

Free Tax Preparation - Volunteer Income Tax Assistance (VITA)

FY 2018 Buncombe County Community Funding

CCCS of WNC, Inc. DBA OnTrack Financial Education & Counseling

Ms. Celeste Bailey Collins Ms.
50 S. French Broad Ave.
Suite 227
Asheville, NC 28801

CelesteC@ontrackwnc.org
O: 828-255-5166
M: 828-712-2826
F: 828-255-5129

Ms. Celeste Bailey Collins Ms.

50 S. French Broad Ave.
Suite 227
Asheville, NC 28801

celestec@ontrackwnc.org
O: 828-210-4963
M: 828-712-2826
F: 828-255-5129

Application Form

Project Name*

Name of Project

Free Tax Preparation - Volunteer Income Tax Assistance (VITA)

Amount Requested*

Amount Requested

\$12,000.00

Service Area*

Which Commissioner Districts are served by this program?

Access a map of Buncombe County Commissioner districts [here](#).

District 1

District 2

District 3

Which county sustainability goal aligns best with the goals of this project?*

Based on the Buncombe County Sustainability Plan, select a Category, Goal & Objective that align with the focus of the project and the specific results that will be achieved.

Access the Buncombe County Sustainability Plan [here](#).

Community > Affordable, Green, and Liveable Housing > Provide educational opportunities in financial planning and homebuyer education

If applicable, select a second sustainability goal that aligns with project goals.

Result 2 is optional - Select if project aligns with more than one Sustainability Category, Goal & Objective.

If applicable, select a third sustainability goal that aligns with project goals.

Result 3 is optional - Select if project aligns with more than one Sustainability Category, Goal & Objective.

Project Description

Project Description*

Description of Project

Funding for OnTrack's Volunteer Income Tax Assistance Site (VITA) will help low-income taxpayers in Buncombe County prepare/file state and federal taxes without spending hundreds of dollars on fees or refund anticipation loans. Our IRS trained volunteers work to ensure tax clients receive the highest possible refund, obtain Earned Income Tax Credit (EITC) if eligible, and avoid high-interest refund anticipation loans. The average income for our tax clients is only \$22,537, so imagine the impact of saving \$200-\$400 on tax preparation! We are the ONLY year-round VITA site in western NC and routinely get referrals from the IRS. Each year our IRS VITA Site Visit results in high praise from IRS quality review teams.

As we help clients file taxes we capitalize on that connection to invite clients to participate in "Tax Save To Win," an incentive program to encourage clients to build/maintain savings. Clients open savings accounts with Self-Help Credit Union (SHCU) and deposit all or part of their tax refund. Monthly drawings for cash incentives inspire participants to leave their savings untouched for six months; clients earn additional entries into the drawing by making additional deposits and attending OnTrack programs. After six months there is a grand prize drawing. NeighborWorks America has applauded our approach and asked us to share our model with agencies across the country. VITA is a gateway to bring new clients into our Financial Capabilities Programs' education, skill building, counseling/coaching and support to help them take incremental steps toward realizing their financial and housing goals.

VITA activities include tax volunteer recruitment, training and supervision; publicity/promotion; client service (appointment scheduling, reminder calls, mailings); tax form completion, quality review and electronic filing; client follow-up including problem-solving with IRS; maintaining and updating five VITA computers; Tax Save To Win management.

How many people will this project serve?*

State the number of individuals or households in Buncombe County that will be served by this project. Also state the number of people that will experience the desired result. For example, if dropout prevention services are being delivered to 100 students, how many will successfully graduate from high school?

Our VITA site will serve 663 tax clients from Buncombe County. 90% (597) will save \$200 or more as a result of having their taxes prepared for free at OnTrack's Volunteer Income Tax Assistance Site (VITA). Based on 2016 results, we estimate that at least 185 Buncombe County tax clients will receive Earned Income Tax Credit. Using the 2016 average of \$1,440 per recipient, this will total more than \$260K.

Describe the people this project will serve.*

Characterize the demographics of the project's target population in terms such as age, gender, income, race, ethnicity, geographic area, etc. Include information about method of referral/recruitment of the target population.

Nearly 80% of our Tax Program clients are below Area Median Income; 14% are over 65 years old; 66% are female and 36% are non-white. IRS guidelines require that VITA sites limit tax preparation to households with incomes of \$53,000 or less; however, our tax clients' household income averages only \$22,537-- far less than that maximum!

The IRS estimates that 38% of county residents have incomes less than twice the federal poverty level and would be eligible for VITA services. Since we began offering a VITA site in 2007, we find that we have a large number of repeat clients each year and often our new clients are referred by friends and relatives who have used and are very pleased with our services. Well over 85% of our VITA clients reside in Buncombe County (including Asheville City).

What key steps will you take to achieve the results of this project?*

Describe the core elements of your implementation plan, including milestones that will take place within the funding timeframe.

Our VITA capacity is determined by the number, quality, and availability of volunteer tax preparers. Recruitment is vital to our success! Once volunteers are committed, screened, and criminal background checks cleared, our Tax Coordinator works with the IRS and volunteers to schedule training. (Fall – January)

Volunteers' appointments (including nights and weekends) are entered into our client management system and we provide information to NC 2-1-1, the IRS, and local agencies that refer clients to us. Clients call in and speak with Client Services Representatives for scheduling.

Our VITA Site opens as soon as the IRS permits. From early February–April 15th tax volunteers prepare taxes, conduct quality reviews, file/transmit returns, answer clients' questions, meet to discuss IRS tax updates, promote Tax Save to Win, and other Financial Capabilities programs. Tax season closes with final reports, celebrating success and volunteer recognition. Then we move into off-season tax prep.

Describe the evidence of success that backs this project's approach.*

What evidence of success (i.e. evidence-based research, practice model, accreditation, industry standards, and/or other framework) are you using as a basis for your project design?

CFED's 2016 Federal Policy Proposal Strengthening VITA to Boost Financial Security at Tax Time & Beyond: "Fortunately for [low-to-moderate-income (LMI)] taxpayers, there's an alternative to paid tax preparation. VITA is a safe, effective and free tax preparation service for LMI Americans. Created in 1969, VITA has become an invaluable resource in communities across the country, enabling millions of taxpayers to file their taxes accurately and for free. VITA sites now provide some of the highest quality tax preparation available.... accuracy has increased over the years, from 85% in 2009 to 94% in 2015... higher than any other category of tax preparation services, including CPAs and major tax preparation services companies. Many VITA sites have transformed over the years into hubs of services. Integrating financial capability services during tax time is critical, as it is during this period of the year when tax paying Americans assess their finances and adjust their budgets accordingly."

Describe your data collection, tracking, and reporting procedures.*

Explain your methods for documenting project, service and client information. Include a description of any software or other tools utilized.

OnTrack's appointment system tracks the tax appointments, including the show-rate, Tax Save To Win participation and follow-up services. The IRS dictates the tax preparation software that must be used by VITA Sites; it tracks tax clients' returns including successful transmissions, rejections/returns (which are followed up by a tax volunteer), total refunds and credits. We use the IRS software to determine which clients' returns are successfully transmitted to calculate the desired result of "saving at least \$200 in tax preparation fees." Our partnership with SHCU includes OnTrack receiving a duplicate savings account statement for all Tax Save To Win participants; savings activities and participation in OnTrack programs is tracked for each participant in an excel spreadsheet.

Explain your technological resources and capacity.*

Explain your current technological strengths and barriers and how this impacts your ability to track data and report outcomes. Who is responsible for adaptation and use of technology within your organization?

OnTrack's technological resources and capacity include a password-protected networked computer system which is constantly backed up to a secure cloud storage system with access to Wi-Fi and the internet. WNC Technology Solutions, our IT service provider, provides assessments and recommendations for adaptation and use of technology. They recently recommended data security enhancement, managed the transition and trained staff. Two staff members are our liaisons to WNC Technology Solutions and assist staff with day-to-day technology challenges.

Our strengths include attention to data security, efficiencies gained from a networked system, and clear procedures for information collection, input, and evaluation. Weaknesses include staff's wide range of skills and preferences regarding technology, outdated computer equipment, no full-time IT staff person, connectivity and speed issues, especially when working remotely, and IRS online tax preparation system's downtime.

Organizational Profile

How does the proposed project support your mission and strategic plan?*

State your mission and the date of your most recent strategic plan, and explain how the proposed project helps advance your organizational goals.

Our most recent Strategic Plan is 2015-2016. Our mission is to help people achieve their money and housing goals through financial education, counseling and support so that they can overcome crises, afford basic needs, improve money management skills and make sound financial choices rooted in their values. Our goal is to advance economic self-sufficiency by empowering people with knowledge, skills, action and access to appropriate financial products.

Our VITA Project advances these organizational goals by introducing low-income taxpayers to Tax Save To Win to gain self-sufficiency and assets by saving money. Free tax preparation is a gateway to programs which incorporate Financial Capabilities (KNOWLEDGE+ACTION+ACCESS). Clients gain knowledge (education), apply that knowledge to their lives (counseling/coaching), and take specific action steps (accountability) to improve access to affordable housing and financial products.

What expertise/accomplishments do you have that are relevant to the proposed project?*

List your organization's strengths as well as accomplishments from the past 3 years that position the organization to be successful with the proposed project.

Responsiveness: Since 1973, our counseling, education and support have evolved to meet community needs and promote self-sufficiency. Through recessions, foreclosure crises, unemployment, and inflation, we have help clients stabilize crises, repay debt, learn money skills, improve credit, and build savings/assets.

Quality: From a surprise IRS Site Audit: "Congratulations! The site has met 100% Quality Requirements. Best Practices: ... the VITA services provided to your community and taxpayers provide taxpayers with the opportunity to participate in Financial Education & Asset Building."

Positioned for Success: Since 2007 (nine years of experience!), we have helped 6,031 low-income taxpayers complete/file taxes to receive over \$7.8 million in refunds/credits. Our innovative savings incentives encourage clients to deposit refund money into savings and maintain it for 6 months. Participants saved an average of \$676 totaling \$30,000! Impressive considering an aver. income of only \$22,537!

Describe partners that are critical to the success of your organization.*

List any external partners, intermediaries or advisors important to your success, and describe their role and evidence of their commitment. Describe successful collaborations with these people or groups.

Partners critical to OnTrack's success: United Way, NC 2-1-1, Mountain Housing Opportunities, Pisgah Legal Services, LifeWorks, Helpmate, Western Carolina Community Action, Habitat for Humanity; local, regional, and national lending institutions; and local/state government entities including the City of Asheville, Buncombe County, HUD, and NC Housing Finance Agency. These partners routinely refer clients to us and collaborate with us to provide services to meet community needs.

VITA Partners: Tax Volunteers, Action Pathways (statewide VITA grant), United Way (funding/promotion), NC 2-1-1 (referrals), NAACP/WRES (promotion), City of Asheville (funding), NC Assoc. of CPAs (sponsorship), Dixon Hughes Goodman (sponsorship), the IRS (volunteer training, materials, technical/tax law support, no direct funding).

"Tax Save To Win" includes two strong partners: Self-Help Credit Union (specialized client savings accounts) and Dixon Hughes Goodman (sponsorship).

Financial Information

Nonprofit financial assurance requirements:

Financial statements, prepared using a recognizable basis of accounting (i.e., modified accrual) and IRS Form 990s must be submitted to Buncombe County annually.

- Organizations with annual revenues of \$300,000 or greater must submit financial statements audited in accordance with generally accepted auditing standards.
- Those with revenues between \$100,000 and \$300,000 must submit financial statements reviewed in accordance with SSARS 19.
- Those with revenues of less than \$100,000 must submit non-disclosure financial statements compiled in accordance with SSARS 19.

All financial statements must be reported on by a certified public accountant and include a full balance sheet, income statement, and cash flow statement.

These requirements are considered minimum requirements. Organizations may submit a higher level of assurance than is required.

IRS Form 990 - Upload Here

Click Choose File to upload a copy of the 990 form you most recently completed.

OnTrack IRS 990 FYE 6-30-16.pdf

If your organization does not have a 990, briefly state the reason.

Include a statement of intent to comply with nonprofit financial assurance requirements as listed above.

Financial Statements - Upload here

Click Choose File to upload a copy of the most recently completed financial statements (audit, compilation or review).

OnTrack Audited Financial Statements FYE 6-30-16.pdf

If your organization does not have financial statements, briefly state the reason.

Include a statement of intent to comply with nonprofit financial assurance requirements as listed above.

Complete Budget Worksheet - Upload Here*

Download the budget form [Here](#).

Complete the budget form for this project/program and the overall agency. Save it to your computer, then upload it by clicking Choose File.

OnTrack Community-funding-budget-form - Buncombe County Grant FY18.xlsx

Budget Narrative*

Describe all differences between current year and proposed year. List all pending funding sources with expected date of notification. Please detail any other information that may help clarify the budget.

We are applying for this grant to help fill a funding gap created when, after 15 years of support, Chase Card Services shifted funding to larger agencies and did not renew our \$75k grant! We do not expect any significant program budget variances between FY17 and FY18. Aside from Buncombe County, our planned primary funders for this program in FY18 include IRS VITA (administered statewide through Action Pathways) with a December 2017 notification date; Buncombe County Aging Funds (administered by Land of Sky Regional Council) with a June 2017 notification date; and United Way of Asheville/Buncombe with a June 2017 notification date.

Please note that agency revenues and expenses for FY16 shown on the budget form are adjusted to our budgetary reporting methodology: revenues reflect only grants funding current year expenses and expenses include do not include accruals for depreciation and capital leases. A complete reconciliation to audited GAAP statements is available upon request.

What (if any) portion of requested funds will be used to support capital expenses?*

Capital projects are defined as those used to acquire or upgrade physical assets such as property, buildings, or equipment. Please detail.

Not applicable.

Employee Wages

Please provide information about the wage breakdowns of your employees. Living wage for Buncombe County has been identified as \$11.00 per hour for employees with employer-provided health insurance and \$12.50 per hour for employees without.

Employees with employer-provided health insurance*

List the number of employees in your organization with employer-provided health insurance in each wage category. For salaried employees, use hourly wage equivalents.

\$7.25 - \$10.99 per hour

\$11.00 - \$14.99 per hour

\$15.00 - \$19.99 per hour

\$20.00 - \$24.99 per hour

\$25.00 - \$29.99 per hour

\$30.00 - \$34.99 per hour

\$35.00 - \$39.99 per hour

\$40.00+ per hour

- \$7.25 - \$10.99 per hour: 0
- \$11.00 - \$14.99 per hour: 2
- \$15.00 - \$19.99 per hour: 8
- \$20.00 - \$24.99 per hour: 1
- \$25.00 - \$29.99 per hour: 1
- \$30.00 - \$34.99 per hour: 1
- \$35.00 - \$39.99 per hour: 0
- \$40.00+ per hour: 1

Employees without employer-provided health insurance*

List the number of employees in your organization without employer-provided health insurance in each wage category. For salaried employees, use hourly wage equivalents.

\$7.25 - \$12.49 per hour

\$12.50 - \$14.99 per hour

\$15.00 - \$19.99 per hour

\$20.00 - \$24.99 per hour

\$25.00 - \$29.99 per hour

\$30.00 - \$34.99 per hour

\$35.00 - \$39.99 per hour

\$40.00+ per hour

- \$7.25 - \$12.49 per hour: 0
- \$12.50 - \$14.99 per hour: 0
- \$15.00 - \$19.99 per hour: 0
- \$20.00 - \$24.99 per hour: 0
- \$25.00 - \$29.99 per hour: 0
- \$30.00 - \$34.99 per hour: 1
- \$35.00 - \$39.99 per hour: 1
- \$40.00+ per hour