

Tax Year

2004

NATIONAL CREDIT UNION ADMINISTRATION
OFFICE OF CREDIT UNION DEVELOPMENT

Volunteer Income Tax Assistance Initiative

Technical Assistance Guidelines

NATIONAL CREDIT UNION ADMINISTRATION

Technical Assistance Program Guidelines

Volunteer Income Tax Assistance Initiative

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Introduction

The Community Development Revolving Loan Fund (CDRLF) was established by an Act of Congress to stimulate economic development in low-income communities.

The National Credit Union Administration (NCUA) makes low – interest loans/deposits available to assist credit unions in delivering financial services to their members and improving their long-term growth and stability. The interest generated from the loans is used by NCUA to provide technical assistance grants to credit unions. These grants are provided to improve the quality of services to members and make more efficient the operations of low-income credit unions.

Partnerships / Outreach

The National Credit Union Administrations (NCUA) Office of Credit Union Development (OCUD) has been working with other government and private sector agencies to identify opportunities where we have common interests and more importantly, where we could combine our resources to achieve mutual objectives.

In September 2002, NCUA signed a Memorandum of Understanding and Agreement with the Internal Revenue Service to cooperate jointly to support the certification of credit unions as sites from which the Volunteer Income Tax Assistance Initiative (VITA) could be operated.

That same year, the first credit union related (VITA) Program site was facilitated through the Toledo Urban Credit Union in Toledo, Ohio. Since then, some fifty credit unions participated in the program in 2003 and just over sixty credit unions in 2004. The NCUA recognizes low-income designated credit unions participating in the program will incur operational and administrative costs specifically associated with the

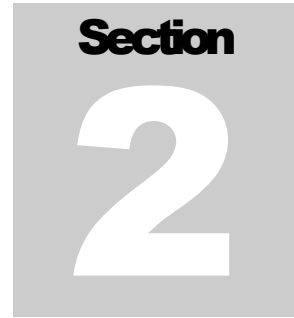
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program which many cannot absorb without straining resources. The Office of Credit Union Development (OCUD) believes that some portion of these costs might be offset by technical assistance grants from the Community Development Revolving Loan Fund CDRLF.



In 2003, for the first time, OCUD allocated \$50,000.00 to twenty two credit unions to offset the administrative and operational associated with implementation and maintenance of certified VITA sites. Now, we are inviting low income credit unions to again apply for funding to assist with VITA sites for the 2004 tax filing year.

The following guidelines address the specifics of the program this year and as before, are designed to focus on providing technical assistance to credit unions that have been certified by the Internal Revenue Service to serve as a legitimate Volunteer Income Tax Assistance (VITA) sites. Please review them and make sure your fully understand them before applying.



Eligibility and Evaluation Criteria

A credit union must be low-income designated to be eligible to participate in the program.

- Federal credit unions must have a current low-income designation from the National Credit Union Administration (NCUA) regional director where they reside.
- State credit unions must have a current low-income designation from their state supervisory authority (SSA) with NCUA regional director concurrence.
- Low-income student credit unions are not eligible to participate in the Technical Assistance Program.
- Credit unions must apply for and obtain certification from the Internal Revenue Service acknowledging their selection as an authorized VITA site.

Funding Limitations

Funding limitations are a function of available dollars. Therefore, the OCUD will establish funding limits for the program annually. Accordingly, the individual award limits will be based on the program limitations and announced prior to the funding cycle each year.

The Funding Cycle

The Internal Revenue Service generally accepts applications for its VITA certification selections in July of each year. This certificate designates a credit union as an authorized VITA site. Funding this year is available under the Congressional appropriation for fiscal year 2004. Accordingly, the application period for the 2004 VITA grant will open May 1, 2004 and end at the close of business on August 31, 2004. A total of \$75,000.00 has been allocated for the program this year. Applications will be accepted until these funds have been fully allocated or the closing date expires, whichever comes first. Credit union applications will be evaluated and selected on a first come first served basis. Those credit unions selected will be notified in writing of

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their selection. Approval is required prior to a credit union committing to or making any expenditure or reimbursement is not guaranteed.

Technical assistance is a reimbursable award. Accordingly, credit unions will be required to submit evidence of acceptable expenditures at the conclusion of the tax filing season along with other pertinent program statistics. Therefore the period for filing for reimbursement will generally be on or about April 15th of the succeeding year and concluding 30 days later. The credit union will be subsequently reimbursed up to the extent of the award.

Certifications

Applicants must apply for and receive from the Internal Revenue Service the necessary certification to serve as a legitimate VITA site. Generally, the IRS begins accepting applications for certification in July each year. This may vary from state to state. For information on participating in the VITA initiative, please contact the IRS, via e-mail, at partner@irs.gov. Written inquiries may be sent to: Internal Revenue Service, 401 W. Peachtree Street, Atlanta, Georgia 30308, Attn: Beverly Thomas (Stop 49-WI). Please include primary and alternate contact names and telephone numbers with all inquiries. Applicants for technical assistance must provide a copy of the appropriate certification statement when submitting their application to NCUA for assistance.

Application Submission

Applications must be submitted within the funding cycle. Credit Unions **must** complete the appropriate NCUA technical assistance application form (see enclosed form). Applications received after the application period will not be processed or considered.

Methods of submission

Applications may be mailed to:

National Credit Union Administration
Office of Credit Union Development
1775 Duke Street
Alexandria, VA 22314-3428

Applications may be faxed to: 703-519-4080

Time of Delivery and Withdrawals

Generally, applications must be submitted by close of business on the date specified in the announcement. Applications received after that time will not be considered.

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Withdrawal of an application may be made at any time during the application process or prior to the time the grant is awarded. **All withdrawals must be made in writing.**

Notification of Award Decisions

Applicants whose proposals are approved will be notified in writing within 30 days of the date of receipt of their application. Those not approved will likewise be notified in writing within 30 days as to the reasons for denial.

Applicants may appeal decisions to the Director of the Office of Credit Union Development in writing.

Reimbursable Expenditures

The intent of the Technical Assistance program is to provide assistance to credit unions participating in the VITA Initiative. Recognizing, that credit unions will incur administrative and operational expenses in facilitating the program, this assistance is being made available to offset some portion of those costs. Specifically, this assistance is aimed at providing relief with regard to the following:

Administrative Costs:

Postage Costs

Printing and Reproduction Costs (outside services)

Supplies (paper, pens, tape, cartridges)

Copying costs (toner)

Marketing & Advertising (brochures, radio & other media)

Travel Expenses (mileage for volunteers, cab, and parking)

Training Related Expenses (Directly related to “VITA Program”)

Operational Costs:

Installation Costs (phones, computers, security systems)

Custodial Services (office clean up)

Insurance (special bond considerations)

Customer Service Related Expenditures (phone banks for answering questions)

While the above list is not all inclusive, it represents some general guidelines regarding the definition of acceptable reimbursable expenses. All expenses will be evaluated on a case by case basis. Applicants must explain fully all expenditures and justify their need in writing. *(Use separate sheet for Narrative Justification of Expenditures)*

Reporting and Reimbursement of Expenditures

At the end of the program season, credit unions must submit a final report and request reimbursement of authorized expenditures. This final report will show the actual expenses incurred by the credit union during the facilitation of the program. Additionally, credit unions must explain (justify) how and/or why expenditures were used or necessary to accomplish the objectives of the program.

An expense claim form is provided at the end of these guidelines. Applicants **must** submit their request for reimbursement along with this completed form and any other documentation supporting their claim for reimbursement.



Credit unions participating in the VITA program are required to report statistical information to the IRS on the activities of the program following the April 15th close date. In an effort to minimize the reporting burden on credit unions and cooperate with the Paper Work Reduction Act, NCUA will obtain program statistical data from the IRS.

All expense reports related to reimbursements must be submitted to NCUA by close of business on May 15th following the end of the program cycle. Failure to do so will result in non-reimbursement. Credit Unions may request an extension from NCUA but must justify the need for more time in writing. Approval must be obtained to avoid forfeiture of eligibility for reimbursement. Documents supporting reimbursement may either be mailed or faxed.

Mail to:

***National Credit Union Administration
Office of Credit Union Development
1775 Duke Street
Alexandria, VA 22314-3428***

Fax to:

703-519-4080

Checklist of forms

- 1. Certification Document from IRS**
- 2. NCUA Technical Assistance Application Form**
- 3. Expenditure Report**
- 4. Narrative Justification of Expenses**
- 5. Copies of Receipts, Invoices and Cancelled Checks.**

Schedule of Due Dates

- 1. Program application period opens - May 1, 2004**
- 2. Reporting period - April 15, 2005 to May 15, 2005.**

**National Credit Union Administration
Community Development Revolving
Loan Program for Credit Unions
1775 Duke Street
Alexandria, VA 22314-3428
(703) 518-6610
Volunteer Income Tax Assistance**

APPLICATION FOR TECHNICAL ASSISTANCE

Credit Union Name _____
Charter/Ins. Number _____
Mailing Address _____
Credit Union Email Address _____
Credit Union Phone Number _____
Fax Number _____
Contact Person & Phone Number _____
Credit Union Days/Hours Operation _____
Employer Identification Number (EIN #) _____
Dun & Bradstreet Number _____

AMOUNT REQUESTED _____

Year Organized _____ Assets _____
Last Month End
Number of Members _____ Potential Members _____

Signature required _____ **Date** _____
Authorizing Official

Incomplete applications are not considered submitted until all information requested has been received.

Volunteer Income Tax Assistance Applications can be e-mailed to: ocudapps@ncua.gov

- I.** Attach a signed copy of your most recent month end Statement of Financial Condition and a Statement of Income and Expenses. Provide any supplemental worksheet, footnotes or narratives necessary to explain or clarify the financial statements. Also include any budgets detailing projected costs associated with this initiative. **Failure to provide this information will disqualify your application.**
- II.** Describe fully your plan for Volunteer Income Tax Assistance Initiative and how the grant will be use to facilitate it. Please be concise but thorough. Include a prioritized list if funding will cover multiple items. Also, provide a list of vendors who will deliver the goods and/or services. Where appropriate, attach copies of bids, estimates, class schedules, prices or other supporting documentation. Use additional sheets if necessary to fully describe the activity. **Failure to provide this information will disqualify your application.**

III. Discuss how the proposed grant will improve the credit union's operations and ultimately enhance service to the members and /or the community. **Failure to provide this information will disqualify your application.**

VITA Technical Assistance Initiative

SAMPLE EXPENDITURE REPORT FORM for 2004

	Administrative Expenditures	Costs
Supplies		_____
Travel related expenses		_____
Program Consulting		_____
Marketing & Advertising		_____
Training related Expenses		_____
Printing and Reproduction		_____
	Total Administrative Expenditures	_____
	Operational Expenditures	
Rent/Utilities/Custodial services		_____
Occupancy related expenses		_____
Equipment Installation		_____
	Total Operational Expenditures	_____

Attach receipts, invoices and proofs of purchase

