

TALKING POINTS FOR THE

Volunteer Income Tax Assistance Grant Program



March 2008

Key Messages

- **The VITA program originated with the Tax Reform Act of 1969.**
- **Congress has appropriated funds to IRS to establish and administer a one year VITA matching grant program.**
- **Applicants must provide matching funds on a dollar-for-dollar basis for all VITA grant funds received.**
- **The grant application package will be available mid-summer 2008. Partners can obtain copies of the package from their Relationship Managers, as soon as it becomes available.**
- **Eligible partners can file electronically at www.grants.gov.**
- **Applications must be received on or before the deadline date to be considered.**
- **Encourage your partners to apply early.**

These talking points were developed to provide SPEC Relationship Managers background information on the VITA Grant Program. In addition to this document, FAQs and other awareness and marketing tools will be developed and shared, as appropriate.

Introduction

We are excited to offer, to our existing and prospective qualifying partners, the opportunity to apply for this first ever VITA grant. Although the development of the program is well underway, it will take several months to complete the design and administrative phase. In the interim, this document has been developed to provide a high level status of the program that can be shared with your partners.

Brief VITA History

The existing VITA program, administered by the IRS, originated with the Tax Reform Act of 1969 as part of the increased emphasis on Taxpayer Education Programs. The program offers free tax help to low-to moderate-income individuals who cannot afford professional assistance. Presently, there are more than 40,000 volunteers assisting in the VITA tax preparation program. During 2007, volunteers filed more than 1.2 million tax returns at almost 5,000 VITA sites nationwide.

VITA Grant Program Background

In December 2007, Congress appropriated funds to the IRS to establish and administer a one year matching grant program, in consultation with the Taxpayer Advocate Service, for Community Volunteer Income Tax Assistance. The program shall provide direct funds to:

- enable VITA programs to extend services to underserved populations and hardest-to-reach areas, both urban and non-urban;
- increase the capacity to file returns electronically;
- heighten quality control;
- enhance training of volunteers; and
- significantly improve the accuracy rate of returns prepared by VITA sites.

Talking Points for VITA Grant Program

Matching Funds

Applicants must provide matching funds on a dollar-for-dollar basis for all VITA grant funds received.

- Acceptable matching funds consist of: cash, computer hardware and software, and third party in-kind contributions (the value of volunteer services and the fair market value of office space may not exceed 25% of the total in-kind).

Funds from other federal grants cannot be counted as matching funds.

Eligibility Criteria

Applicants must meet the following eligibility criteria to be eligible to file an application for funding under the VITA Grant Program:

- Be classified as one of the following:
 - A private or public non-profit organization qualifying for tax exemption under IRC 501, including but not limited to an educational institution, faith-based or community organizations;
 - A state or local Government agency, including Native American Tribal governments, or
 - A regional, statewide, or local coalition with one lead organization that meets one of the eligibility criteria stated above. The applicant organization must have a significant role in the coalition;
- Must be in compliance with Civil Rights reporting requirements, OMB guidance, and federal tax filing and payment requirements; and
- Have the capacity to electronically file federal tax returns; and
- Provide documentation to substantiate matching funds on a dollar-for-dollar basis for grant funds requested.

Application Process

The grant application package will be available mid-summer of 2008. Partners can obtain copies of the package from their Relationship Managers, as soon as it becomes available. An original and three copies of the application should be mailed to the SPEC Grant Office or filed electronically at www.grants.gov. Applications must be received on or before the deadline date to be considered. A detailed explanation of the application submission process/method of delivery, and deadline date will be contained in the application package. **Encourage your partners to apply early.**

Resources

As the team progresses in designing and developing the grant program, additional information will be shared. In addition, program information will be available on SPEC's grant webpage, currently under construction, and on IRS.gov, search keyword: *Community Network*.