which provides free tax help to people aged 60 and older.

IRS research indicates 25% of eligible taxpayers fail to claim their EITC each year because they don't know they are entitled to the credit. This represents approximately 7 million households. Those most apt to miss out include people who have earned income but may not have a filing requirement, non-English speaking households, non-traditional families, the homeless and rural residents. The average EITC for 2009 was \$2,000, up from previous years because many households continued to feel the effects of the recession through lower incomes. These tax credits can effectively raise wages up to \$2.50 per hour. Of those who do claim the credit, 70% turn to commercial tax preparers that on average, charge \$160 to file a return.

## Tax Credits and Benefits Can Effectively Raise Wages Up to \$2.50 per hour

Assumptions	Case 1		Case 2	
Description	Single mother with two children, filing Head of Household. Worked full year (2000 hours) at \$6.50 per hour		Single mother with two children, filing Head of Household. Worked full year at \$12.00 per hour	
Adjusted Gross Income	<b>\$13,000</b>		<b>\$24,000</b>	
	<b>Federal</b>	<b>State</b>	<b>Federal</b>	<b>State</b>
EITC	\$4,204	\$210	\$2,036	\$102
CTC	\$0	-	\$788	-
Additional CTC	\$250	-	\$1,212	-
Withholding	\$500	\$130	\$1,200	\$700
Income Tax	\$0	-\$210	-\$788	-\$540
Refunds	\$4,954	\$130	\$4,448	\$262
Total Refund	<b>\$5,084</b>		<b>\$4,710</b>	
Percent of Income*	<b>39%</b>		<b>20%</b>	

\* - Avoiding the cost of paid preparers and Refund Anticipation Loans saves another \$260: 1-3% of total income. Assumes all filers have SSN's, all natural children.



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Many consumers who use commercial tax preparers also obtain refund anticipation loans (RALs) that are one- to two-week loans secured by the taxpayer's expected tax refund. According to the National Consumer Law Center<sup>1</sup>, there were 8.4 million RALs made during the 2008 tax-filing season, costing

<sup>1</sup> National Consumer Law Center, "Major Changes in the Quick Tax Refund Loan Industry," 2010 Refund Anticipation Loan Report.

consumers about \$738 million in RAL fees. The price for a typical RAL of \$3,300 was \$65 in 2008, down from \$100 for most RALs of that amount in 2007.

The report cites IRS data that 86% of taxpayers who filed for a RAL in 2008 were low-income. Nearly two-thirds (63%) of RAL borrowers were EITC recipients or 5.3 million households. Yet, EITC recipients accounted for only 16% of 2008 taxpayers. Thus, EITC recipients are largely over-represented among RAL borrowers. The study estimates that RAL fees alone drained \$465 million from EITC refunds with another \$42 million going to pay administrative and application fees.

For millions of low- to moderate-income families, tax time bring the largest windfall of cash they will see all year. It's an ideal opportunity for credit unions to help their communities by helping lower-income consumers keep more of their EITC refunds in their own pockets. It's an ideal opportunity to connect more families to the benefits of credit union membership by offering appropriate savings mechanisms and even alternative RALs for tax filers' refunds.

The Brookings Institute offers a site that offers extensive information about EITC filers by state, county, metro, zip code, and legislative district. It also includes RAL information, but the data is dated. The site can be accessed at: <http://www.brookings.edu/metro/EITC/EITC-Profiles.aspx>.

This implementation guide is intended to provide credit unions with the following:

- How and why to participate in a VITA operation;
- Some best practices examples;
- Steps to sponsoring a VITA site;
- Marketing VITA;
- Certificate training processes;
- Complimentary products to a VITA operation;
- How to measure and report successes; and
- Plenty of resources and references.

# Considerations

There are a number of ways a credit union can assist with a VITA program in its community. Some of these include:

- Help get the word out about VITA sites in the community
  - Post notices or pass out leaflets to members to increase awareness of EITCs and how to collect these credits
  - Post notices or pass out leaflets to members about VITA and the locations of nearby VITA sites and their hours
  - Sponsor PSAs about EITC and VITA
- Volunteer at a site as a non-certified volunteer
  - Greeter
  - Volunteer recruiter
  - Equipment coordinator
  - Computer specialist
  - Interpreter
- Open deposit accounts for filers at a site
  - Help filers with fast, free tax refunds via direct deposit into credit union accounts
- Provide financial education at a site
- Donate equipment materials to a site
  - This could include computers, printers, adding machines, etc.
- Host a site at a credit union location
  - Review IRS publication 1084, the IRS Volunteer Site Coordinator's Handbook, which provides information regarding program overview, participant responsibility, laws, identifying sites, supply list, training, timeline and checklist and resources.
  - See Section 4 – Sponsoring a VITA Site
- Become a certified IRS tax volunteer
  - Volunteers who answer tax law questions, instruct tax law, prepare or correct tax returns, or conduct quality reviews must certify by passing one or more IRS tests annually.
  - See Section 6 – Education and Training

The level of involvement a credit union chooses will likely depend on its resources, in particular the amount of time and expenses it can devote to the program. To find out where the VITA sites are in your area, call the IRS at 1-800-829-1040 during tax season. A list of TCE sites is available by calling 1-800-227-7669 during tax season. Or log onto the AARP web site ([www.aarp.org](http://www.aarp.org)) and find out where other free tax assistance is offered in your area.

A credit union should also check with its local IRS Stakeholder Partnership, Education, & Communication (SPEC) territory manager to determine what area VITA sites need (See Appendix A). A credit union that wants to host a site may find an additional site in the area is not necessary or that there aren't enough certified volunteers available for an additional site.

## Top 10 reasons to be a VITA Site

- You want to help your members and potential members get back the money they deserve!
- Your credit union wants to help the unbanked or under-banked obtain financial services and asset-building knowledge.
- You want to increase awareness about your other financial services.
- Your credit union wants to heighten its visibility in the community as a trustworthy financial institution and a go-to place for information, education and financial services.
- Your credit union wants to attract new members.
- You want to build the skills of your staff and volunteers.
- Your credit union wants to build partnerships and referral networks with organizations serving working families.
- You value being a part of the community.
- You want to help members and potential members save and build assets.
- Your credit union already provides asset building services to working families and free tax help would be a great addition.

# Credit Union, State League Examples

Included in this section are various examples of statewide and credit union VITA programs. While certainly not all inclusive of best practices operations, they do represent successful, growing and experienced VITA programs.

## Example 1: Montana Credit Unions for Community Development (MCUCD)

MCUCD is the charitable arm of the Montana Credit Union Network. Its mission is to implement programs through credit unions that improve the social and economic well-being of all Montanans. Among its programs are:

- Free tax services
- Individual Development Accounts (IDAs)
- Combating predatory lending
- Financial/consumer education



MCUCD has been helping credit unions offer VITA services for five years: 2006 – 2010. In 2010, 22 Montana credit unions participated in VITA and hosted 33 sites, primarily in rural communities. Almost 2,500 tax returns were prepared at these sites. MCUCD's role in the statewide VITA program is to:

- Recruit, train and certify VITA volunteers
- Develop procedures and train credit union staff on their roles and responsibilities
- Develop and coordinate marketing of the VITA site
- Perform quality review and electronic transmittal of tax returns
- Assist in ongoing technical assistance and support for VITA volunteers on computer/software issues in addition to tax questions through the tax season
- Be the fiscal agent for the VITA project
- Prepare project summary at the conclusion of the tax season
- Celebrate!

Each credit union's role is to:

- Provide space for VITA site, or if space is not available, use a library, community or church space
- Assist MCUCD in volunteer recruitment
- Make appointments and send interview and intake sheets and cover letters to clients
- Field calls/questions – MCUCD trains staff and provides a list of "Frequently Asked Questions/FAQs" to help staff respond to inquiries about program eligibility, etc.
- Send tax documentation to MCUCD each day
- Promote VITA to members and community
- Be a cheerleader to volunteers

The training provided by the partners includes:

- Classroom trainings
- Telephone trainings (called "tax telecourses") – visit [www.MontanaFreeFile.org](http://www.MontanaFreeFile.org) to view these training programs under the "Tax Training" tab
- Self-study through IRS Link and Learn
- One-on-one TaxWise software training by phone

The total training time per volunteer is about 20 hours. MCUCD also has a formal agreement with AARP Tax Aide Montana to allow VITA volunteers state-wide to attend an AARP tax class, and vice versa. The

telephone trainings are provided to the rural communities that have only one or two volunteers serving or to those volunteers that can't make the classroom training. The "Tax Telecourses" are held over a six-week period with one-hour classes twice a week. There is opportunity for questions and interactive learning throughout the call.

MCUCD maintains quality control processes as follows:

- For those rural sites that may have only one volunteer working at any time, quality review is conducted by phone. When a return is completed or if there is a question regarding the return, the volunteer calls MCUCD. MCUCD is able to log in directly to the volunteer's computer through a remote secure server to view the return and ensure quality control following IRS quality review processes.
- For walk-in sites in larger communities, volunteers do a quality review of each other's' returns.
- MCUCD emails Tax Alerts to all volunteers and upon logging onto the server, volunteers must check an "OK" box acknowledging receipt of the alert before being able to access the TaxWise software.

Marketing VITA in Montana includes:

- Public service announcements begin in December; these are written by the partners and appear in the local media within their respective communities promoting VITA
- Radio is often used in the larger communities.
- Posters distributed by MCUCD to participating credit unions who then hang them in community buildings such as churches, libraries and credit union lobbies.
- Posters are also distributed by the Partners to social service agencies and other service providers in their respective regions.
- MCUCD distributes promotional inserts for credit unions to send out in member year-end or January statements and to hand out in lobbies and drive-through windows.
- The state-wide [MontanaFreeFile.org](http://MontanaFreeFile.org) is a public awareness campaign to inform the public about free tax filing options throughout the state.
- Following the end of the tax season, PSAs are sent to local newspapers and radio stations describing the successes of the VITA sites to recognize volunteer work and to ensure the communities are aware of the program.

One of MCUCD's partners, United Way, conducted two VITA client focus groups that will result in some changes in publicity material. Reference to "low-income" drove potential clients away because of the stigma perceived with income status. Instead, income limits will be referred to in numerical terms. The message will be centered on "Free Basic Tax Preparation," and it will emphasize the quality of training and review work done by the volunteers.

[MontanaFreeFile.org](http://MontanaFreeFile.org) is a website featuring information about free tax filing options throughout the state of Montana. The site is a collaboration that includes both government and non-profit organizations: MCUCD, Montana Legal Services Association, the Montana Department of Revenue, Rural Dynamics, Inc., and Opportunity Link. All partners provide financial support for the project and assist with the outreach campaign. Visitors to the site can learn about EITC and can compare various free file options and select the most appropriate one based on location, income, age and type of filing program. Visitors to [MontanaFreeFile.org](http://MontanaFreeFile.org) can also chat via instant messaging with a LiveHelp Chat Operator who can provide or direct visitors to basic tax information, but does not provide tax advice.

Because Montana is a vast state with a small population, innovative and extensive outreach on [MontanaFreeFile.org](http://MontanaFreeFile.org) has been integral to its success. PSAs, newsletters, news articles, website links, and promotional materials are all used to make Montanans aware of the [MontanaFreeFile.org](http://MontanaFreeFile.org) website. In its first year in operation in 2005-2006, the website had 2,300 visitors. During the 2008-2009 tax year, the site had over 46,400 visitors. For the 2009-2010 year, visitation was down 36% to 29,000 visitors.

MCUCD stresses the importance of recognizing and thanking volunteers as a means of retaining them for future years. The partners achieve this by:

- Surveys conducted mid-way through the tax season to guarantee that the volunteers are satisfied and that there are no lingering issues
- Every volunteer receives a certificate of appreciation and a personally addressed thank you letter
- Volunteer Appreciation Events are held throughout the state
- After tax season, newsletters and emails are used to keep in touch with volunteers and to encourage them to return the following tax year

MCUCD measures its success with its 2010 VITA program in the following manner:

- 4,687 tax returns prepared by all partners
- 117 volunteers
- 33 VITA credit union sites state-wide
- 75% volunteer retention rate

The following is how one Montana credit union measured its three-year success with a VITA program:

Bear Paw Credit Union  
 2010 Volunteer Income Tax Assistance Report  
 Report prepared by:  
 Montana Credit Unions for Community Development



	2008	2009	2010
<b>TOTAL NUMBER OF TAX RETURNS PREPARED</b>	67	110	112
<b>TOTAL TAXPAYERS SERVED</b> <ul style="list-style-type: none"> <li><i>This number reflects the total number of clients served, calculated by taking the number of returns prepared plus the number of joint returns to account for spouses</i></li> </ul>	82	131	135
<b>TOTAL AMOUNT OF EARNED INCOME TAX CREDIT (EITC) DOLLARS RETURNED TO TAXPAYERS</b>	\$31,664	\$27,723	\$40,236
<b>TOTAL REFUND TO TAXPAYERS</b>	\$70,819	\$114,353	\$143,532
<b>AVERAGE ADJUSTED GROSS INCOME OF ASSISTED TAXPAYERS</b>	\$14,807	\$17,059	\$18,087
<b>TOTAL DOLLARS SAVED BY AVOIDING TAX PREPARATION FEES</b> <ul style="list-style-type: none"> <li><i>MCUCD contacted H&amp;R Block which is one of the largest commercial tax preparation outlets in Montana to find out how much it costs to use their services. For 2006 and 2007 they reported that the average consumer spent \$175 and for 2008 they reported that the average consumer spent \$150 on tax preparation. For 2009 they reported that the average cost was \$187. For 2010 they reported the average cost was \$188. These fees reflect only the cost of preparation and do not include any loan products.</i></li> </ul>	\$10,050	\$20,570	\$21,056

## Example 2: Wisconsin Credit Union League (The League)

The League has been helping Wisconsin credit unions offer VITA programs since 2006. Its primary roles are to:

- Engage tax preparation leaders and coordinators on behalf of credit unions
- Provide messaging and communication support to sites and credit unions
- Report collective results and promote the value of sites and credit union participation



The League works with the following organizations:

- The Wisconsin Department of Revenue and its state-sponsored VITA sites
- AARP-sponsored Tax Consulting for the Elderly (TCE) or Tax-Aide sites
- Credit unions are hooked up with existing sites to provide the support that is needed at sites

The majority of sites operated in Wisconsin are AARP-sponsored sites. VITA and Tax-Aide are not the same programs so the League uses the phrase, “Free tax preparation assistance” in its communication materials.

The League communicates credit union VITA participation in the following ways:

- Credit unions are provided with a “Guide to a Successful Partnership with the Free Tax Preparation Assistance Program,” which gives them tips as to how to participate and how to get the most out of participation, such as touting results and getting recognized.
- Sample press releases and PSAs are made available to participating credit unions.
- Communication to consumers is provided in both English and Spanish.
- A separate website, [www.freetaxrefund.org](http://www.freetaxrefund.org) has been developed to inform consumers about how to file their taxes for free and which credit unions are participating in VITA operations.
- Information regarding VITA participation is posted in the League’s newsletter.
- Information regarding VITA and credit union participation is sent to state lawmakers for their circulation to their constituents.

The League measures Wisconsin’s VITA successes as follows:

- In 2010, 17 credit unions participated in VITA programs, down slightly from 19 in 2008 – a result of mergers
- For tax year 2008, 2,584 Wisconsin tax filers were helped at CU-assisted tax sites and 60,190 tax filers were helped at all tax sites.
- Wisconsinites saved approximately \$14.8 million by avoiding costly RALs and using direct deposit at a credit union or other financial institution.
- There have been more credit union requests to participate in VITA than sites could facilitate.
- In Spooner, Wisconsin, a small community of 3,000 people, Indianhead Credit Union helped more than 10% of the town’s population at its hosted site.

### Example 3: Montana Credit Union Partnerships

Since 2006, five credit unions in the Butte, Montana area have partnered together during tax season to bring residents free income tax preparation through the VITA program. The five credit unions are:

- EDTECH Federal Credit Union – Asset size: \$66.3 Million
- EnerGComm Federal Credit Union – Asset size: \$25.7 Million
- Heritage Federal Credit Union – Asset size: \$16.3 Million
- Mile High Federal Credit Union – Asset size: \$18.4 Million
- Mountain West Federal Credit Union – Asset size: \$4.6 Million

In the spirit of cooperation and as a service to the Butte community, these five credit unions with overlapping community charters operate the VITA program as one cohesive operation. The credit unions train volunteers jointly, have a united marketing campaign, and during the tax season put the needs of tax clients before the interests of their respective credit unions.

In addition to the credit union sites, two “walk-in” sites are offered at a local church and the public library. Staff members from the credit unions help with scheduling appointments and/or help as volunteer tax preparers. Leah Salazar, CEO of Mountain West FCU, and her sister volunteer as preparers. “It is very rewarding to have people come back each year and request your services, specifically,” says Salazar. While the service has not necessarily generated a lot of new accounts for the credit union, it has provided a community service to residents of Butte. The rewards come from the people that are helped. Salazar cites one example of an older woman who was caring for her grandchildren, and as a result was able to qualify for an EITC refund.

The hardest part is getting enough volunteers, notes Salazar, even though the Butte community of 40,000 people is known for its volunteer activities. Montana Credit Unions for Community Development (MCUCD) helps with the recruiting efforts, training of volunteers, and provides technical assistance to the credit unions.

The credit unions in Butte measure their impact to the community as follows:

- Since 2006, 2,475 tax returns have been completed by the five credit unions, representing \$1.7 million in tax refunds.
- Residents of Butte have saved an estimated \$442,000 in tax preparation fees by using the credit union sponsored sites.
- In 2009, over 800 tax returns were completed.
- In 2009, the average EITC refund at the free tax sites was \$1,100, representing \$155,740 in EITC refunds invested in the Butte community, where 15% of citizens live below the poverty line with a median income of \$30,578.

## Example 4: North Side Community Federal Credit Union

North Side Community Federal Credit Union is a \$9 million community development credit union with 3,000 members located in the north side of Chicago. It has a history of serving people who are not using mainstream financial institutions and offers such products and services as payday alternative loans, VITA, new Americans loan program, and housing counseling.



North Side has been offering VITA services for seven tax seasons, beginning in 2004 through a partnership with the Center for Economic Progress (CEP) one of the largest VITA organizations in the country. The partnership works as follows:

- CEP provides marketing materials, equipment, supplies volunteers, and site managers.
- North Side rents additional space in the building for intake and provides a staff person to oversee the site and schedule appointments.
- North Side harnesses its relationships with SEGs and other partners to promote VITA services via payroll stuffers, newsletter blasts and event postings.

North Side's President, Jennifer Sierecki, emphasizes the importance of the credit union's partnership with CEP. The credit union doesn't operate the site on its own, she says. It is a joint operation with CEP. In its initial year, the site was open one evening a week for scheduled appointments. In year three, it moved to two evenings a week and in 2009, the VITA site expanded to three evenings.

### Why VITA?

- During its VITA history, North Side has been able to return over \$4.7 million dollars to the community in federal refunds.
- It has saved over 3,000 individuals and families a minimum of \$387,400 in tax preparation fees. This savings does not include what clients would have paid for RALs or refund check cashing fees.
- Members and SEG employees value the service and return year after year.
- It provides an excellent method of outreach to potential members who come in for the free service, join the credit union and take advantage of its many other products.

Sierecki notes that a VITA site is no small undertaking, and provides these lessons learned:

- Keep in mind that staff time dedicated to the VITA site takes away from other credit union objectives, but is a great way to serve your membership and recruit new members.
- You will have individuals come into the credit union throughout the day and sometimes throughout the year with tax questions, even if your site is not open. Have appropriate referral methods for these questions.
- North Side's site operates during the evening hours, so staff works unconventional hours and may not be able to assist members during credit union hours.

Sierecki also offers the following insights to help credit unions decide if a VITA site is right for them:

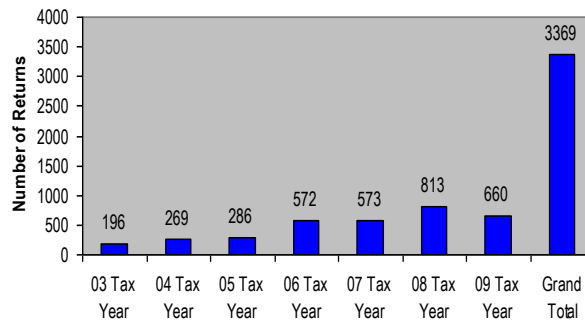
- Does a percentage of your membership fall within the VITA income guidelines?
- Do your current SEGs and partners have employees or clients that fall within the VITA income guidelines?
- While clients that open accounts during VITA operations will have their refunds direct deposited into the credit union, there is a high probability that many will end up as low balance accounts.

More lessons learned:

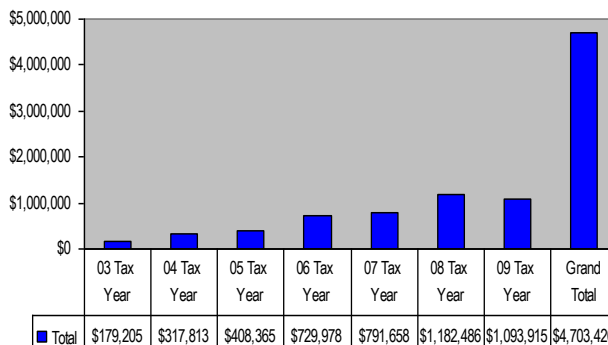
- Start outreach activities early.
  - Coordinate payroll stuffers and poster displays at SEGs and other partners in December to get people’s attention before they get their W-2s.
  - If you decide to make appointments, start scheduling these appointments in early January for tax services in late January.
- You are only as good as your partner(s).
  - Be aware that there are some things out of your control, such as volunteers that will represent your credit union.
  - Be sure to keep open lines of communication.
- Foster an environment to retain good volunteers.
  - Keep your volunteers happy so they come back every week and hopefully next year.
- Develop complimentary products.
  - North Side created two products to help members stay active and to grow their savings at tax time: a refund reward CD and a match refund account (See Section 7, Complimentary Products).

North Side measures its VITA success as follows:

Number of Returns



VITA Site Refunds



## Example 5: Santa Cruz Community Credit Union

Santa Cruz Community Credit Union (SCCCU) is an \$81 Million community development credit union serving 10,000 members in the Santa Cruz and



North Monterey counties in California. Its mission as a non-profit financial cooperative is to promote economic justice. Its core community development programs include child care, financial education, Individual Development Accounts (IDAs), VITA sites, and microenterprise lending. To help accomplish its community-based mission, it established Santa Cruz Community Ventures, a 501(c)(3) non-profit affiliate. The 501(c)(3) helps secure outside funding for these programs. SCCCU extends its outreach to underserved households by leveraging its expertise through partnerships with community agencies, educational institutions, and county government.

SCCCU began offering financial education at VITA sites in 2004. In 2010 it operated 19 sites in collaboration with its partners. Three of the credit union sites are bilingual. In addition, the credit union offered a floating site, sending volunteers for a day to special events, such as a FEMA food distribution site.

Ellen Murtha, SCCCU's Community Development and Outreach Program Manager, describes VITA and EITC as government at its best. She says, "Even the 'compassion-fatigued' can appreciate that this service is for people who **earned** income." It's a message that resonates easily and a way to differentiate the credit union from other financial institutions. "The cost effectiveness of volunteers is something the whole community can cheer on," states Murtha.

SCCCU began offering VITA services and continues to do so for the following reasons:

- EITC brings significant federal and state funds into the community.
- It increases income for low-wage working families.
- Residents spend many of these refund dollars at *local businesses*, which create *more jobs*.
- It provides an incentive to the unbanked to visit a site with a link to financial products, services, and asset building knowledge.
- It educates low- to moderate-income consumers of 'work supports' such as EITC, that can benefit them.
- It offers an alternative to costly tax preparation services and even more costly RALs for low-income, EITC-eligible consumers.
- It promotes and establishes long-term relationships with the credit union.

SCCCU receives private and government grant funds to support a part-time site coordinator who is certified to do taxes. The only limit to outreach, notes Murtha, is your time and resources, and that of your partners. She offers these insights to a VITA outreach strategy:

- The challenge of outreach is that people have to be beset by messages in various formats. The credit union uses radio, print, press, and handouts to make people aware of VITA programs.
- Reaching the low- to moderate-income households and those that speak other languages or are recent immigrants requires skill. The credit union works through its local resource centers and trains workers about VITA, who in turn inform their clients about the services.
- Word-of-mouth is the most frequent way people hear about the free tax service. When people are treated well, they tell their family, friends, and co-workers.
- Form partnerships with agencies that offer other 'work supports' such as food stamp applications and children's health insurance. SCCCU partners with family resource centers, the county public assistance, early childhood education organizations, the United Way and other service providers.

Murtha also offers this advice for those credit unions interested in hosting a site. Use university students, if possible, for trained volunteers. The students often get credit to work as interns for VITA sites. The university's economic department is where SCCCU gets most of its trained volunteers.

Murtha stresses the importance of building partnerships when getting involved in a VITA program. She suggests first partnering with local organizations that are offering free tax assistance by:

- Volunteering
- Opening accounts and offering financial education
- Promoting EITC information and local tax site information to credit union members

Why should a credit union get involved with VITA? Murtha offers these reasons:

- It's part of the credit union philosophy of people helping people.
- It's a way to differentiate the credit union from other credit unions and other financial institutions.
- It benefits members and potential members financially.
- It's an effective public relations and marketing opportunity.
- It builds trust and positions the credit union as a place to go for information, education and financial services.
- SCCCU has received local recognition from elected representatives, the Volunteer Center and the United Way for its work.
- SCCCU has received funding that recognizes the credit union for its asset building efforts.

Here's how SCCCU measures its success:

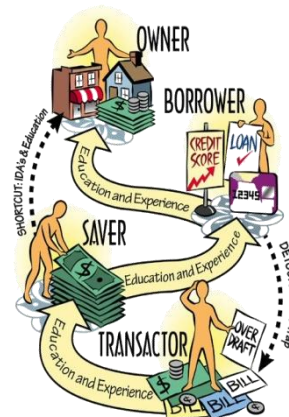
- In 2010, SCCCU filed 509 returns itself and 1,765 with its partners.
- SCCCU helped filers collect \$730,634 in refunds for the 2009 tax year and \$1,844,655 with its partners.
- The average EITC return was \$1,839, which represents a 13% increase in income for the average filer.
- SCCCU's efforts have saved filers an estimated \$101,800 in tax preparation fees.
- 11% of filers were unbanked and opened accounts with the credit union.
- 56% of filers used direct deposit for their refund, which is a good defense against RALs.
- Between 1/3 and 1/2 of filers indicated they intended to save some of their refund.

## Example 6: Alternatives Federal Credit Union

Alternatives Federal Credit Union is a \$66 million community development credit union (CDCU) serving 10,000 members in Ithaca, New York. Micro-enterprise lending is the credit union's specialty. Its mission is to build wealth and create economic opportunity through education and asset building programs.

The credit union uses a Credit Path model to describe where people are situated at various points along a continuum between poverty and self-sufficiency. As a CDCU, it sees its job as helping members move along that continuum by empowering them to make decisions and offering opportunities to move them towards financial self-sufficiency. As a CDCU, Alternatives views its purpose to serve those not served by others – the unbanked.

It was the credit union's commitment to this Credit Path model that prompted it to get involved in VITA in 2003 as a means of linking tax refunds to asset building and financial opportunities. There were no VITA sites near the credit union at the time.



Brian Zapf, Director of Alternatives' Community Tax Program, offers these reasons for his credit union's enthusiasm for the VITA program:

- The EITC lifts more people out of poverty than any other government program. A single parent of two earning \$12,500 to \$16,500 is eligible for the maximum refund of \$5,657 – a 34-45% increase in the family's income. But it is only available if the household files a return.
- Along with federal Child Tax Credits and Child & Dependent Care Tax Credits, the state of New York also offers refundable credit for qualifying families. Again, families must file a return in order to obtain their credit refunds.
- Professional tax preparers target these filers because they are an easy market for Refund Anticipation Loans (RALs), which divert about \$1.75 Billion annually out of the pockets of tax filers. Tax preparers promote the RALs as instant access to refunds and filers can pay the cost of the tax preparation and RAL fees right from their refund – no cash is needed.

Alternatives' solution to a RAL is a Refund Express Loan which it offers for a \$20 fee (See Section 7, Complimentary Products). According to Zapf, the \$20 covers the credit union's costs and serves as a discouragement for people who can wait the 7 to 10 days to receive their refund. Volunteers are able to talk about half of filers out of using the Refund Express Loan, but for those who really need quick access to their refunds, the loan is available.

Alternatives FCU has a host of community partners that it works with as part of its VITA program. In addition it has funding partners to help support a paid staff person to oversee the program. It uses over 70 volunteers during tax season.

Zapf emphasizes that it is not just offering free tax preparation that makes VITA important to the credit union, but that the service provides a link for the unbanked to a financial account. The credit union's VITA site is located at the credit union and volunteers do their best to encourage the filer to open a credit union account. Zapf reports that 31% of new VITA members had been unbanked, which is three times as many as the credit union's general membership.

Here's how Alternatives FCU measures its VITA success:

- Over 8,600 tax returns completed in 8 years
- 519 new credit union members in 8 years
- \$150 average tax preparation fee savings for filers
- \$150 average additional savings for filers using the Refund Express loan versus a traditional RAL
- Over \$1.2 million in preparation and loan fees avoided
- Over \$14.7 million in refunds claimed by filers in 8 years

For tax year 2009:

- 1,547 clients were served
- \$2,815,130 in federal refunds
- \$3,533,179 in all refunds
- \$255,255 saved by clients if they had each paid \$160 to have their taxes prepared

# VITA Site Procedures

A credit union should begin by checking with its local IRS Stakeholder Partnership, Education, & Communication (SPEC) territory manager to determine where current VITA sites are located in the area, what needs they may have and how to participate (See Appendix A). SPEC is the outreach and education arm for the Wage & Investment Division of IRS.

## Sponsoring a VITA Site

**Step 1:** Review IRS VITA & TCE Quality Site Requirements Guidance for Partners ([http://www.irs.gov/pub/irs-utl/qsr\\_2010\\_external\\_111209.pdf](http://www.irs.gov/pub/irs-utl/qsr_2010_external_111209.pdf)) and review IRS publication 1084 (<http://www.irs.gov/pub/irs-pdf/p1084.pdf>), an informational guide for partners participating in VITA. The guide provides such information as:

- Program overview
- Participant responsibility
- Laws
- Identifying sites
- Supply list
- Training
- Operations, timeline and checklist
- Resources

**Step 2:** Contact your local IRS Stakeholders Partnerships, Education and Communication (SPEC) office (See Appendix A). SPEC will help determine your site needs, since availability of resources can vary from one location to another. Site needs include:

- Physical space where taxpayers can come to have their returns prepared in a safe/trusted environment. VITA sites are generally open from January through mid-April.
- Computer(s) that can be loaded with tax preparation software. At least one must have an Internet connection to electronically transmit (e-file) the returns. Also, printer(s) to print the taxpayer's copies of the returns and related office supplies.
- Hours of operation should be at times convenient to the target population. Some sites elect to prepare returns by appointment to aid in scheduling volunteers' time.
- Software is furnished by IRS for return preparation and e-filing. IRS currently provides TaxWise brand software for VITA sites.

**Step 3:** Obtain an Electronic Filing Identification Number (EFIN) and Site Identification Number (SIDN), which are required by IRS to e-file tax returns.

- Apply for the EFIN and SIDN through your IRS SPEC contact.
- This may take from four to six weeks to receive.

**Step 4:** Select site location, if different from credit union branch.

- Preferably in a low- to moderate-income neighborhood
- A safe and trusted environment
- Must have high-speed Internet capabilities
- Reasonable accommodations, such as privacy and accessibility
- VITA sites generally open the last weekend of January or the first day of February and stay open until the April tax deadline

**Step 5:** Recruit volunteers. This should begin in September and October. Use your knowledge of the community to locate your volunteer pool. Sometimes other partner organizers in the area can assist with volunteer recruitment. All volunteers must be willing to initially devote time for training, even if they will not be certified tax preparers. In addition to tax assistants, the site will need volunteers who can act as screeners and greeters and individuals who can serve as computer troubleshooters. See “Description of VITA Site Roles” below. Some recommended resources for recruitment include:

- High schools; post secondary schools
- United Way – volunteer centers
- Local organizations such as service clubs, CPA firms, churches, community organizations, libraries, etc.
- Other credit unions
- Credit union membership
- Staff and/or board
- Referrals from other VITA volunteers

**Step 6:** Select a Site Coordinator. This important position involves general management of the VITA site, including scheduling of volunteers, loading software and updates, transmitting returns, resolving e-file rejects and reporting to the IRS. Many organizations use a paid staff person for this position. This person must be certified as VITA Tax Preparer for the specific year.

**Step 7:** Schedule training. Training should begin in December and can continue into January. Options include:

- Process Based Training – classroom or self-study training. IRS will arrange training for the volunteers and site coordinator – Contact your SPEC Territory Manager for training options. Class time is approximately four days for tax law and one day for TaxWise software training.
- Link & Learn Taxes – Tax law training can now be taken on the volunteers’ schedule using this IRS web-based training. Volunteers are tested at the conclusion of training. See the following website for more information about Link & Learn:  
<http://www.irs.gov/individuals/article/0,,id=123214,00.html>

**Step 8:** Market your VITA site. This should begin in January to let members and potential members know free tax preparation services may be available to them at your site location. See Section 5, Marketing VITA.

**Step 9:** Celebrate! Host volunteer appreciation events and measure the impact your site made to the community.

The following information is from the United Way of the Bay Area’s “Opening a VITA Site: A How-To Tool Kit” at: [http://www.earnitkeepitsaveit.org/images/pdf/opening\\_a\\_vita\\_site\\_toolkit2010.pdf](http://www.earnitkeepitsaveit.org/images/pdf/opening_a_vita_site_toolkit2010.pdf)

## Description of VITA Site Roles

**VITA Site Coordinator:** The VITA site coordinator provides coordination, organization, and supervision for all aspects of the VITA site operation. The site coordinator is also responsible for gathering, maintaining and compiling timely statistical reports as required.

*Training:* Tax law and TaxWise classes or self-study and a passing score on the IRS Certification Exam are required for all VITA Site Coordinators. Additional site coordinating training is also required.

**Tax Preparer:** Tax Preparers assist low income wage earners complete their tax returns. Tax Preparers receive free training and are certified by the IRS. *Training:* Tax law and TaxWise classes or self-study and a passing score on the IRS Certification Exam are required for all VITA Site Tax Preparers.

**Screeners:** Screeners are responsible for assisting clients to complete the IRS intake sheet and ensuring the taxpayer has brought all necessary documents prior to having their tax returns prepared. *Training:* Tax law and TaxWise classes or self-study and a passing score on the IRS Certification Exam are required for all VITA Site Screeners.

**Quality Reviewers:** Quality Reviewers follow a check list to review tax returns after the return is prepared to ensure accuracy. Some sites train all their volunteers on quality reviewing or have a designated volunteer to quality review each return. *Training:* Tax law and TaxWise classes or self-study and a passing score on the IRS Certification Exam are required. Additional Quality Reviewer training is required.

**Transmitters:** Transmitters submit tax returns electronically to the IRS from VITA sites. Volunteers should be familiar with complex software, electronic data transmission and tax law. Transmitters help trouble shoot returns that are rejected by the IRS. Returns can be rejected because of incorrect name spelling or incorrectly entered Social Security numbers. Transmitting is often done by the site coordinator. *Training:* Tax law and TaxWise classes or self-study and a passing score on the IRS Certification Exam are required for all Transmitters. Additional transmitter training is required.

**Interpreter:** Interpreters aid VITA clients by working alongside the tax clients and Tax Preparers. Volunteers who speak Cambodian, Cantonese, Farsi, Mandarin, Spanish and Vietnamese are always needed. No training required.

**Greeters:** Greeters welcome tax filers to the VITA site during the tax season. They are responsible for ensuring that tax filers have all the information needed to complete their tax returns. No training required, but some VITA sites often provide a separate greeter training.

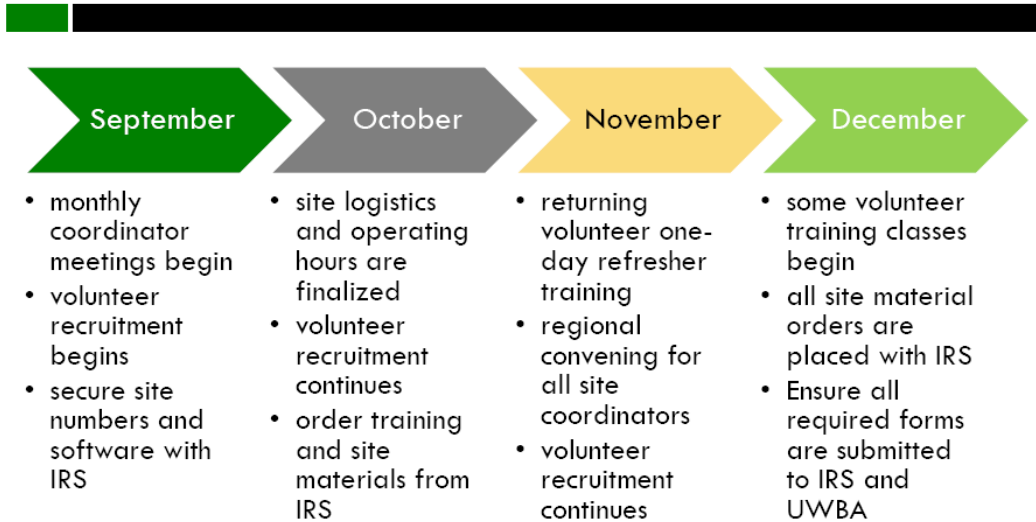
### What is certification?

Certification ensures that you are qualified to assist others in preparing their tax returns. The IRS certifies volunteers by asking them to answer questions using reference materials and to fill out a sample tax return. It is an open book test done on your own time.

Once you are certified, the IRS guarantees your ability to prepare returns covered by the test you took so that, should there be any error in the return, you are not responsible for it. However, you cannot prepare returns that are beyond your training. For instance, VITA certification does not cover businesses and complex other forms.

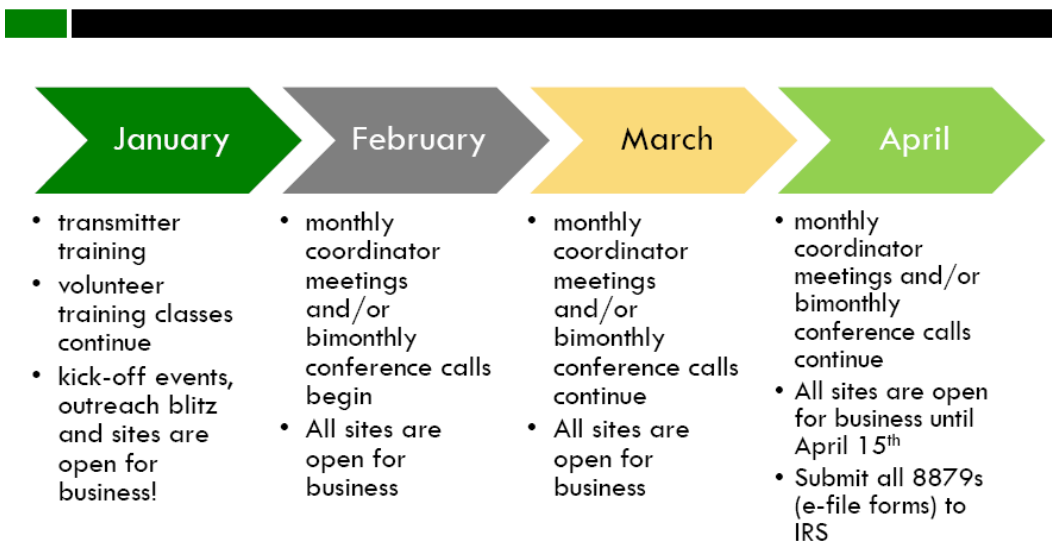
## Recommended Time Line

### Before Tax Season



**EarnIt!KeepIt!\$aveIt!**

### During Tax Season



**EarnIt!KeepIt!\$aveIt!**

# Sample IRS Intake Sheet

Form <b>13614-C</b> (Rev. 8-2009)	Department of the Treasury – Internal Revenue Service <b>Intake/Interview &amp; Quality Review Sheet</b>	OMB # 1545-1964
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**Section A. Page 1 and Page 2 to be completed by Taxpayer**

Thank you for allowing us to prepare your tax return. It is very important for you to provide the information on this form to help our certified volunteer preparer in completing your return. **If you have any questions please ask.**

**You will need your:**

- Tax information such as W-2s, 1099s, 1098s.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of Identity (such as drivers license or other picture ID).

**Part I. Your Personal Information**

1. Your First Name	M. I.	Last Name	Are you a U.S. Citizen?	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Spouse's First Name	M. I.	Last Name	Is spouse a U.S. Citizen?	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Mailing Address	Apt#	City	State	Zip Code
4. E-mail		Phone		
5. Your Date of Birth	6. Your Occupation	7. Are you Legally Blind	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		8. Totally and Permanently Disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No	
9. Spouse's Date of Birth	10. Spouse's Occupation	11. Is Spouse Legally Blind	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		12. Totally and Permanently Disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No	
13. Can your parents or someone else claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input type="checkbox"/> No				

**Part II. Family and Dependent Information**

1. As of December 31, 2009 your marital status was:
- Single
- Married: Did you live with your spouse during any part of the last six months of 2009?  Yes  No
- Divorced or Legally Separated: Date of final decree or separate maintenance agreement: \_\_\_\_\_
- Widowed: Date of spouse's death: \_\_\_\_\_

2. List the name of everyone below who lived in your home and outside your home that you supported during the year.

Name (first, last) Do not enter your name or Spouse's name below.	Date of Birth (mm/dd/yy)	Relationship to you (e.g. son, mother, sister)	Number of months lived in your home	US Citizen or resident of the US, Canada or Mexico (yes/no)	Married as of 12/31/09 (yes/no)	Full- time student (yes/no)	Received more than \$3650 in income (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

If additional space is needed please use page 4 and check here

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224

Please continue on Page 2

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**Section A. To be completed by Taxpayer (continued)**

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**Part III. Life Events (Check Yes or No to all questions below)**

---

- Yes  No 1. If you are due a refund, would you like a direct deposit?  
 Yes  No 2. If you have a balance due, would you like a direct debit?  
**During 2009 did you (or your spouse if filing a joint return):**  
 Yes  No 3. Buy a brand new vehicle? If yes, date of purchase: \_\_\_\_\_  
 Yes  No 4. Buy a home? If yes, closing date: \_\_\_\_\_  
 Yes  No 5. Have a foreclosure or did the bank cancel any part of your mortgage loan?  
 Yes  No 6. Receive an Economic Recovery Payment from Social Security Administration, Railroad Retirement Board, or Veterans Administration? If yes, how much?  \$250  \$500  
 Yes  No 7. Are you or your spouse a government retiree?  
 Yes  No 8. Purchase and install energy efficient home items? (such as windows, furnace, insulation, etc.)  
 Yes  No 9. Live in an area that was affected by a natural disaster? If yes, where? \_\_\_\_\_  
 Yes  No 10. Pay college tuition for yourself, your spouse, or your dependents?  
 Yes  No 11. Have any student loans?  
 Yes  No 12. Make estimated tax payments or apply last year's refund to your 2009 tax?  
If yes, amount \_\_\_\_\_
- 

**Part IV. Income – In 2009, did you (or your spouse) receive: (Check Yes or No to all questions below)**

---

- Yes  No 1. Wages or Salary  
 Yes  No 2. Tip Income  
 Yes  No 3. Scholarships  
 Yes  No 4. Interest/Dividends from: checking or savings accounts, bonds, CDs, brokerage, etc.  
 Yes  No 5. State Tax Refund: If yes, did you itemize your deductions last year?  Yes  No  
 Yes  No 6. Self-Employment Income (such as earnings from contract labor, small business, hobby, etc.)  
 Yes  No 7. Alimony Income  
 Yes  No 8. Proceeds (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)  
 Yes  No 9. Disability Income  
 Yes  No 10. Pensions, Annuities, and/or IRA Distributions  
 Yes  No 11. Unemployment Compensation  
 Yes  No 12. Social Security or Railroad Retirement Benefits  
 Yes  No 13. Income from Rental Property  
 Yes  No 14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Identify: \_\_\_\_\_
- 

**Part V. Expenses – In 2009 Did you (or your spouse) pay: (Check Yes or No to all questions below)**

---

- Yes  No 1. Alimony: If yes, do you have the recipient's SSN?  Yes  No  
 Yes  No 2. Contributions to IRA, 401 k, or other retirement account, including employer retirement account  
 Yes  No 3. Educational expenses (such as a computer, books, etc.)  
 Yes  No 4. Classroom supplies if you are a teacher  
 Yes  No 5. Medical expenses  
 Yes  No 6. Home mortgage interest  
 Yes  No 7. Real estate taxes for your home  
 Yes  No 8. Charitable contributions  
 Yes  No 9. Child/dependent care expenses that allowed you and your spouse, to work or to look for work
- 

**STOP HERE!**

Thank you for completing this form.

Please give this form to the certified volunteer preparer for use in preparing your return.

---

Section B. For Certified Volunteer Preparer Completion and Reminder	Section C. To be completed by a Certified Quality Reviewer
<p><b>Remember:</b> YOU are the link between the taxpayer's information and a correct tax return! Verify the taxpayer's information on pages 1 &amp; 2. Consult Publications 4012 &amp; 17 as well as other tools. Make notes on this form as needed, especially when the taxpayer's information is missing or incorrect.</p>	<p>Check each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.</p>
<p><b>Must be completed by Certified Volunteer Preparer</b></p>	<p><input type="checkbox"/> 1. <b>Section A &amp; B</b> of this form are complete.</p>
<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 1. Can anyone else claim any of the persons listed in Part II, question 2, as a dependent on their return? If yes, which ones: _____</p>	<p><input type="checkbox"/> 2. <b>Taxpayer's identity, address and phone number</b> was verified.</p>
<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 2. Were any of the persons listed in Part II, question 2, totally and permanently disabled? If yes, which ones: _____</p>	<p><input type="checkbox"/> 3. <b>Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents</b> match the supporting documents.</p>
<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 3. Did any of the persons listed in Part II, question 2 provide more than half of their own support? If yes, which ones: _____</p>	<p><input type="checkbox"/> 4. <b>Filing Status</b> is correctly determined.</p>
<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 4. Did the taxpayer provide more than half the support for each of the persons in Part II, question 2? If no, which ones: _____</p>	<p><input type="checkbox"/> 5. <b>Personal and Dependency Exemptions</b> are entered correctly on the return.</p>
<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, question 2? If yes, which ones: _____</p>	<p><input type="checkbox"/> 6. All <b>income</b> shown on source documents and noted in Sections A, part IV is included on the tax return.</p>
<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 6. Was the taxpayer's Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year _____</p>	<p><input type="checkbox"/> 7. Any <b>Adjustments to Income</b> are correctly reported.</p>
<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 7. Does the taxpayer qualify for the first-time homebuyers credit?</p>	<p><input type="checkbox"/> 8. <b>Standard, Additional or Itemized Deductions</b> are correct.</p>
<p><b>Reminders</b> Use Publication 4012 &amp; 17 in making tax law determination.</p> <ul style="list-style-type: none"> <li>• Earned Income Credit (EIC) with children - the qualifying child cannot be older than the taxpayer.</li> <li>• Qualifying Child/Qualifying Relatives - Rules have changed.</li> <li>• There are special rules for children of divorced, separated, or never married parents.</li> </ul>	<p><input type="checkbox"/> 9. All <b>credits</b> are correctly reported.</p>
<p><b>New Tax Benefits and credits under ARRA 2009</b></p> <ul style="list-style-type: none"> <li>• Vehicle Sales Tax</li> <li>• Economic Recovery Payment</li> <li>• First-time homebuyer Credit</li> <li>• Energy Efficiency</li> <li>• Education Expense</li> <li>• Increase EITC &amp; Child Tax Credit</li> <li>• Unemployment benefits</li> </ul>	<p><input type="checkbox"/> 10. Withholding shown on <b>Forms W-2,1099</b> and <b>Estimated Tax Payments</b> are correctly reported.</p>
<p><b>Making Work Pay Tax Credit</b></p> <ul style="list-style-type: none"> <li>• Does the taxpayer need to adjust their W-4/W-4P withholding?</li> </ul>	<p><input type="checkbox"/> 11. If <b>direct deposit or debit</b> was elected checking/saving account and routing information match the supporting documents.</p>
<p>Catalog Number 52121E</p>	<p><input type="checkbox"/> 12. Correct SIDN is shown on the return.</p>

## Other Resources and Information for Operating a VITA Site:

Become an IRS Partner to Help in Your Community:

<http://www.irs.gov/individuals/article/0,,id=119374,00.html>

Center for Economic Progress – Site Requirements: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Site\\_Facility\\_Requirements\\_2008.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Site_Facility_Requirements_2008.pdf/view)

Center for Economic Progress – Community Assessment Example: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Community\\_Assessment.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Community_Assessment.pdf/view)

Center for Economic Progress – 2010 Site Managers Training Manual: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Site\\_Manager\\_Training\\_Manual\\_2008.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Site_Manager_Training_Manual_2008.pdf/view)

Just Money Project/Self-Help Credit Union – Starting a Volunteer Tax Prep Site: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Just\\_Money\\_vita\\_handbook.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Just_Money_vita_handbook.pdf/view)

Campaign for Working Families Policy & Procedures Manual: <http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/cfw-policy-procedures.pdf/view>

Starting a Free Tax Preparation Site: <http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/starting-a-vita-program/view>

Center for Economic Progress – VITA Job Descriptions: <http://tax-coalition.org/program-tools/managing-a-tax-site/site-staffing/job-descriptions>

Earned Income Tax Credit Outreach Campaign: <http://eitcoutreach.org/>

IRS Volunteer Site Coordinator's Handbook, <http://www.irs.gov/pub/irs-pdf/p1084.pdf>

IRS EITC Central Site: <http://www.eitc.irs.gov/central/abouteitc/>

National Community Tax Coalition: [www.tax-coalition.org/our-coalition](http://www.tax-coalition.org/our-coalition)

VITA Volunteer Guide Book from the Health and Welfare Council of Long Island: <http://www.hwcli.com/documents/231.pdf>

United Way of the Bay Area, Opening a VITA Site: A How-To Tool Kit: [http://www.earnitkeepitsaveit.org/images/pdf/opening\\_a\\_vita\\_site\\_toolkit2010.pdf](http://www.earnitkeepitsaveit.org/images/pdf/opening_a_vita_site_toolkit2010.pdf)

# Marketing

Getting the word out about your VITA site is critical to a successful operation and to inform those consumers who qualify for free tax preparation services about your site and its free service. Refundable tax credits are only available to people who file. IRS research indicates 25% of eligible taxpayers fail to claim their EITC each year because they don't know they are entitled to the credit. This represents approximately 7 million households.

The challenge, according to Ellen Murtha, Community Development and Outreach Program Manager at Santa Cruz Community Credit Union, is that the message needs to be in several formats and that consumers often need to hear the message several times before they realize it applies to them. Santa Cruz uses radio, print, press, and handouts to make people aware of its VITA program. Murtha also cautions that reaching the low- to moderate-income households and those that speak other languages or are recent immigrants requires skill. The credit union works through its local family resource centers and trains workers about VITA, who in turn inform their clients about the services.

Word-of-mouth is the most frequent way people hear about the free tax service. A survey by United Way of Yellowstone County in Montana found that 39% of its Billings clients found out about the sites from a family member, friend, or someone else. If clients are treated well and with respect, they will tell others.

A "Field Guide to Starting a Volunteer Tax Prep Site" ([http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Just\\_Money\\_vita\\_handbook.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Just_Money_vita_handbook.pdf/view)) suggests the following six rules for a successful outreach strategy:

- 1. Start advertising in early January.** People who use VITA sites are often refund filers who look for a VITA site as soon as they get their W-2s in mid- to late-January.
- 2. Keep the message simple.** Taxes are confusing enough to most people. Stick to the basics: what, when, where, and why.
- 3. Build off what has worked before.** VITA sites have been around for almost 20 years. Tap into coalitions that share examples of successful publicity efforts.
- 4. Market continually during tax season.** Consumers typically need to hear a message more than once to act on it, so don't stop publicizing your program until it's over.
- 5. Encourage clients to schedule appointments rather than "walk in" for service.** This will smooth out the flow of customers to your site, helping avoid long wait-times for clients or too much idle time for volunteers.
- 6. The best publicity is word of mouth from satisfied customers!**

The guide also offers these top ways to get clients to a first-year VITA site:

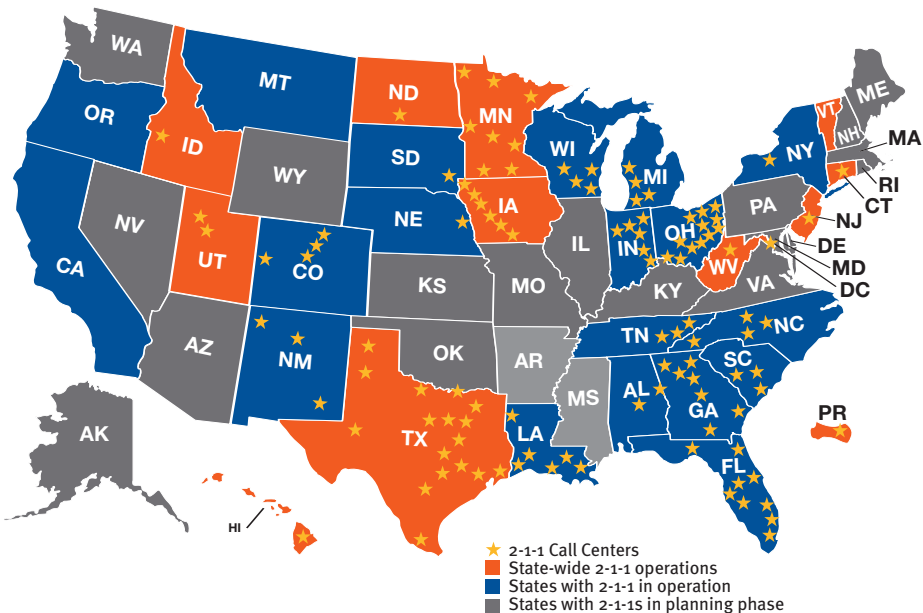
- Post flyers in neighborhood stores and community centers
- Press releases for local newspaper articles
- Free spots on local radio or cable TV shows

The good news is that there are plenty of free and reproducible materials available. The following are some sources and ideas to accomplish outreach:

- The Center on Budget and Policy Priorities ([www.cbpp.org](http://www.cbpp.org)) distributes a variety of outreach materials, including the annual EITC Outreach Kit. The 2011 kit will be available in the fall. Send an email to [eickit@cbpp.org](mailto:eickit@cbpp.org) to request a free copy.
- The Center also publishes a "Money Talks!" brochure about EITC in 21 languages, a sample of which is included at the end of this section.

- The National Community Tax Coalition and its Center for Economic Progress provide a wealth of information and sample materials at [www.tax-coalition.org](http://www.tax-coalition.org).
- Get listed on the national 2-1-1 information and referral number. States with 2-1-1 call centers are shown below. Callers to 2-1-1 can access information about:
  - The eligibility criteria for the EITC
  - The location and hours of tax assistance in their community
  - The language(s) in which tax preparation services are offered
  - The list of documents needed
  - Referrals to other applicable services, such as Food Stamps or credit counseling and repair
  - More information about Expanding Earned Income Tax Credit Outreach Through 2-1-1 can be found at: [http://tax-coalition.org/program-tools/managing-a-tax-site/marketing/outreach-to-taxpayers/EITC\\_2-1-1%20FactSheet.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/marketing/outreach-to-taxpayers/EITC_2-1-1%20FactSheet.pdf/view)
- The Wisconsin Credit Union League offers a tax website for consumers at [www.freetaxrefund.org](http://www.freetaxrefund.org). The website includes PSAs about free tax preparation services that consumers can listen to and are also provided to local radio stations.
- The Montana Credit Unions for Community Development also hosts a separate tax website for both consumers and credit unions at [www.MontanaFreeFile.org](http://www.MontanaFreeFile.org).
- The Illinois Credit Union League also hosts a tax website for consumers at [www.ipaytaxes.org](http://www.ipaytaxes.org).
- Samples of marketing handouts used by some credit unions are offered below.

# States with 2-1-1 Call Centers





# Money Talks!

Have you heard?

As Much As **\$5,666** – or More – Could Be Waiting for You!

## File a Tax Return to Claim the Benefits You Earned

*Earned Income Credit and Child Tax Credit*

- ☞ If you worked in 2010, had children living with you and earned less than about \$45,000  
OR
- ☞ Did not have children living with you and earned less than about \$13,400

**You could qualify!** You can get **FREE** tax help.

- ☑ **Make sure you get the Making Work Pay Credit!**  
Call the IRS at **1-800-829-1040** to learn more.

For More Information:

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# The Earned Income Credit and the Child Tax Credit: You Could Owe Less in Taxes and Get Cash Back from the IRS!

- If you worked in 2010 — full-time or part-time — you may qualify.
- Even if you don't owe income tax you can get the credits.

## If You Had Children Living With You for More than Half of 2010:

- **For the EIC**, children must be under 19 in 2010. (Full-time students can be under 24; children who are permanently and totally disabled can be any age.)
- **For the CTC**, children must be under 17 in 2010.

## If You Did Not Have Children Living With You:

- You may claim **the EIC** if you were between ages 25 and 64 in 2010.

## How Much Can I Earn? How Large a Tax Credit Can I Get?

<b>For the EIC, if you have:</b>	<b>Earned income less than:</b>	<b>Claim an EIC up to:</b>
1 child	\$35,535	\$3,050
2 children	\$40,363	\$5,036
3 or more children	\$43,352	\$5,666
No children	\$13,460	\$457
<b>For the CTC, if you have:</b>	<b>Earned more than:</b>	<b>Claim a CTC up to:</b>
1 or more children	\$3,000	\$1,000 per child

*EIC income limits for married workers are \$5,000 higher!*

## What if I'm Not a U.S. Citizen?

**Immigrants who work and meet other guidelines may qualify.**

- **For the EIC:** worker, spouse and any child claimed needs a valid Social Security Number.
- **For the CTC:** either a Social Security Number or Individual Taxpayer Identification Number (ITIN) is needed.

## File a Federal Tax Return to Get the EIC and CTC: Get Free Help!!!

- VITA — Volunteer Income Tax Assistance — helps people fill out tax returns for free.
- Trained community groups operate VITA. **For a site near you, call 1-800-906-9887.**

## Also—Make Sure You Get Your Making Work Pay Credit—an extra \$400!

Many workers got the Making Work Pay Credit in 2010 in their paychecks. But if you were self-employed, or didn't earn enough to have income tax withheld, you can claim this credit on your tax return.

## If You Work, You Can Get These Tax Credits and Not Lose Other Public Benefits

EIC, CTC and Making Work Pay Credit refunds won't count as income when you apply for or renew benefits like food stamps (now called SNAP), SSI, Medicaid, cash assistance, or public housing. Some benefit programs may have a limit on how long you can keep your refund in a bank account.

# Certification Training

The following is from IRS Certification Training and provides links to various training information:

All individuals, including IRS employees participating in the VITA and TCE Programs, who answer tax law questions, instruct tax law, prepare or correct tax returns and/or conduct quality reviews of completed tax returns must be certified.

There are seven courses of study — Basic, Intermediate, Advanced, Military, International, Foreign Students and Scholars, and residents of Puerto Rico.

Each course is performance based and uses a process-based approach to engage students in the tax return preparation process. The courses for foreign students and scholars and for Puerto Rico residents are available only on Link & Learn Taxes. The other five courses are available both on Link & Learn Taxes and in print.

Link & Learn Taxes is the preferred method for volunteer training. Each course has its own curriculum and certification track and allows some flexibility for delivery.

The **Electronic Tax Software Practice Lab** connects the student to the tax preparation software used at volunteer sites. The Lab is accessible through Link & Learn Taxes.

By completing the problems and exercises (Publication 4491-W) and completing the scenarios in the VITA/TCE test/return (Form 6744), the volunteer gains hands-on experience preparing tax returns using tax preparation software. The Practice Lab supports the following training methods:

- **Self-Study instruction** allows students to independently complete:
  - The course using Link & Learn Taxes. Volunteers taking the course using Link & Learn Taxes should obtain a copy of the kit (Publication 4480) from their sponsor/coordinator.
  - The course materials at their own pace, using materials in the Student Guide kit (Publication 4491.)
- **Classroom instruction** combines:
  - Interactive Web-based tax law training (Link & Learn Taxes) and general discussion with completing problems and exercises in Publication 4491-W (workbook.)
  - Lecture, role-playing, demonstrations and general discussion with completing the problems and exercises in the Student Guide (Publication 4491) and Publication 4491-W.

The printed training products are available in three different kits. Many of the products in the kits are available electronically. Publication 4012, *the Volunteer Resource Guide*, is used during training and at the tax preparation site. It is posted on IRS.gov twice a year for two weeks in October and December.

Tax law changes implemented after the products are printed are published in Publication 4491-X. In addition to instructional guidance for new legislation, the Publication also contains pen-and-ink changes to the products in the volunteer training kits. Publication 4491-X is available on the IRS Forms and Publications page *in mid-December*.

Volunteers are limited to preparing tax returns with tax law issues within the scope of their certification level. The following is a summary of issues that can be addressed by each of the four principal levels:

- Basic: Wages, unemployment compensation and simple investment income (e.g., interest and ordinary dividends); Standard Deduction only; several credits for low to moderate income taxpayers.
- Intermediate: Basic level plus simple pensions, self-employment income (Schedule C-EZ only); Standard or Itemized Deductions.
- Advanced: Basic and Intermediate level plus more complex pensions, capital gains/losses, sale of a home.
- Military: Basic, Intermediate and Advanced level plus residential rental income, moving expense, and other common issues that affect members of the military.

Additional certification requirements for the four principal levels:

#### VITA/TCE CERTIFICATION REQUIREMENTS FOR Tax Year 2009

**BASIC** Certification is required for all volunteers who must be certified in the VITA/TCE programs. Volunteers may certify at increasing levels of complexity based on their training and experience. Each level of certification builds on the previous level. Quality reviewers and Instructors must be certified at the Intermediate level or higher.

The tests are scenario based. After completing the **BASIC** (7 Scenarios & 1 Quality Review) certification, volunteers may proceed to the **INTERMEDIATE** (4 Scenarios) certification followed by the **ADVANCED** (4 Scenarios) or **MILITARY** (4 Scenarios) or **INTERNATIONAL** (3 Scenarios) certification as their training and experience warrants.

**The Basic Test:** Volunteers must get **24 of 30** questions correct to achieve a minimum score of 80% for basic certification. There are eight scenarios for the basic test; 5 short scenarios and 2 return preparation scenarios and 1 quality review. Questions are asked after each scenario to test knowledge and skills (competencies.) **All volunteers who must be certified are required to have certification in the Basic course. Volunteers can stop there or proceed to other levels of certification.**

**The Intermediate Test:** Volunteers must get **16 out of 20** questions correct to achieve a minimum score of 80% for intermediate certification. There are four scenarios for the intermediate test. The first two short scenarios do not require tax return preparation. The other two scenarios require tax return preparation. Questions are asked after each scenario to test knowledge and skills (competencies). Intermediate scenarios are at an increased level of difficulty building on the Basic course. **Volunteers must complete certification in Basic and Intermediate to proceed with the other course certifications.**

**The Advanced Test:** Volunteers must get **12 of 15** questions correct to achieve a minimum score of 80% for advanced certification. There are four scenarios. The first three do not require tax preparation. The fourth scenario requires a tax return to be prepared. Questions are asked after each scenario to test knowledge and skills (competencies.) Advanced is a more difficult level, building on the **Basic** and **Intermediate** courses.

**The Military Test:** Volunteers must get **16 of 20** questions correct to achieve a minimum score of 80% for military certification. There are four scenarios for the military test. The first two scenarios do not require return preparation. The other two require a return to be prepared. Questions are asked after each scenario to test knowledge and skills (competencies.) Military scenarios cover the full scope of returns presented by members of the Armed Forces, Reserve and National Guard. It requires certification in **Basic** and **Intermediate**.

## Complimentary Products

VITA programs are perfect opportunities to help tax clients make the most of their federal tax refund, which often represents the single largest payment that a low-wage family will receive all year. Credit unions that are hosting their own VITA sites or that are partnering with other community sites can help filers with some of the following services or products:

- Financial education
- Refund splitting
- Savings accounts
- U.S. Savings Bonds
- Stored value debit cards
- Alternative refund anticipation loans (ARALs)

### Financial Education

Credit unions can participate in VITA site operations by offering financial education such as the following:

- The high costs of Refund Anticipation Loans (RALs) from paid tax preparers
- Which debts to pay off first using the client's tax refund
- Why filer should consider splitting the refund
- A review of the filer's credit report and how to improve it
- Alternatives to the client's high cost credit
- Steps to reaching financial goals
- How to build assets

### Refund Splitting

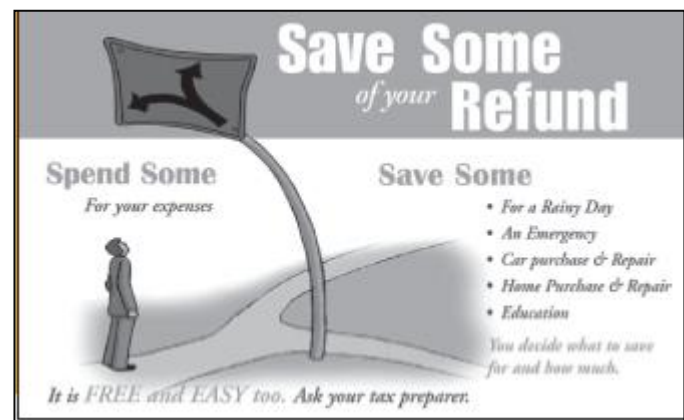
It's so simple. On their tax form, taxpayers may direct their refund to more than one financial institution account. If some of it is deposited into a savings account, the filer has built an asset.

D2D has created a website ([www.splitrefunds.net](http://www.splitrefunds.net)) that provides promotional materials for refund splitting, as well as a downloadable guide, entitled: "Build Savings at Tax Time – A Guide to Split Refunds."

### Savings Accounts

Without savings, low-income families are unable to weather inevitable financial crises. Tax refunds create the rare opportunity to save part of a lump sum for a "rainy day." North Side Community Federal Credit Union created two new products to help their members grow their savings at tax time: a Refund CD and a Refund Match Account. The special refund CD encourages EITC recipients to save a portion of their refund and can be opened for as little as \$300, up to a maximum of \$1,000. The CD earns 5% interest and has a 6-month or 1-year term.

The Refund Match Account is designed to boost the number of new accounts opened during tax season. The account must be opened with a minimum of \$25 from a tax refund. Deposits are matched \$.50 for



each dollar saved, up to a \$250 maximum match. The account must be open for one year before it is eligible for the matched funds.

## U.S. Savings Bonds

As of January 2010, tax filers have the opportunity to purchase U.S. Series I Savings Bonds with their tax refunds. Series I Bonds are sold at face value (a \$50 bond costs \$50) and grow in value for up to 30 years. Bonds must be purchased in increments of \$50. The Savings Bonds can be redeemed for principal and accrued earnings only after 12 months (unless in an area affected by a natural disaster), which can be appealing to some people because the bonds literally become “out of sight, out of mind.” If a Savings Bond is redeemed within the first five years, the three most recent months’ interest is forfeited. There is no penalty after five years.

For more information about savings bonds, see:

- IRS: Buy US Savings Bonds with Your Tax Refund: [http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Svgs\\_Bond\\_Flyer\\_Public.pdf/view](http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Svgs_Bond_Flyer_Public.pdf/view)
- U.S. Savings Bond Information Sheet: [http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Savings\\_Bonds\\_Information\\_Sheet.pdf/view](http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Savings_Bonds_Information_Sheet.pdf/view)

## Series I U.S. Savings Bonds: Save for the future

Version A, Cycle 8

<b>Form 8888</b>	<b>Direct Deposit of Refund to More Than One Account</b>	<b>OMB No. 1545-0074</b>
Department of the Treasury Internal Revenue Service	▶ See instructions below and on back. ▶ Attach to Form 1040, Form 1040A, Form 1040EZ, Form 1040NR, Form 1040NR-EZ, Form 1040-SS, or Form 1040-PR.	<b>2009</b> Attachment Sequence No. <b>56</b>
Name(s) shown on return <b>Tamara White</b>	Year social security number <b>1115551212</b>	
<b>1a</b> Amount to be deposited in first account		<b>1a</b> \$30
<b>b</b> Routing number	▶ <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>d</b> Account number		
<b>2a</b> Amount to be deposited in second account		<b>2a</b> \$250
<b>b</b> Routing number	▶ <input type="checkbox"/> Checking <input checked="" type="checkbox"/> Savings	
<b>d</b> Account number		
<b>3a</b> Amount to be deposited in third account		<b>3a</b>
<b>b</b> Routing number	▶ <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>d</b> Account number		
<b>4</b> Total amount to be directly deposited. Add lines 1a, 2a, and 3a. The total must equal the amount shown on Form 1040, line 73a; Form 1040A, line 46a; Form 1040EZ, line 12a; Form 1040NR, line 68a; Form 1040NR-EZ, line 23a; Form 1040-SS, line 13a; or Form 1040-PR, line 13a.		<b>4</b> \$280

## Stored Value Debit Cards

Tax refunds can be loaded onto a stored value card or pre-paid debit card. This may be a suitable alternative for the member or potential member who may not qualify for a traditional checking account because of ChexSystems records. A debit card may be a first step for tax clients to start building a relationship with your credit union.

## Alternative Refund Anticipation Loans (ARALs)

ARALs can complement a VITA operation. Many low income tax filers choose to have their taxes done by a paid professional because they want immediate access to their refunds. But that immediate payoff

comes with a high cost. A report from the National Consumer Law Center<sup>2</sup> cites IRS data that nearly two-thirds (63%) of RAL borrowers in 2008 were EITC recipients with adjusted gross incomes of \$37,300 or less, yet EITC recipients accounted for only 16% of 2008 taxpayers. The study estimates that RAL fees alone drained \$465 million from EITC refunds with another \$42 million going to pay administrative and application fees.

In 2009, two Montana credit unions piloted ARAL projects in collaboration with two local community organizations that provided VITA sites and the Montana Credit Unions for Community Development (MCUCD). Great Falls Teachers Federal Credit Union, \$78 million in assets, partnered with Great Falls Rural Dynamics and Valley Federal Credit Union, \$148 million in assets, in Billings partnered with Billings Human Resource Development Council, Inc. The partnerships continued and the ARALs were again offered in 2010. Their experiences and processes are summarized in a report entitled: “Refund Anticipation Loans: The Credit Union Way.” Neither credit union charged a loan fee or an interest rate for the short 7 to 10 day loan. Their results are shown below:

### Great Falls Teachers ARAL Project

	<b>2009</b>	<b>2010</b>
# ARALs made:	22	41
Total loan amounts:	\$12,356	\$70,000
Average loan amount:	\$561	\$1,707
Losses:	\$0	\$0

### Valley Federal A-RAL Project

	<b>2009</b>	<b>2010</b>
# ARALs made:	18	79
Total loan amounts:	\$41,766	\$147,597
Average loan amount:	\$2,320	\$1,868
Losses:	\$0	\$911

Volume increased significantly for both credit unions in year two. Tax filers at the community sites were provided with informational flyers describing the FasTax Refund Loan. All ARAL loans made in 2009 were to new members. In 2010, Great Falls Teachers brought in 34 new accounts as a result of its ARAL and Valley Federal made loans to 69 new members.

Alternatives Federal Credit Union offers a Refund Express Loan as part of its VITA site outreach for a \$20 fee and a nominal interest rate. The purpose of the fee is to pay the costs of making the loan and to serve as a discouragement to filers who may be able to wait the 7 to 10 days for their refund. About half of filers are talked out of using the loan. The credit union offers the loan recognizing some of its members need immediate access to their refunds to avoid other detrimental events from occurring.

<sup>2</sup> National Consumer Law Center, “Major Changes in the Quick Tax Refund Loan Industry,” 2010 Refund Anticipation Loan Report.

# REFUND EXPRESS LOAN

## Fast, Affordable Access to Your Refund

If two weeks is too long to wait for the direct deposit of your refund, we are pleased to offer you a fast, affordable option that far surpasses other types of Refund Anticipation Loans: the Refund Express, a loan secured by your federal refund.

When your tax return is complete, we will be happy to set up a Line of Credit that will be secured by your federal refund. Your tax refund must be directly deposited into your Credit Union savings account. When your refund is deposited, we will transfer the money to payoff the Credit Line. If you would like to keep your Credit Line after you receive your refund, we will review your financial situation to see if you qualify for an unsecured Line of Credit. If you qualify, the refund will be available to you and the Credit Line is yours to keep. If you don't qualify for an unsecured Credit Line you have the option of retaining a secured Credit Line. Your state refund will not be included in the loan, but will be direct deposited to your account.

The cost of the Credit Line is only \$20, and the Annual Percentage Rate is 11.50%. Let's take a look at what a low-cost, affordable option this is. If your refund is \$2000, you will pay:

### ALTERNATIVES' REFUND EXPRESS:

Cost of Tax Preparation	\$ .00
Line of Credit Fee	\$ 20.00
14 days interest @11.50%	\$ 8.67

**TOTAL COST** \$ 28.67 (effective interest rate is 11.50%)



### RAPID REFUND LOAN:

Cost of Tax Preparation	\$120.00
Loan Fees	\$100.00
Application Fee	\$ 30.00

**TOTAL COST** \$250.00 (effective interest rate is 325%)

This information is based on the average cost paid for a 2004 tax return prepared by a well-known national tax preparation service.

### The advantages to you are clear:

- Immediate savings of more than \$200
- The option of having an ongoing Line of Credit
- The ability to repair or build a traditional credit history
- Assistance with financial planning and goal setting

To take advantage of this service, please speak with your tax preparer or the Site Coordinator.

## HOW MUCH WILL MY REFUND EXPRESS LOAN COST?

Twelve to 48 hours after we've filed your return, we receive an acknowledgement from the IRS that your return has been accepted. We then give your file to the loan department; they are normally able to set up your loan that day. Once your loan is set up, we will call you to let you know that the loan proceeds from your Refund Express are available at the Credit Union. You can then come to the Credit Union to withdraw cash from your Refund Express Line of Credit.

The cost of your Refund Express is the estimated interest (2 weeks at 11.5% APR) plus the \$20 Refund Express fee. Below is a chart that shows the estimated interest and the total cost of your loan. To find your cost, find the amount of your federal refund on the left column, then follow to the far right column for the estimated total cost.

Federal Refund Amount	Refund Express Fee	Estimated Interest	Estimated Total Cost
\$100-1000	\$20	\$5	\$25
\$1000-2000	\$20	\$10	\$30
\$2000-3000	\$20	\$15	\$35
\$3000-4000	\$20	\$20	\$40
\$4000-5000	\$20	\$25	\$45
\$5000-6000	\$20	\$30	\$50

We will extend to you the amount of your federal refund minus the Estimated Total Cost.

Example: If your refund is \$1500, we will extend to you \$1470, or \$1500 - \$30.

Please see a VITA volunteer or an Alternatives staff person if you have any questions.



**Alternatives**  
FEDERAL CREDIT UNION

125 N. Fulton St., Ithaca, NY 14850 • [www.alternatives.org](http://www.alternatives.org)

# Measuring Success

There are a number of ways to measure the success of a VITA operation, such as:

- Savings to members and the community
- Dollar amount of refunds
- Number of returns filed
- Growth in operations
- Number of clients converted to members

## Savings to Members and Community

By taking advantage of free tax services, what did filers save by not having to pay a professional preparer an average of \$160 for a return? What did they save by not giving in to a high pressure sales talk to take out a Refund Anticipation Loan? This is money that stayed in the wallets of low-income tax filers instead of being wasted on unnecessary expenses.

## Dollar Amount of Refunds

Refund amounts often represent tax credits that lower-income households are eligible to receive. Many of these clients may not have to file a return because they don't make sufficient income to require filing. But they must file in order to receive their refundable credits. Therefore these refunds increase the incomes of low wage consumers, who spend their refund dollars at local businesses which helps the community.

## Number of Returns Filed

The number of filers using a site indicates how well the marketing efforts are working. The number of repeat filers speaks to how well the clients were treated in the previous year(s). The number of new filers measures growth in the operations and is an indication that information about the site is traveling via word-of-mouth, through press and media and other advertising means.

## Growth in Operations

A steady growth in the number of filers and refund dollars is a good indicator of a successful VITA operation.

## Number of Clients Converted to Members

For credit unions interested in growing their membership through their VITA efforts, this is an important measurement indicator. The benefits of belonging to a credit union should be sold to potential members, but not in an obtrusive manner. In particular, those clients who are unbanked should be directed to the various products the credit union offers that can help improve financial wellness. For example, Alternatives Federal Credit Union offers its low-cost Refund Express Loan and Fresh Start checking accounts to interest clients in membership. Alternatives FCU reports that 31% of its new VITA members were previously unbanked, which is three times as many as its general membership.

Finally, success should be shared and reported to as many people as possible. Offering free tax services to help low income households redeem their tax credits is a message that resonates with a wide audience, including the following:

- Your credit union staff and board, particularly if some of them helped with volunteer efforts;
- Your community – after all, it benefits from your work;
- Your state league or association, so it can monitor the impact credit unions are having within the state;
- The REAL Solutions Impact Center in order to measure the impact credit unions are having nationwide. Go to <http://realsolutions.coop/get-involved/take-our-surveys>, and select #3 under “Calculate your Impact.”;
- Your elected representatives so they are aware of the benefits your credit union is having on their constituents;
- Your local media to emphasize the difference your credit union is making in the community.

**Don't forget to thank and celebrate your success with your volunteers and community partners.**

## Resources and References

Become an IRS Partner to Help in Your Community:

<http://www.irs.gov/individuals/article/0,,id=119374,00.html>

Build Savings at Tax Time: A Guide to Split Refunds, D2D: [http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/refund-splitting/Split\\_Refunds\\_Guide\\_UWA.pdf/view](http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/refund-splitting/Split_Refunds_Guide_UWA.pdf/view)

Brookings Institute EITC-Eligible Taxpayers: Economic and Demographic Characteristics:

<http://www.brookings.edu/metro/EITC/EITC-Profiles.aspx>

Campaign for Working Families Policy & Procedures Manual: <http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/cfw-policy-procedures.pdf/view>

Center for Economic Progress – Community Assessment Example: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Community\\_Assessment.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Community_Assessment.pdf/view)

Center for Economic Progress – Marketing VITA: <http://tax-coalition.org/program-tools/managing-a-tax-site/marketing>

Center for Economic Progress – Site Requirements: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Site\\_Facility\\_Requirements\\_2008.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-selection/Site_Facility_Requirements_2008.pdf/view)

Center for Economic Progress – VITA Job Descriptions: <http://tax-coalition.org/program-tools/managing-a-tax-site/site-staffing/job-descriptions>

Center for Economic Progress – 2010 Site Managers Training Manual: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Site\\_Manager\\_Training\\_Manual\\_2008.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Site_Manager_Training_Manual_2008.pdf/view)

Center on Budget and Policy Priorities: [www.cbpp.org](http://www.cbpp.org)

D2D Promotional Materials for Split Refunds: [www.Splitrefunds.net](http://www.Splitrefunds.net)

Earned Income Tax Credit Outreach Campaign: <http://eitcoutreach.org/>

Expanding Earned Income Tax Credit Outreach Through 2-1-1: [http://tax-coalition.org/program-tools/managing-a-tax-site/marketing/outreach-to-taxpayers/EITC\\_2-1-1%20FactSheet.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/marketing/outreach-to-taxpayers/EITC_2-1-1%20FactSheet.pdf/view)

Illinois Credit Union League tax website: [www.ipaytaxes.org](http://www.ipaytaxes.org)

IRS: Buy US Savings Bonds with Your Tax Refund: [http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Svgs\\_Bond\\_Flyer\\_Public.pdf/view](http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Svgs_Bond_Flyer_Public.pdf/view)

IRS EITC Central Site: <http://www.eitc.irs.gov/central/abouteitc/>

IRS Link & Learn Taxes: <http://www.irs.gov/individuals/article/0,,id=123214,00.html>

IRS Tax Year 2009 Link & Learn Taxes e-Learning: <http://www.irs.gov/app/vita/>.

IRS VITA Site list by state: <http://www.irs.gov/individuals/article/0,,id=219156,00.html>

IRS VITA Volunteer Guide Book from the Health and Welfare Council of Long Island:  
<http://www.hwcli.com/documents/231.pdf>

IRS VITA & TCE Quality Site Requirements Guidance for Partners: [http://www.irs.gov/pub/irs-utl/qsr\\_2010\\_external\\_111209.pdf](http://www.irs.gov/pub/irs-utl/qsr_2010_external_111209.pdf)

IRS Volunteer Site Coordinator's Handbook, <http://www.irs.gov/pub/irs-pdf/p1084.pdf>

IRS 2009 Form 6744, Volunteer Assister's Test/Retest: <http://www.irs.gov/pub/irs-pdf/f6744.pdf>.

IRS 2009 Publication 4491 Student Training Guide: <http://www.irs.gov/pub/irs-pdf/p4491.pdf>

IRS 2009 Publication 17 Your Federal Income Tax for Individuals: <http://www.irs.gov/pub/irs-pdf/p17.pdf>

IRS 2009 Publication 4491-W Comprehensive Problems and Exercises Workbook:  
<http://www.irs.gov/pub/irs-pdf/p4491w.pdf>

Just Money Project/Self-Help Credit Union – Starting a Volunteer Tax Prep Site: [http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Just\\_Money\\_vita\\_handbook.pdf/view](http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/Just_Money_vita_handbook.pdf/view)

Living Cities: The National Community Development Initiative, "Using the Earned Income Tax Credit to Stimulate Local Economies, 2006.  
[http://www.brookings.edu/~media/Files/rc/reports/2006/11childrenfamilies\\_berube/Berube20061101eitc.pdf](http://www.brookings.edu/~media/Files/rc/reports/2006/11childrenfamilies_berube/Berube20061101eitc.pdf)

Montana Credit Unions for Community Development tax website: [www.MontanaFreeFile.org](http://www.MontanaFreeFile.org)

National EITC Outreach Partnership, "National EITC Web Resources," <http://www.cbpp.org/eitc-partnership/resources.htm>

National Community Tax Coalition: <http://tax-coalition.org/>

REAL Solutions Impact Center - VITA Sites and Refund Anticipation Loans:  
<http://www.realsolutions.coop/solutions/transaction-products/vita-sites>

Refund Anticipation Loans: The Credit Union Way

Starting a Free Tax Preparation Site: <http://tax-coalition.org/program-tools/managing-a-tax-site/site-procedures-and-management/managing-tax-sites/starting-a-vita-program/view>

U.S. Savings Bond Information Sheet: [http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Savings\\_Bonds\\_Information\\_Sheet.pdf/view](http://tax-coalition.org/program-tools/financial-services/asset-building/asset-building-products/u.s.-savings-bonds/Savings_Bonds_Information_Sheet.pdf/view)

United Way of the Bay Area, Opening a VITA Site: A How-To Tool Kit:  
[http://www.earnitkeepitsaveit.org/images/pdf/opening\\_a\\_vita\\_site\\_toolkit2010.pdf](http://www.earnitkeepitsaveit.org/images/pdf/opening_a_vita_site_toolkit2010.pdf)

Volunteer Tax Preparer Training: <http://www.irs.gov/individuals/article/0,,id=125098,00.html>

Wisconsin Credit Union League tax website for consumers: [www.freetaxrefund.org](http://www.freetaxrefund.org)

# Appendix A



## Getting in Touch With Your IRS Territory Manager

For a list of Volunteer Income Tax Assistance (VITA) sites in your area, contact your IRS Territory Manager, listed below. The Territory Managers, or their staff, can help you set up new VITA sites and train VITA volunteers. Some offices cover more than one state. The Territory Manager for your state may be headquartered elsewhere, but he or she does supervise the program in your area. The Territory Manager's office can connect you to IRS staff, EIC outreach materials, VITA trainings or VITA site supervisors in your state, and help plan future efforts. IRS is currently making changes to these offices. Please let us know if you are unable to make contact. **Note:** These numbers should not be given to individual taxpayers to call for personal tax help. These offices can't do that — they organize the VITA program. *Call 1-800-829-1040 for tax help.*

STATE	TERRITORY MANAGER	PHONE NUMBER/EMAIL
Alabama	Elaine Beck	205-912-5491/Elaine.Beck@irs.gov
Alaska	Sue Stockman	206-220-5528/Sue.M.Stockman@irs.gov
Arizona	Tracey Banks	602-207-8494/Tracey.C.Banks@irs.gov
Arkansas	Karen O'Neill	405-297-4026/Karen.L.ONeill@irs.gov
California		
Fresno	Claudia Wreyford	916-974-5589/Claudia.Wreyford@irs.gov
Los Angeles	Connie Stewart	213-999-1043/Connie.Stewart@irs.gov
Oakland	Stella Lee	408-817-6554/Stella.Lee@irs.gov
Sacramento	Claudia Wreyford	916-974-5589/Claudia.Wreyford@irs.gov
San Jose	Stella Lee	408-817-6554/Stella.Lee@irs.gov
San Marcos/Santa Ana	Barbara Kuhns	760-736-7340/Barbara.M.Kuhns @irs.gov
Santa Maria	Connie Stewart	213-999-1043/Connie.Stewart@irs.gov
Colorado	Terence Donohoue	303-606-4564/Terence.Donohoue@irs.gov
Connecticut	Jodonna Powell	860-756-4660/Jodonna.G.Powell@irs.gov
Delaware	Denise Perry	973-645-4584/Denise.Perry@irs.gov
District of Columbia	Michele Page	202-927-9298/Michele.L.Page@irs.gov
Florida		
Jacksonville/Tampa	Barbara Travis	813-315-2395/Barbara.Travis@irs.gov
Miami/Maitland	Ron Albert	954-423-7770/Ronald.W.Albert@irs.gov
Panama City	Elaine Beck	205-912-5491/Elaine.Beck@irs.gov
Plantation/West Palm Beach	Ron Albert	954-423-7770/Ronald.W.Albert@irs.gov
St. Petersburg/Tallahassee	Barbara Travis	813-315-2395/Barbara.Travis@irs.gov
Georgia	Mikki Betker	404-338-8893/Mikki.M.Betker@irs.gov
Hawaii	Becky Facer	503-326-6010/Rebecca.A.Facer@irs.gov
Idaho	Becky Facer	503-326-6010/Rebecca.A.Facer@irs.gov
Illinois	Cheryl Nagana	312-566-2201/Cheryl.M.Nagana@irs.gov
Indiana	Ken Williams	317-685-7782/Kenneth.L.Williams@irs.gov
Iowa	Douglas Bauman	402-221-3619/Douglas.A.Bauman@irs.gov
Kansas	Kathryn Lett-Deathe	816-966-2303/Kathryn.Lett-Deathe@irs.gov

STATE	TERRITORY MANAGER	PHONE NUMBER/EMAIL
Kentucky	Michelle Bell	513-263-4271/Michelle.Bell@irs.gov
Louisiana	Jan Pretus	205-912-5491/Jan.Pretus@irs.gov
Maine	Bill Smits	617-316-2145/William.C.Smits@irs.gov
Maryland	Michele Page	202-927-9298/Michele.L.Page@irs.gov
Massachusetts	Bill Smits	617-316-2145/William.C.Smits@irs.gov
Michigan	Ramondo Gee	313-628-3700/Ramondo.Gee@irs.gov
Minnesota	Gary Stadskev	651-726-1580/Gary.A.Stadskev@irs.gov
Mississippi	Jan Pretus	205-912-5491/Jan.Pretus@irs.gov
Missouri	Kathryn Lett-Deathe	816-966-2303/Kathryn.Lett-Deathe@irs.gov
Montana	Terence Donohoue	303-606-4564/Terence.Donohoue@irs.gov
Nebraska	Douglas Bauman	402-221-3619/Douglas.A.Bauman@irs.gov
Nevada	Debra Patterson	702-868-5040/Debra.L.Patterson@irs.gov
New Hampshire	Bill Smits	617-316-2145/William.C.Smits@irs.gov
New Jersey	Denise Perry	973-645-4584/Denise.Perry@irs.gov
New Mexico	Tracey Banks	602-207-8494/Tracey.C.Banks@irs.gov
New York		
Albany/Buffalo	Joanne Passineau	283-001-2824/Joanne.C.Passineau@irs.gov
New York City	James Duffy	212-436-1031/James.Duffy@irs.gov
North Carolina	Roger Burton	336-378-2132/Roger.Burton@irs.gov
North Dakota	Gary Stadskev	651-726-1580/Gary.A.Stadskev@irs.gov
Ohio		
Cincinnati	Michelle Bell	513-263-4271/Michelle.Bell@irs.gov
Columbus/Cleveland	Sandra Trigg	614-280-8659/Sandra.Trigg@irs.gov
Oklahoma	Karen O'Neill	405-297-4026/Karen.L.ONeill@irs.gov
Oregon	Becky Facer	503-326-6010/Rebecca.A.Facer@irs.gov
Pennsylvania	Jim Daugherty	412-395-4534/James.K.Daugherty@irs.gov
Rhode Island	Jodonna Powell	860-756-4660/Jodonna.G.Powell@irs.gov
South Carolina	Mikki Betker	404-338-8893/Mikki.M.Betker@irs.gov
South Dakota	Gary Stadskev	651-726-1580/Gary.A.Stadskev@irs.gov
Tennessee	William Pykosh	615-250-5912/William.P.Pykosh@irs.gov
Texas		
Austin/ Houston	Lou Greer	281-721-7071/Lou.E.Greer@irs.gov
Dallas/Lubbock/Midland	David Hirschman	214-413-6029/David.R.Hirschman@irs.gov
El Paso/ San Antonio	Ricardo Soto	915-834-6512/Ricardo.Soto2@irs.gov
Utah	Debra Patterson	702-868-5040/Debra.L.Patterson@irs.gov
Vermont	Jodonna Powell	860-756-4660/Jodonna.G.Powell@irs.gov
Virginia	Chris Neighbor	804-916-8730/Chris.C.Neighbor@irs.gov
Washington	Sue Stockman	206-220-5528/Sue.M.Stockman@irs.gov
West Virginia	Chris Neighbor	804-916-8730/Chris.C.Neighbor@irs.gov
Wisconsin	Douglas Bauman	402-221-3619/Douglas.A.Bauman@irs.gov
Wyoming	Terence Donohoue	303-606-4564/Terence.Donohoue@irs.gov
Puerto Rico	Mikki Betker	404-338-8893/Mikki.M.Betker@irs.gov