

City of Burlington / 2013 CDBG Application Form

Project Name: Volunteer Income Tax Assistance Program
Project Location / Address: 255 South Champlain Street, Burlington VT 05401
Applicant Organization / Agency: Champlain Valley Office of Economic Opportunity, Inc.
Mailing Address: PO Box 1603, Burlington, VT 05402
Physical Address: 255 South Champlain Street, Suite 9, Burlington, VT 05401
Contact: Travis Poulin Title: Director, CCA Phone #: (802) 863-6248 ext. 736
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EIN #: 03-0216837 DUNS #: 162200115

CDBG Funding Request: \$6,000

1. Type of Organization

Local Government
 For-Profit Organization
 Faith-Based Organization
 Non-Profit Organization (please provide copy of your IRS 501(c)(3) tax exemption letter)
 Institution of Higher Education

2. Conflict of Interest: Please complete and sign attached form.

3. List of Board of Directors: Please attach.

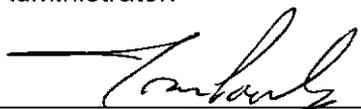
Certification

To the best of my knowledge and belief, data in this proposal are true and correct.

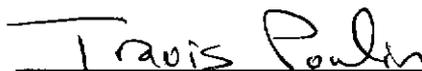
I have been duly authorized to apply for this funding on behalf of this agency.

I understand that this grant funding is conditioned upon compliance with federal CDBG regulations.

I further certify that no contracts have been awarded, funds committed or construction begun on the proposed program, and that none will be prior to issuance of a Release of Funds by the Program Administrator.



Signature of Authorized Official



Name of Authorized Official

Director, CCA/CVOEO

Title

1-14-13

Date

I. Demonstrated Need

1. Project Narrative: Provide a description of the project/program to be funded with CDBG. (Refer to NOFA for required information in this section.)

The IRS estimates that nationally, 20 – 25% of all eligible taxpayers do not receive the EITC that they deserve; the Volunteer Income Tax Assistance (VITA) program offers free basic tax preparation to help low-income taxpayers access tax refunds (including the Earned Income Tax Credit) without fees and without associated predatory consumer products such as refund anticipation loans. Last year, CCA VITA participants received back a total of \$640,186.00 in Earned Income Tax Credits. Volunteer tax preparers receive training from the IRS and the VT State Tax Department, and are required to pass tax preparation competency tests and sign confidentiality agreements prior to working with taxpayers. VITA Site Coordinators (paid staff) supervise the volunteers and review the tax documents before electronically filing them with the IRS and VT State Tax Department. Taxpayers interested in this service are pre-screened when they call in to make an appointment for program eligibility (household income must be less than \$50,000.00) and to prepare them for the requirements of the service (bring photo identification, social security cards for all household members, etc.). Volunteers are trained to prepare basic income tax returns; they are not trained to handle more complex or complicated returns involving capital gains, small business returns, or returns involving earned income from other states or countries. The VITA program will provide tax preparation services during the months of February, March and through April 15th of 2014, offering both weekday, evening and weekend hours.

2. Innovation

a. What new programs and/or services will be provided as a result of CDBG assistance?

The VITA program has always encouraged thoughtful use of any refunds households get back, including the option of purchasing US savings bonds on-site; this year we also plan on working very closely with the CVOEO Financial Futures staff to promote interest in their services. The Financial Futures Program provides people with the skills and capability needed to stabilize their finances, grow household assets, become more independent and secure financial opportunities. Specific to the VITA program, we will be encouraging VITA clients to meet with a Growing Money financial coach to discuss productive uses of their tax refunds, to offer a free review of their credit report, and to take part in the Spend Smart or Keys to Credit classes (or both). Financial Futures staff will be on-site to answer questions and meet with interested clients during the weekday. Participation in any of these activities is not a requirement of having your taxes completed through VITA; it is an additional opportunity.

b. How will existing programs and/or services be expanded as a result of CDBG assistance? Use actual numbers to demonstrate expansion.

Last year the CCA volunteers prepared 835 federal returns, 991 tax returns in total; (34.45% of all VITA returns in the state of Vermont); we intend to increase our total returns prepared this year by 5%.

c. Are there other programs in the community that address similar issues? X Yes ___ No If Yes, how is this proposal different?

AARP offers free tax preparation assistance specifically targeting low income seniors, and the United Way offers free tax preparation via mobile sites targeting staff of local businesses. We work in collaboration with these efforts, to try and reach as many within the low income community as possible. Our services are not in competition; they are complimentary. In 2012, the UW sites prepared 122 tax returns; the CCA VITA site prepared 991, and AARP sites across Chittenden County prepared 1,106 returns.

II. Proposed Outcomes

1. How will this project/program impact individuals and contribute to the City's anti-poverty strategy?

Providing free tax assistance and EITC outreach is specifically listed as one of the points in the City of Burlington's anti-poverty strategy.

The EITC is the largest (by dollar amount) federal anti-poverty program; through the EITC and other federal and state tax credits (such as the child tax credit and renters rebate), many low income working families receive the largest lump sum of cash at tax season that they will see all year; that provides money to pay bills, purchase necessities and (hopefully), put into long term savings. Last year the average EITC received via the CCA VITA site was \$1,645.00.

Receiving assistance to file taxes, receiving a tax refund and then receiving services to help them consider options for the use of those funds has an enormous impact on the individuals we work with. Families can catch up on past due bills, purchase fuel needed to see them safely through the remainder of the winter, and invest in their household infrastructure (vehicle repair or purchase) to aid them in maintaining or seeking work, as needed.

2. List your goals/objectives, activities to implement and expected outcomes (# of units, # of individuals, etc.)

Last year, the CCA VITA site helped prepare taxes for 526 Burlington households (representing 1,068 individuals). This number was down slightly from previous years, likely as a result of CVOEO moving its office and losing an outreach VITA site that became unavailable. Our goal is to serve 700 Burlington households with this grant (representing an estimated 1,400 individuals). We have increased our outreach to local businesses in the downtown Burlington area, the Chittenden Emergency Food Shelf and low income housing programs, and are working on refining our process for scheduling appointments.

- 700 Burlington households will be served
- 100% of those served will save money by not paying tax preparation fees
- 95% of those served will receive a tax refund and/or credit
- 5% of those served will purchase a savings bond on site
- 5% of those served will meet with Financial Futures staff

III. Experience / Organizational Capacity

1. What is your agency's mission, and how do the proposed activities fit with your mission?

The mission of CVOEO is to address fundamental issues of economic, social and racial justice and to work with low income people to achieve economic independence. The VITA program fits perfectly within this mission statement; we provide a free service (and a service often over-charged for by for profit companies) to help low and moderate income families prepare necessary tax forms, help them get the best refund possible, and provide services to help them use those refunds in the (fiscally) wisest manner possible.

2. How long has your agency been in operation?

CVOEO has been in operation since 1965.

3. What programs and services do you offer?

CVOEO offers a variety of free services to help meet the needs of low income people; Chittenden Community Action provides home heating fuel and utility assistance, forms assistance (including help applying for 3SquaresVT, state health insurance and other state and federal benefits), housing advocacy and assistance (back rent/first months rent or deposit, as applicable), basic advocacy and referral services, tax preparation, distribution for Farm to Family Coupons, and a yearly seed and seedling distribution to encourage local gardening; within CVOEO, VT Tenants, the Fair Housing Program and the Mobile Home program provide advocacy and counseling for a wide variety of housing matters, the Financial Futures Program assists people with understanding and controlling their finances, helps with IDA matched savings and self-employment plans, Weatherization works to save people money by weatherizing their homes, and Head Start works to educate and prepare young children for school, and the Chittenden Emergency Food Shelf is the largest food shelf in Vermont.

4. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) in your Project Narrative.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of Hours per Week spent on this Specific Service / Activity	% of Hours per Week spent on this Specific Service / Activity to be paid with CDBG
Free tax preparation assistance	Site Coordinator	Volunteer recruitment, coordination and supervision; oversee day to day operation of the VITA site.	40	25%

5. Explain how your agency has the capacity to carry out the proposed activity (i.e., staff qualifications and years of experience related to this type of activity, etc.)

The primary Site Coordinator has a Masters of Business Administration and two years of experience as a VITA Site Coordinator with CVOEO; the CCA Director has a Bachelors in Human Services and has been preparing taxes for the low income community for over a decade. All VITA volunteers are required to pass an IRS tax test at the Intermediate level (actually a step above that which is required to complete basic tax returns). CVOEO has been the primary contact and has submitted the VITA grant on behalf of the VT Community Action Programs for over three years; CVOEO has been working within the low income community for 48 years. We have the capacity to record client data, complete required reporting and we anticipate no barriers to carrying out the proposed activities.

6. Have you received Federal or State grant funds in the past three years? Yes ___ No

**7. Were the activities funded by these sources successfully completed? Yes ___ No
If No, please explain:**

IV. Proposed Low & Moderate Income Beneficiaries / Commitment to Diversity

1. Will the program target any specific group of people? (check one below):

- Abused Children Elderly (62 years +) People with AIDS
 Battered Spouses Homeless Persons Illiterate Adults
 People with Severe Disabilities

2. For your proposed project, please estimate how the Burlington residents will break out into the following income categories. Use the Income Table at <http://www.burlingtonvt.gov/cedo/cdbq/2012-HUD-Income-Limits>.

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
Free income tax preparation Assistance	700 households	580	105	15	0

3. Explain how the target population is selected, qualified and monitored.

CVOEO conducts extensive outreach to advertise the VITA program; we work with local social service providers, human service agencies, low income housing development managers, and the United Way, among others. We poster local business places, laundry facilities, and other venues where VITA information will be seen by the low income community, and years of having run a VITA site and partnering with VT 211help, as many clients already know of our services and begin calling 211 to register for a VITA appointment by mid January of every year.

Applicants are screened by the VITA Scheduler based on that years VITA qualification requirements, which may change subtly year to year based on current tax law; generally, VITA is available to households with incomes less than \$50,000.00, and only basic 1040 EZ, 1040 A and 1040 paperwork can be filed. Information recording the demographics of the household are kept for each family we work with (age, race, residence, etc.)

4. How do you ensure that your programs are accessible to all, inclusive and culturally appropriate?

The VITA site coordinator makes special outreach visits to meetings of the Refugee and Immigrant Service Provider Network to talk about available services and to recruit volunteers from culturally and linguistically diverse populations. The training for volunteers includes training on how to work with an interpreter. The scheduler alerts the tax Site Coordinator to situations where clients need interpretation services, and the sites provide those services. The CCA office (VITA site) is handicapped accessible, and evening and weekend hours are provided to reach the broadest possible audience.

5. What steps has your organization/board taken in the past year to become more culturally competent?

Nothing within the past year; the CCA staff completed a several month long training and discussion on cultural diversity lead by an Americorps member two years ago.

V. Budget / Financial Feasibility

1. Project Budget

Line Item	CDBG Funds	Other	Total
Salary	\$3,743	\$11,085	\$14,828
Fringe	\$1,583	\$3,285	\$4,868
Indirect	\$674	\$1,995	\$2,669
	\$	\$	\$

2. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$ 2,500	\$ 6,000	\$ 17,351	\$ 30,000
State (specify)				
Housing and homeless			1,001,746	915,407
Nutrition Programs			19,738	19,738
Energy			1,666,183	2,527,435
Employment and Training			45,565	59,774
State Head Start			3,430	-
IDA			21,686	18,824
VT Center for Crime Services			138,446	115,422
VT Network Against Domestic and Sexual Violence			18,621	-
OEO	1,500			
Federal (specify)				
HHS		5,616	7,661,714	6,200,731
HUD			441,550	501,565
USDA			149,356	152,305
Justice			401,290	258,348
Treasury	14,334		50,000	49,000
Labor		8,871	102,604	-
SBA			21,829	118,454
United Way	3,000	600	248,026	169,923
Private (specify)				
Donations			1,024,026	1,064,424
Foundations			530,066	359,312
Corporate	2,000	4,000	267,210	172,050
Program Income				
Weatherization			502,391	547,893
Rental			5,030	4,500
Other (specify)				
In-Kind – Food			1,912,851	1,873,878
In-Kind – Volunteer			1,927,108	1,887,845
In-Kind – Space			1,366,111	1,338,277
City of Burlington			20,370	20,370
Interest			10,050	1,650
Total	\$ 23,334	\$ 25,087	\$ 19,574,348	\$ 18,407,125

3. Of the total project cost, what percentage will be financed with CDBG?

$$\frac{\$ \underline{6,000}}{\text{CDBG Funding}} \div \frac{\$ \underline{25,087}}{\text{Total Project Cost}} = \frac{\underline{24}}{\text{Percentage}} \%$$

4. Of the total project cost, what would be the total cost per person?

$$\frac{\$ \underline{6,000}}{\text{CDBG Funding}} \div \frac{\underline{1,400}}{\text{\# Proposed Beneficiaries}} = \frac{\$ \underline{4.28}}{\text{Cost Per Person}}$$

5. Why should CDBG resources, as opposed to other sources of funding, be used for this project?

This program relies on a mix of funding sources. Some are sustainable from year-to-year, but some must be raised year-to-year. There are no administrative or development staff associated with the program, so we have limited fundraising resources. Having CDBG as a part of the funding mix will make the program more sustainable and, hopefully, allow it to grow and be able to serve more clients as funds raised from other sources can be used to increase site hours. The return on investment for this program is staggering; according to the IRS, total refunds for CCA VITA participants last year was \$1,443,007.00, with an average refund amount of \$1,876.00.

6. Describe your use of community resources. Include any resources not listed in your budget.

The bulk of the services at the free tax sites is provided by volunteers. Each year, around 45 people volunteer to be trained and certified to assist with tax preparation (putting in an estimated 900 training hours) and then put in a total of about 1,800 hours of time helping clients at the tax sites. At the 2010 Vermont Department of Labor average figure for volunteer time (\$20.94 per hour), that represents nearly \$38,000 of matching funds needed for the IRS VITA grant. The site also provides free use of space, computers and printers for the program. Preparation for the tax season is nearly year round, and the budget does not begin to speak to the total level of work needed to make this program a success each year.

7. Has your organization experienced any significant changes in funding levels during the past year? Yes No

If Yes, please explain.

This grant request is for \$6,000, slightly more of a request than we submitted last year. This is a response to general tighter budgets, and my desire to keep the VITA program as strong as possible. The federal VITA grant was reduced by \$1,000 this year.

8. What cost-cutting measures has your organization implemented?

As we refine our organizational system (staff turnover over the last two years has left this program bereft of strong continuity), we are looking at expanding our use of volunteers to help with scheduling, and at offering pre-tax season scheduling to past VITA participants to increase the efficiency of the program.

VI. Community Support / Participation

1. What other organizations or key individuals (if any) have given support to this project?

Our chief partners are; the CASH Coalition, the Internal Revenue Service, the VT State Tax Department, Champlain College, St. Michael's College, and the United Way of Chittenden County. We coordinate services with the Champlain Valley Agency on Aging and AARP, and work closely with the Association of Africans Living in VT and other interpretation providers.

2. How are the community or program participants involved in decision-making and/or identifying the program need, design and/or evaluation?

The VITA program is sponsored by the Internal Revenue Service, and the local IRS Stakeholder, Partnerships, Education and Communication staff are actively involved in program management. Training is provided for the volunteers by IRS and VT state Tax Department staff, and volunteers are then certified by the IRS. Champlain College offers 1 course credit to accounting students who agree to volunteer for at least 40 hours, with around 25 to 30 students participating each year. St. Michael's College provides 6 to 8 interns each year who put in 130 hours of volunteer time in exchange for 4 credit hours. The UVM Accounting Club sends 10 or so volunteers each year to help prepare taxes. Volunteers are also recruited from the community at large, with a number returning year after year. Two local banks – Northfield Savings Bank and Key Bank – have regularly supported the VITA program with contributions as has the United Way of Chittenden County.

VII. Readiness to Implement

1. Is the project ready to begin on July 1, 2013 and be completed by June 30, 2014?

Yes No

If not, what are the expected start and completion dates?

2. List any conditions (i.e., obtaining permits, availability of other funding, etc.) that may affect your ability to begin or complete this project.

To our knowledge there are no other conditions that would affect our ability to complete this project.

VIII. Impact / Evaluation

1. Describe how this project will effectively measure outcomes.

The primary outcome for this program is the number of successful tax returns completed, the number of client who purchase savings bonds, and as a secondary outcome (our first year emphasizing this opportunity), the number of clients who meet with Financial Futures staff.

2. What strategies will you implement to collect the data necessary to analyze your results?

Tax returns are electronically filed with the IRS, who then reports back data on the number of returns successfully filed, household composition, the number of savings bonds purchased and the amount (value) of the total returns. CVOEO tracks extensive data on clients, demographics on household composition, amount and source of income, participation in health insurance programs and 3SquaresVT benefits, etc.

3. How are clients better off as a result of your program?

Clients save money by not paying a tax preparer (an estimated \$140,000.00, based on 700 households x \$200.00 preparation fee), and the average refund amount for clients through the VITA program last year was \$1,876.00. Free tax preparation services, plus the opportunity to meet with financial coaches, participate in money management classes, and buy savings bonds equals at least the opportunity for clients to be better off as a result of our services.

IX. Sustainability

1. How will this project have a long-term benefit to the City of Burlington? If this project ends, will that benefit continue?

The dollars that taxpayers gain, both to spend and to save, as a result of this program increases their self-sufficiency. Their spending circulates in the local economy. The links to other financial services, such as offered through the Financial Futures Program, increases their ability to be credit-worthy and therefore pay less for loans, insurance, and housing.

If free tax preparation services were no longer available, clients would have the benefit of the money they've saved in the past, but many would probably turn to paid preparers in the future. Some might decide not to file, or might prepare their own returns but not claim everything they're entitled to.

2. Provide evidence of long-term support for this project.

CVOEO began providing free tax assistance in 1980; The CASH Coalition (Creating Assets, Savings and Hope) was formed seven years ago to promote and build on the VITA program; Community Action has a long-term working relationship with Champlain College, who provides a course credit to accounting majors who volunteer to assist with the VITA program, and the service itself has been provided to thousands of families over the last few decades.

3. If CDBG funding ends, will the project be able to continue?

The VITA program would continue, but we would likely serve fewer people without CDBG investment.