A Field Guide to Starting a Volunteer Tax Prep Site

North Carolina
Department Of State Treasurer

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As North Carolina State Treasurer, I know how important it is to increase the level of financial literacy and fiscal resources of low- and moderate-income families in our state and across the country.

One of the best ways to accomplish this is to help families claim the tax benefits they have earned. Earned Income Tax Credits and the Child Tax Credits can amount to thousands of dollars for workers who qualify – the equivalent of a $2 per hour raise in their wages!

Yet, many eligible workers miss out on these important benefits because they do not know they qualify, do not know how to claim the credits, and do not know where to find free tax filing assistance. That means tens of millions of dollars that could be used to support families in local communities is being left in Washington, D.C. each year.

That's where you can help. By organizing a Volunteer Income Tax Assistance (VITA) program in your community, you can help inform eligible workers about the tax credits, motivate them to file their tax returns, and provide them with free tax filing assistance. This service puts money back in the pockets of families that can help them pay down debt, build an emergency fund, buy a home or save for their children's education.

Last year, I supported a partnership that helped working families in North Carolina collect nearly $3.2 million in income tax refunds with the help of 650 trained volunteers at 68 free tax preparation sites. This success has been duplicated in many states, including Illinois, California, Oklahoma, and Delaware.

But there is still much work to do and many low-income families still to reach. I appreciate your interest in starting a new VITA site, and hope this manual gets you off to a great start!

Sincerely,

Richard H. Moore
State Treasurer

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Introduction

We created this guide to share things we learned setting up several North Carolina Volunteer Income Tax Assistance (VITA) sites. This is by no means a comprehensive manual, but rather a "road map" to help you get a successful start.

ICON KEY
✓ Key Points and Quick Tips
🗁 Where To Find More Info

Icons highlight especially important information, including websites, publications, and hard-learned lessons from our VITA sites. To find more detailed information (and there is lots of it!) on establishing and running a VITA site, see the "For Help & More Info" section on page 21.

Why Free Tax Preparation is Important

Programs like VITA are targeted to low-income taxpayers who may not have the resources or know-how to file their taxes. Many low-income taxpayers qualify for refunds of prepaid taxes, as well "refundable" tax credits for childcare and earned income. The Earned Income Tax Credit (EITC) is an especially important component of federal aid to working families, and lifting almost 5 million people out of poverty each year, including 2.5 million children.

Yet, because they do not know how to file or are unaware of their eligibility for refunds, many low-income workers fail to file and claim substantial refunds which can average over $1,000 per family. (The IRS estimates that 15% or more of EITC refunds are unclaimed by low-income families—that's $**2.7 billion each year**!)

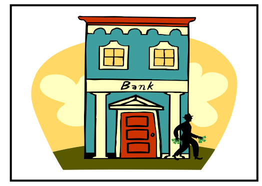
Other low-income taxpayers do file for refunds, but through costly tax preparation services that also push expensive 'refund advance loans'. According to the Brookings Institution, as much as $2 billion in EITC refunds were diverted in 2003 to pay for tax preparation, e-filing and "rapid refund" services.

Immigrant taxpayers face additional barriers: language and information barriers may prevent their filing altogether, and those with taxpayer identification numbers (rather than social security numbers) cannot file electronically and are generally not served by paid preparers.

VITA programs seek to educate taxpayers, encourage low-income tax payers to file and claim refunds, and—in more advanced programs—connect clients with financial services opportunities such as banking accounts, Individual Development Accounts, financial literacy training and more.

To learn more about the Earned Income Tax Credit and refund anticipation loans, and get data for your state, county, or city, check out the studies by Alan Berube of the Brookings Institution's Metropolitan Policy Program, under their "EITC Series." (www.brookings.edu/es/urban/eitc.htm)

What Happens at a VITA Site



It starts with HAVING A SITE that is convenient and accessible to the people you want to serve. The site needs to have adequate space and COMPUTER RESOURCES. Typically, it will be necessary to GET SUPPORT FROM LOCAL ORGANIZATIONS to provide space, funding, and other resources for your site.

Through PUBLICITY efforts, groups encourage potential clients to SCHEDULE APPOINTMENTS at their site. At each site, TRAINED VOLUNTEERS greet clients, PREPARE TAX FORMS, and (if appropriate) ELECTRONICALLY FILE TAXES for them.

After completing a tax return, it is important to CHECK THE ACCURACY, and SUBMIT INFORMATION TO THE IRS about the activity at the site. Some programs also INTERVIEW CLIENTS about their experience, and/or PROVIDE INFORMATION about banking and savings options, and other financial issues.

Overwhelmed yet? Don't be. Many of these activities can be kept relatively simple and uncomplicated – in fact, that should be your goal in the first year of operation. And if you are intimidated by the apparent complexity of preparing taxes for people, you should know that (1) VITA sites do not prepare itemized returns or complicated schedules, (2) once you get the hang of it, tax preparation is very straightforward, and (3) VITA volunteers cannot be held liable for errors.

The IRS has clear rules about things VITA sites CANNOT do:

- Accept payment for preparing tax forms
- Prepare complicated tax returns or answer technical questions
- Distribute tax forms
- Refer a taxpayer to any particular firm or professional
- Share any confidential information about clients

The rest of this guide is devoted to helping you get a handle on these activities and focus on the key elements for success. In addition, there are several top-notch "technical assistance" sources that can help you get started, and groups running other VITA sites are always willing to provide advice and guidance as well.

How VITA Sites Grow

There are typically three stages in the "life" of a VITA site:

Stage 1: Year One – Get started

For most VITA programs, their first year of operation is spent getting a site established and building awareness. This involves setting up partnerships, finding and training a core group of volunteers, publicizing the program, and establishing a basic process at the site. Depending on the population of the target market and the number of hours of operation, **a first year site can expect to complete 25 to 100 tax returns. This is a <u>great</u> success, considering how many pieces must be put in place in the first year.**

Stage 2: Years Two to Five – Build and Grow

Once established, most VITA programs increase their volume and become more efficient. At this point, a core group of volunteers is in place, and the site begins to make better use of technology. Many clients will return and word of mouth will generate new clients. After a few years, VITA programs may open additional sites and/or add ties to other services. These services include financial literacy training, establishment of bank accounts, homeownership education, referrals to other social service agencies, and more.

Stage 3: Years 6+ – Sustain the Operation

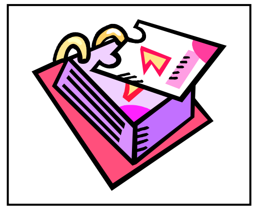
A few extraordinary VITA programs generate millions of dollars in tax refunds each year. These programs typically have multiple sites, some paid staff, dedicated computer systems, and advanced operations.

More typical, however, are thousands of VITA programs that serve a few hundred taxpayers annually, generating $200,000 to $500,000 in refunds. These programs generally have an established site or sites, a pool of experienced volunteers, well-tuned computer systems (and possibly e-filing of returns), and effective publicity programs.

The main point to remember is that <u>every</u> VITA program, no matter how large now, lived through a "Stage One." So start small your first year, and build a good foundation to grow on in the future.

Suggested, realistic year-one goals:

- 5 trained, active volunteers (10 for larger urban sites)
- A basic process at your site
- 25 returns, $25,000 in refunds (50 for larger urban site)
- Satisfied customers and happy volunteers



Timeline of Key Events

It's best to get started early when setting up a VITA site—as much as six months before the typical opening day in the first week of February. The later your start, the greater the cost to your health and mental well-being!

The following timeline outlines the major tasks required to establish a VITA site. Many of these activities are repeated each year. See subsequent sections of this guide for further details on what each task involves.

TIMELINE OF MAJOR ACTIVITIES	
September	▪ Document need and set goals for your VITA program ▪ Select a location for VITA site ▪ Enlist participation of local community & faith-based groups, employers, and banks ▪ Set a project budget and get funding and computer resources
October-November	▪ Register your program with the IRS ▪ Recruit volunteers ▪ Schedule volunteer training and order training materials from IRS ▪ Select volunteers/staff to help with site coordination, computer integration, publicity and outreach
December	▪ Develop publicity plan and materials ▪ Order tax forms and materials from the IRS ▪ Notify IRS of site location(s) and operating hours
January	▪ Conduct volunteer training and have volunteers complete IRS test ▪ Begin outreach to potential clients ▪ Get other supplies for site ▪ Test computer technology
February-April	▪ Open & operate VITA site ▪ Continue consumer outreach ▪ Provide site statistics to IRS
Late April-May	▪ Celebrate results, appreciate volunteers ▪ Evaluate filing season, site, and volunteers ▪ Recuperate and recover!

Location & Hours of Operation

Choose a location that is **convenient, accessible and "friendly"** to the people you want to serve, including those who may have special needs (e.g. older individuals, non-English speakers, or others). Good locations include community centers, churches, and public libraries.

Be sure your location has adequate parking, and (if possible) access to public transportation. Inside, your site should have enough space to provide some level of distance between taxpayers while you are preparing their returns. It is also helpful to have a waiting area for clients as they arrive, and nearby restrooms too.

Other key features of a good VITA site:

- Easy set up of 5-10 tables and chairs
- Adequate electrical outlets for computers & printers
- Computers & internet access if needed (see "Technology")
- Secure storage space
- Access to a phone and a copier

Keep your hours of operation in mind when selecting a site. Your activity should not conflict with other events or with business hours of the site host. Typical hours of operation for many startup sites are three or four-hour sessions once a week, primarily during non-working hours. Many VITA sites open February 1 and run through April 15—about 10 weeks—meaning 30 to 40 total hours of tax preparation over the whole season.

Tips for hours of operation at a first-year VITA site:

- Try Saturdays, 9am to 12pm (returns done by 1pm)
- Set the schedule early on and stick with it
- Schedule one week off in mid-March so you can catch your breath!

By early December, the IRS will ask you to tell them the location for your VITA site, and the days and hours of operation. This is used to direct consumers who call the IRS or visit its website to free tax prep sites. It also will enable the IRS to include your site in its advance publicity or promotional materials.

Funding Your Program

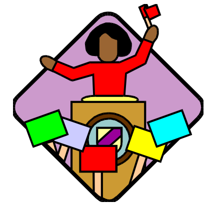
VITA programs may provide tax prep services for free, but there are real costs associated with running these programs. Many small VITA efforts operate without receiving any outside funding, relying instead on their sponsoring organization to provide supplies and staffing to support the program.

However, a modest amount of funding can make a huge difference. One of the biggest benefits can come from hiring a part-time staff person to handle the day-to-day coordination of your VITA effort. This may not be necessary in the first year of operation, but becomes more important as your program expands.

Here's a breakdown of the estimated costs to operate a medium-sized VITA effort:

Expense	Est. Cost	Comments
Staffing or administrative support	$2,500	Cost of 20-hour/week staff person for site coordination, volunteer management, outreach, etc.
Supplies	$500	Copier/computer paper, miscellaneous office supplies
Publicity and Outreach materials	$200-800	Depends upon scope of publicity. (See "Publicity & Outreach" section.)
Appointment scheduling service	$300	Estimated at $1 per call. See "Managing your Site" for more info.
Volunteer refreshments, appreciation event, etc.	$500	Refreshments during tax prep sessions and one end-of-season event.
TOTAL	$4,000-$4,600	Excluding costs for computer resources
PLUS Computer Resources	Varies based on set-up	See "Choosing the Right Technology" section.

Resources and Community Support



Getting funding and other resources for your VITA program may require you to get creative. Can a local church publicize your program to its members? Can a nearby company host Saturday tax prep sessions at its office? Can a community group or agency provide volunteer interpreters to help you serve non-English speaking taxpayers? Can a local bank encourage its employees to volunteer as tax preparers? Can your local government provide some funding?

Document the need for free tax prep services in your community, and the goals for your VITA site. This is compelling information to have when enlisting potential funders or partners for your program. (See the "Why Free Tax Prep is Important" section for more details.)

In our experience, many organizations are interested in supporting VITA programs, because they address a clear need in the community (unclaimed tax credits for poor households), results are easily documented, and a small investment can have a big impact. For example, if your VITA program uses $5,000 to help 100 families file for an average tax refund of $1,000, you've leveraged the initial investment by a factor of 20-to-1!

Possible sources of information on VITA funding:
The US Department of Health and Human Services now has a comprehensive website that contains information about all federal grant programs: www.grants.gov. Also, Local Inititiatives Support Corporation (LISC) is a community development organization that publishes funding opportunities in its online library at www.lisc.org/resources. And check with the groups listed in "For Help & More Info" too.

You may also be able to secure donations of computer equipment and resources from corporations and financial institutions, local government agencies, or office supply stores. In addition, the IRS has a limited number of computers it provides to VITA sites. Even with donated computers, you will probably incur some costs for printer cartridges, operating software, etc. And if you don't have a computer-savvy volunteer to handle tech support, it would be wise to budget some funds for this too.

Lastly, working with local organizations that have credibility in your community can help your VITA program in another important way: It builds trust among low-income consumers, who often are targeted for products and services that seem "too good to be true," and usually are.

Recruiting Volunteers

Volunteers are the lifeblood of the VITA program, and play many roles: tax preparer, client greeter, computer specialist, interpreter, site manager, publicity director, etc. Not all VITA programs need or can staff all these positions, but each role becomes more important as a program grows. At a minimum, a program needs to have at least one site coordinator and some tax preparers.

How many volunteers does a first-year VITA site need? Depending upon your volume, you probably will need four to ten tax preparers working at each of the ten-week sessions. Since the "average" volunteer works about five sessions (some more, some less), you'll need a roster of 10 to 20 active volunteers. We suggest recruiting 15-30 people at the start, because some will drop out during the training process or tax season.

In our experience, recruiting volunteers is not very difficult if the group sponsoring the VITA site is involved in community development or social services, or is a faith-based organization. The people involved in these organizations are a natural base for volunteers. But we have also found that business people and retirees are equally interested in getting involved in VITA programs, so don't overlook them either!

The key messages that should be stressed in recruiting volunteers include the following:

1. The real need in your community for a VITA program
2. The time commitment required
3. Volunteers can prepare taxes or handle other tasks, based on their interest
4. The IRS provides free training for volunteer tax preparers.

Here's an example of the successful "pitch" one of our groups makes:

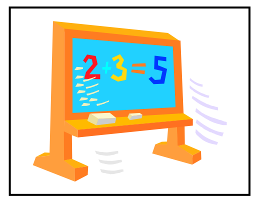
> **Help families with tax returns.** Many people find tax forms confusing and don't claim all the credits they have earned -- over $9 million in tax credits is unclaimed in Wake County each year. If you'd like to help low-income and immigrant families prepare their tax returns, we need you! The Just Money Network is offering the IRS Volunteer Income Tax Assistance program (VITA) at St. Raphael Church in Raleigh each Saturday morning from Feb. 7 - April 10. Volunteers can pick which weekend(s) they wish to work, and free training is available on January 17th. No accounting experience required -- just a willingness to learn something new and a desire to help others. People who can serve as interpreters are also needed. For more information, contact …"

Three top ways to get volunteers in a first-year VITA program:

- Use your existing email networks
- Advertise in church bulletins or civic group newsletters
- Recruit on college campuses, particularly at law, accounting and public policy departments, or fraternities and sororities.

Take advantage of opportunities to "hire" local students or interns. For example, high schools often require students to fulfill community service requirements, and universities may offer credit for work related to a student's academic program. Other sources may be community development programs in your state, and the Department of Housing and Urban Development's Volunteer Service Program.

Training Volunteers



Tax preparer training takes place in December and January, so that volunteers can complete a simple, open-book test before tax season. The course covers tax Forms 1040A and 1040EZ, the basic 1040, and the schedules that pertain to these forms. The VITA test ensures that volunteers can provide accurate service on <u>basic</u> forms to taxpayers; it is open-book and can be completed by volunteers on their own schedule.

The IRS provides free training materials, and IRS staff often conducts training sessions for VITA volunteers. What IRS calls "Tax Law" training is basic tax preparation instruction. You also can enlist professional tax practitioners, other finance professionals, or experienced VITA volunteers to conduct this training; ask the IRS to provide an Instructor's Guide.

If you are planning to electronically file tax returns at your site, IRS "E-file training" is required (see the "Technology" section). Similarly, volunteers will need more training if they will be using computer tax software such as TurboTax to prepare returns.

One of the biggest challenges faced by a VITA program (new or old) is determining how much training to schedule. The IRS VITA guide suggests "new trainees receive a three to five day basic course while experienced volunteers attend a one to three day refresher course." In our experience, this is more than can be expected of the typical volunteer, and a shorter training class is still sufficient. We have run training classes of anywhere between three and ten hours (the latter over 2 days), although we recommend that new volunteers be provided with at least 6-8 hours of education. To their credit, the IRS trainers are very flexible and can adjust the course agenda to accommodate almost any timeframe you have.

IRS training only covers federal tax returns, not state tax forms. State and local agencies may be able to provide training materials to your volunteers. But we have found that, since most state tax forms are based on federal forms, state tax training is not necessary. (Besides, it is not uncommon to have taxpayers come to your site having moved from another state, and there is no way to train volunteers on all 50 state tax forms! You will not be expected to do returns for other states.)

The IRS now recommends starting VITA training in October and November. Seems early to us, but the IRS trainers do get booked up quickly in December and January.

The IRS now offers ONLINE training too. The IRS' new "Link & Learn Taxes" online course teaches the fundamentals needed to accurately prepare basic tax returns. The interactive VITA course is completely self-paced, and allows users to progress quickly through easy material and repeat more difficult sections. The course also offers a VITA certification test that can be completed online. For more information, go to http://www.irs.gov/app/vita/index.jsp

Suggested training plan for a first-year VITA program:

- Contact the IRS early to schedule training—don't wait until their trainers are booked up.
- Set up at least one 8 to 10-hour "Tax Law" training session over a weekend or a few weekdays. Get as many volunteers as possible (including your site coordinator) to attend.
- Have remaining volunteers train online, or through streamlined IRS training sessions scheduled later. As long as they pass the test, they can be paired with volunteers who had the full training.

Publicity and Outreach

Outreach can be successful if you follow these six rules:

1. **Start advertising in early January:** People who go to VITA sites are often refund filers who look for a VITA program 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, so don't reinforce this with a complicated message about your program. Stick to the basics: what, when, where, and why.

3. **Build off what has worked before:** VITA sites have been around for almost twenty years, so chances are someone else has already tried whatever you are planning. Tap into coalitions that share examples of successful publicity efforts, and look for things that have worked in markets with a similar size and demographics as yours.

Three sources for outreach materials:

- The Center on Budget and Policy Priorities (www.chpp.org) distributes a variety of outreach materials, including the annual EITC Outreach Kit
- The Annie E. Casey Foundation (www.eitc.info) has examples of materials utilized by EITC campaigns across the U.S.
- EITC-Carolinas (www.eitc-carolinas.org) has publicity materials from NC and SC VITA sites

4. **Market continually during tax season:** Consumers typically need to hear a message more than once act on it, so don't stop publicizing your program until it's over!

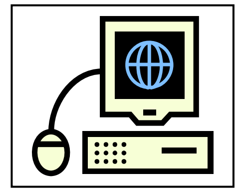
5. **Encourage clients to schedule appointments rather than "walk in" for service.** This will balance the impact of your outreach by smoothing out the flow of customers to your site, helping avoid long wait-times for clients or too much idle time for volunteers.

6. **The best publicity is word of mouth from satisfied customers.** 'Nuff said.

Three top ways to get clients at a first-year VITA site:

- Flyers posted in neighborhood stores and community centers
- A local newspaper article
- Free spots on local radio or cable TV shows

Choosing The Right Technology



Tax preparation is primarily an information processing activity, so having the right hardware and software is vital to success. Finding a volunteer or even a paid resource (if you have funds) to manage your technology is very highly recommended.

Here are the questions to answer when determining what kind of technology to use at your site:

Question 1: Can you get computers for your site?

If you can get computers and printers, use them! You might get free computers from donors such as local banks, large employers, or office supply businesses. The IRS offers some free hardware, including printers. **If you cannot get computers, you will have to prepare tax returns manually (option #1):**

OPTION #1			
Computer Hardware	**Software**	**Pros/Best use**	**Cons**
None – Returns prepared by hand and paper copy mailed to IRS	Not applicable	▪ No computer training or tech support needed ▪ No technical glitches ▪ Good for getting started at small site	▪ Higher error rate on returns ▪ More time to complete returns ▪ Electronic filing not possible

Question 2: Do you need to offer electronic filing (e-filing) to attract clients?

With e-filing, returns are transmitted immediately to the IRS from the VITA site, and processed within a day or two. Taxpayers can expect to get refunds in seven to ten days with direct deposit, and about 2-3 weeks if paid by check. Refunds will take a week to two longer when paper returns are mailed in.

If rapid refunds are very important to your target customers, you may need to develop e-filing capability. However, many VITA clients (including immigrants with individual tax id numbers—ITINs—instead of social security numbers) may not need or be eligible for e-filing. **If you have computers, but your clients do not require e-filing of returns, we recommend using option 2:**

OPTION #2			
Computer Hardware	**Software**	**Pros/Best use**	**Cons**
3-10 computers networked to 1 to 2 high speed laser printers (producing paper returns to mail to IRS) Enhance with wireless connectivity (fewer cords to connect) or network server	Turbo Tax or similar product bought in store.	▪ Low cost for site ▪ Easy to learn & train; good quality control ▪ In subsequent years, can import data from prior year's returns ▪ Best choice for sites primarily serving ITIN holders	▪ Electronic filing not possible – additional 2-week wait to receive refunds

Question 3: Do you have internet access at your site?

If you have computers and plan to e-file returns, but do not have internet access at your VITA site, you will need to file returns through the IRS "Tax Wise" free software. At the end of each day of tax preparation you batch the files and transmit them to the TaxWise software, you also will need computers with relatively high capability (able to run the latest version of Windows). **As described below, this is a very complicated option for a small VITA site:**

OPTION #3			
Computer Hardware	**Software**	**Pros/best use**	**Cons**
3-10 computers networked to 1 to 2 high speed laser printers Supplemented by off-site computer with internet access	IRS provided software – Tax Wise	▪ TaxWise software is free and supported by IRS ▪ You batch e-file for fast refunds	▪ Hard to learn ▪ Increases training requirements & requires higher skill level ▪ Lots of setup work, frequent software updates ▪ Must have tech support

If you have computers with internet connections (preferably high speed) on site, you can use "free file" software to electronically file returns with the IRS using option 4 (see below). Several tax software companies offer free use of their software for certain filers, such as those eligible for the EITC. Some offer free filing for a wide range of people, and others are more limited. Some companies offer free filing for federal returns, but charge a small fee for state filing. You will have to select the software that works best for your location and customers.

OPTION #4			
Computer Hardware	**Software**	**Pros/best use**	**Cons**
3-10 computers networked to 1 to 2 high speed laser printers Internet connection (preferably high speed)	One of several free on-line filing programs (Turbo Tax, Tax Cut, etc.) Access through www.irs.gov to get free filing	▪ Question and answer format reduces training requirements ▪ On-line E-filing means faster refunds ▪ Tax payer can use same program next year	▪ Free filing only for eligible taxpayers – you may have to charge some people (e.g. NC taxes may not be free)

More information about free filing can be found on the IRS website at www.irs.gov/efile/article/0,,id=118986,00.html When choosing a company, be sure to link to their website through the IRS website. By going directly to a company's website, you may not get the free offer.

State Tax returns: Most states start with the bottom line income of the federal return and make a few adjustments to determine the state income tax amount. Some free file alliance providers offer state filing for free. If not, the fee is usually $10 to $25. In this case, if you do not wish to charge clients at your VITA site, you will need to prepare state returns manually.

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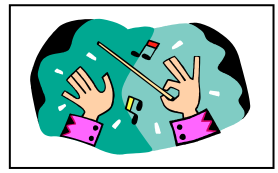
Managing Your VITA Site



Here are several major issues to consider when running a VITA site. As an overall guideline, you should consider customer satisfaction and respect at every stage of tax preparation.

SCHEDULING:

Appointments vs. walk-in clients: Scheduling appointments requires some staff time and/or expense, but it enables you to better predict the traffic at your site, and schedule your volunteers accordingly. Handling clients on a "first-come, first-served" basis is easier upfront, but usually means longer waits for your customers, and the possibility of either overwhelming volunteers with clients or having volunteers sit idle on slow days.

We recommend that you accept phone appointments for the majority of customers, and try to accommodate walk-in customers whenever possible. (When waiting times get too long, we have found that many walk-in clients are willing to make an appointment to return at a later date.)

We also recommend allowing one hour for each client appointment—some will go more quickly, and some will take longer.

Use a telephone answering service to schedule appointments. These typically are not too expensive ($100-$150 per month), and allow clients to reach an operator 24/7 to schedule an appointment. These services can include a message that lists your location(s), operating hours, and the documents clients should bring. You can select to receive the list of appointments by fax or email, and the call is toll-free for taxpayers! Keep in mind that if you choose this option, it will be necessary to provide the answering service with a script for handling calls.

Scheduling Volunteers: VITA sites usually open at the end of January or beginning of February, after taxpayers have received their W-2s from employers. In general, it is better to ask volunteers to commit to working on specific days well in advance, rather than "Hey, can you come this week?" If you will be operating regularly for the entire tax season (10 weeks), it may be easier to set up one work schedule for the first five to six weeks, and set up the schedule for the remaining weeks later in the season. To further simplify scheduling, ask volunteers to work a "full session" each day, rather than only a portion of a session.

You can only staff your site with volunteers who have completed the IRS VITA test. In addition, you should always team up less-experienced volunteers with those who have more experience, both for quality control purposes and to help the newer volunteers feel more comfortable. (During the first few weeks, we often invite volunteers who have "bogged-down" in the test or are unsure of their tax expertise to stop by and see what's going on at the site. It is encouraging for them to see other "non-expert" volunteers, and the people they are helping with their tax returns.)

Email means fewer headaches. If you are managing more than a few volunteers, use email to keep in touch with them. It is a fast and effective way to remind them of the work schedule for the next 1-2 weeks, and to keep people motivated by reporting interim results for the site.

SET UP:

Tables & Chairs: Set up one table for each client you plan to serve during an individual time slot, allowing enough space between tables to ensure privacy. Put four chairs at each table, and have several other chairs on hand for taxpayers' other family members, interpreters, etc. Of course, you'll also need chairs in your waiting area.

Signs: The IRS can provide posters describing the kinds of free tax prep services offered at a VITA site (and what kinds of services you will not provide). It is also a good idea to post directional signs so clients can find you easily. Portable yard signs are great for this, since they can be seen from a road or parking lot, and moved easily.

Forms & Supplies: It is a good idea to have a supply of federal and state tax forms on hand, even if you are e-filing tax returns or preparing them via computer. Also, the IRS Publication P-17 (affectionately called "Pub 17") is a very useful compendium of tax forms and related instructions.

Federal tax forms, publications, brochures, and posters can be ordered from the IRS (order form #2333V is specifically geared for VITA sites), but you must order state tax forms from your individual state Department of Revenue.

Your VITA site will also need copier/computer paper, staplers, pens & pencils, erasers or white-out, and other miscellaneous office supplies. Encourage each volunteer tax preparer to bring a calculator, and provide labels for them to make nametags too.

Refreshments: Feed your volunteers! They will be working hard, and food will keep up their energy. Stock up on small bottles of water, granola bars, and other easy-to-eat snacks. If there is a coffee maker at your site, so much the better!

WHEN CLIENTS ARRIVE:

The moment of truth has arrived: the first customers have arrived at your VITA site. Now what do you do? Here's a breakdown of the major tasks—in some VITA programs, different volunteers handle each type of task (the skill sets are different too), but smaller programs may need volunteers to double-up on these tasks.

Greeting Clients
Welcome taxpayers; have them sign in
Check to see if they have an appointment
Direct them to a waiting area
Give clients informational materials about VITA service
Have clients fill out "how can we contact you" forms for next year
Set new appointments, as requested by walk-ins.

Managing Site "Traffic" (coordinator)
Ensure that taxpayers have brought necessary forms to their appointment. Refer taxpayers with complex returns to tax practitioner or firm
Set up taxpayer folder (if using)
Let taxpayer know when they can expect to get their refunds and how to inquire about status
As tax preparers become available, direct next client to them
At end of appointment, check with client to ensure they had a good experience and/or conduct any follow-up survey. Encourage them to recommend the VITA program to friends and family
Complete file (if using)
Oversee transmission of e-filed tax returns at end of session (if using)
Gather/compile statistical reports from volunteers.

Preparing Taxes (volunteer tax preparers)
Introduce yourself to client, remind them that VITA services are confidential and free
Check social security or other identification info for taxpayer and dependents
Complete federal and state tax returns for client, based on the information they provide. Interview taxpayer to determine that all income, deductions, and allowable credits are claimed
Contact IRS VITA Hotline with questions on unusual cases. 1-800-829-8482
Identify all returns with VITA acronym and site number
Provide 2 copies of completed returns, instruct client to sign/submit one to IRS, and keep one for their records. (It is helpful to provide pre-addressed mailing envelopes and filing envelopes.)
If e-filing for client, complete IRS 8453 forms and retain one copy of tax return/W-2 for e-filing
Complete any statistical reports on client returns, refunds, etc.

Quality Control
Review tax returns for accuracy before returns are provided to taxpayer and/or are electronically filed. Provide feedback to volunteer tax preparers.

For tough tax questions, call the IRS Hotline at 1-800-829-VITA (8482). This number is for VITA volunteers only. In addition, local IRS contacts are good sources of answers for tax questions, although they may not be available during your site's operating hours.

PAPERWORK

Unless the IRS instructs you otherwise, all information and forms should be returned to the client or destroyed after completing a VITA return. (Not a bad idea to get a shredder for your site.)

For e-filing sites, establish a file system. Prepare a folder for each taxpayer and keep taxpayer's forms together in it. At end of appointment, retain a copy of the tax return, W-2, and any other paperwork. If the e-filed return is "rejected" by the IRS, most problems arise from errors in inputting names or social security numbers and can be corrected by checking the W-2. You also can tally refunds and clients served by reviewing the files. Destroy folders when the returns are accepted or as instructed by the IRS.

TRACKING RESULTS

You should track certain information about site activity—this is useful for keeping volunteers motivated and for communicating to potential funders or partners in future years. **Keep track of at least the following information each day at your site: the number of clients served and total dollar amount of refunds or payments (both federal and state).**

It is permissible to ask clients if you can retain their names and contact info, so that you can send them a postcard when you open your site next year. However, their assent must be documented.

You may wish to have clients complete a voluntary survey that captures additional information, such as demographics, customer satisfaction, how they found out about the site, what they plan to do with the refund, etc. This questionnaire should <u>not</u> include any identifying information such as name, phone, address or social security number.

Each VITA location is assigned a site code by the IRS. This is used at the bottom of the tax returns, in place of a tax preparer name. Unlike paid tax preparers, VITA volunteers have no liability for errors on tax returns. However, the IRS tracks the number of errors per location, and your local IRS contact will inform you if there are any persistent problems.

Site Checklist

The IRS recently implemented a checklist to use when their staff visits VITA sites. Here are many of the items on this list—not all of these apply to every VITA site, but they are a good reminder of the things to address:

ITEM	✓
1. Did all volunteer tax preparers complete training and pass the VITA test?	
2. What process was used to recruit volunteers?	
3. Does the site coordinator have a list of volunteers scheduled to work?	
4. Does the site coordinator have the names of local IRS management?	
5. Is the site open as scheduled?	
6. Is the site coordinator or an alternate present?	
7. Is the site adequately staffed by volunteers?	
8. Is the site easily accessible to taxpayers and volunteers?	
9. Is adequate space and privacy available to taxpayers?	
10. Are there posters or signs identifying the site?	
11. Is the site adequately publicized?	
12. Are sufficient tax forms and supplies available?	
13. Is the fact that VITA tax assistance is FREE being emphasized at the site?	
14. Is the VITA site identification number being used on tax returns?	
15. Are copies of returns being given to taxpayers for their records?	
16. Are volunteers using the IRS toll-free numbers for questions, forms, etc.?	
17. Are returns e-filed? If no, why not?	
18. Are e-filing forms maintained properly?	
19. Are e-file rejects corrected in a timely manner?	
20. Have volunteers been instructed that taxpayer information is strictly confidential?	
21. How is data with taxpayer information disposed of?	
22. Is the taxpayer always present when the return is prepared and completed?	
23. Are volunteers requesting necessary documents to validate identity and social security/tax identification numbers?	
24. Has an on-site quality review system been established?	
25. Are site statistics forwarded to IRS as required?	

For Help & More Info

Here are the major coalitions and programs aimed at expanding free tax preparation programs across the U.S. They offer a wealth of information and guidance about setting up a VITA program. You'll also find great examples of successful outreach, volunteer management, site coordination, and asset-building activities, and copies of sample forms, marketing materials, etc. Many of these groups also hold training sessions and meetings for VITA program coordinators to share best practices.

Center on Budget and Policy Priorities
EITC OutreachKit
www.cbpp.org/eic2002/index.html

Annie E. Casey Foundation EITC
Campaign Materials
www.eitc.info

National Community Tax Coalition,
Center for Community Progress
www.tax-coalition.org

EITC-Carolinas
www.eitc-carolinas.org

New America Foundation
Asset Building.org
www.assetbuilding.org

Mayor Daley's Earned Income Tax
Credit Outreach Initiative
www.chicago-eitc.org

National League of Cities
Helping Working Families Action Kit
www.nlc.org

INTERNAL REVENUE SERVICE
The IRS' Stakeholder, Partnership, Education and Communication (SPEC) group is responsible for overseeing VITA sites. SPEC staff can provide information on existing VITA operations in the community, access to local EITC filing data, experience in EITC campaign coalition building, tax law expertise, educational products and marketing materials, tax preparation software for free tax preparation sites, and tax law and e-file training . Contact your local IRS office to get the contact name and phone number for the SPEC territory office in your area.

SPEC EITC "Electronic Toolkit"
(new in 2004)
www.irs-eitc.info/SPEC

IRS VITA Coordinator Manuals
www.eitc.info/resources/pdf/P_1084_2001_Revision.pdf

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Additional copies of this publication may be ordered from EITC-Carolinas, c/o MDC, PO Box 17268, Chapel Hill, NC, 27516-7268, (919) 968-4531 or can be downloaded free from the EITC Carolinas website at www.eitc-carolinas.org