



Grant Programs Resource Guide



for **VITA** Volunteer Income Tax Assistance
& **TCE** Tax Counseling for the Elderly



IMPORTANT CONTACT AND WEBSITE INFORMATION

Grant Program Office

VITA Grant Program

Internal Revenue Service

Attn: Grant Program Office – VITA Grant

401 W. Peachtree Street, NW

Stop 420-D

Atlanta, GA 30308

Email address: Grant.Program.Office@irs.gov

TCE Grant Program

Internal Revenue Service

Attn: Grant Program Office – TCE

401 W. Peachtree Street, NW

Stop 420-D

Atlanta, GA 30308

Email address: tce.grant.office@irs.gov

Grant Program on irs.gov

IRS VITA Grant Program

www.irs.gov/Individuals/IRS-VITA-Grant-Program

Tax Counseling for the Elderly (TCE)

www.irs.gov/Individuals/Tax-Counseling-for-the-Elderly

IRS Free Tax Return Preparation Programs

www.irs.gov/Individuals/IRS-Free-Tax-Return-Preparation-Programs

IRS Civil Rights Unit

202.317.6925

E-mail address: civil.rights.division@irs.gov

General IRS Information

800.829.1040

www.irs.gov

Become and IRS Partner to Help in Your Community

www.irs.gov/Individuals/Become-an-IRS-Partner-to-Help-in-Your-Community

Federal Tax Compliance Verification (Internal Revenue Service)

877.829.5500 (tax exempt and government entity returns)

800.829.4933 (business and specialty tax returns)

866.699.4096 (excise tax and Form 2290 returns)

Determination Letter from IRS (Tax Exempt and Government Entities)

877.829.5500

System for Award Management (SAM)

SAM.gov

Online Grant Announcement and Application Submission

www.grants.gov

Help desk: 800.518.4726

Email: Support@grants.gov

Payment Management Services, Department of Health and Human Services

pms.psc.gov

Help desk: 877.614.5533

E-mail: PMSSupport@psc.gov

Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS)

SAM.gov/fsrs

www.USASpending.gov

Code of Federal Regulations (e-CFR)

www.ecfr.gov

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INTRODUCTION

This resource provides guidance to recipients of the Tax Counseling for the Elderly (TCE) and/or Volunteer Income Tax Assistance (VITA) Grant. The TCE and VITA grant programs are administered by the Grant Program Office within the Wage and Investment, Stakeholder Partnerships, Education, and Communication (SPEC) organization. This resource guide supplements information provided in [Publication 1101](#), **Application Instructions and Guidelines for Managing a TCE Program**, and [Publication 4671](#), **Volunteer Income Tax Assistance Program Overview and Application Instructions**. It is a reference tool for all TCE and VITA grant recipients and prospective applicants as a resource in understanding the requirements of the two grant programs.

Note: Topics that are specific to both programs will not have any specific notation. Topics that are specific to only one program will be notated as such.

Within the guide the term “**grant**” is used to mean both grants and cooperative agreements. However, both terms may be used in the document for clarity of certain topics. The term “**recipient**,” “**sponsor**,” or “**prime recipient**” refers to the organization awarded a grant. These terms may be used interchangeably throughout the document. Additional terms and definitions in this document are covered in the **Glossary of Terms and Acronyms**.

The information in this guide is subject to change. The Grant Program Office welcomes recipient and applicant suggestions on improving this guide. Suggestions may be emailed to grant.program.office@irs.gov. Be sure to indicate in the email subject line: Suggestion for Improving Resource Guide. We will consider all suggestions; however, they may not be adopted. Adopted changes will be added periodically to the publication as the need arises.

History

The Internal Revenue Service (IRS) offers two grant opportunities to support organizations that provide free **federal tax return** preparation assistance.

- The Tax Counseling for the Elderly program focuses on providing service to the elderly.
- The VITA Program offers free tax help for low to moderate income individuals as defined by the Earned Income Tax Credit (EITC) threshold.

Both programs operate primarily with trained volunteers that prepare basic tax returns. The TCE program began as a cooperative agreement from its inception. The VITA program originated with the Tax Reform Act of 1969 to increase emphasis on taxpayer education program without federal assistance. The VITA Grant was instituted in December 2007.

TCE Grant Program

The Tax Counseling for the Elderly (TCE) Program offers **free** tax help to individuals who are age 60 or older. The Internal Revenue Service (IRS) enters into agreements with private or public nonprofit agencies and organizations, which will provide training and technical assistance to volunteers who provide **free** tax counseling and assistance to elderly individuals in the preparation of their federal income tax returns.

Eligible agencies and organizations compete for acceptance as a TCE grant recipient. Applicants must be experienced in coordinating volunteer programs, with experience in income tax return preparation. Eligible agencies and organizations receive grants to conduct local TCE Programs. Tax return preparation assistance is provided to elderly taxpayers during the usual period for filing federal income tax returns, which is from January 1 to April 15 each year. However, the program activities required to ensure that elderly taxpayers receive efficient and quality tax assistance can be conducted year-round.

Form 9661, Cooperative Agreement, and Publication 5245, Terms and Conditions, define the functions that the grant recipient and IRS will perform, the maximum amount of funding available for reimbursement and administrative purposes, the minimum number of federal tax returns to be accomplished by the organization, and other information. Approval for a three-year multi-year award is available for agencies and organizations that are interested and request consideration when submitting an application. Consideration is limited to those applicants that meet all eligibility requirements. The second and third years will be funded subject to satisfactory performance, compliance with program terms, and availability of appropriated funds. Funds awarded in a subsequent year may or may not be the same as awarded in the prior year.

INTRODUCTION

Organizations that are awarded a grant are responsible for all aspects of operating a TCE Program including, but not limited to publicity, recruitment, training, site selection and management of volunteers. The IRS is responsible for providing oversight, guidance and assistance to TCE grant recipient organizations. There are no cost sharing or matching requirements for the TCE Program.

VITA Grant Program

In December 2007, Congress appropriated funds to the IRS to establish and administer a **matching grant program** for community volunteer income tax assistance. Each year since, Congress has approved funding for the next year. This funding allows the IRS to provide grants to partner organizations to achieve the following program objectives:

- Enable the **VITA** Program to extend services to underserved populations in hardest-to-reach areas, both urban and non-urban;
- Increase the capacity to file returns electronically;
- Heighten quality control;
- Enhance training of volunteers; and
- Improve significantly the accuracy rate of returns prepared at VITA **sites**.

The VITA Grant program supplements the work already being done in the VITA Program by providing support to help organizations grow their existing programs. Although we may occasionally award an organization that has no experience with the VITA program, most recipients have extensive experience with the program.

The VITA grant is in support of the VITA Program. VITA grant recipients must follow existing guidance governing VITA site operations and file all eligible returns electronically. IRS provides the software for filing electronically. Publication 5683, VITA/TCE Handbook for Partners and Site Coordinators provides guidance on the operation of VITA sites and should be consulted for current program requirements.

Guiding Principle

Grant partners are expected to show incremental increases in return preparation each year. At least 90% of the taxpayers served must be below EITC thresholds.

Measures of Success

Grant recipients are expected to:

- achieve 100% of the Minimum Returns Expected (MRE) specified in the grant agreement;
- extend services to areas not covered by the VITA program;
- efficiently manage grant funds.

NOTICE OF AWARD

The Grant Program Office (GPO) sends notification to individual award recipients. Awarded applicants receive a package including the grant agreement and other documents for acceptance of the grant. This Award Acceptance package is sent to the email address indicated on the Standard Form 14335, Contact Information for VITA and TCE Grant Programs for the Primary and/or Authorized Official Representative (AOR) contacts for the organization. The applicant must sign, date and return the agreement and requested documents by the date given. Exhibits 1 and 2 are examples of the Form 9661, Cooperative Agreement, for TCE and Form 13981, Grant Agreement, for VITA respectively. However, please note that agreements are subject to change. Therefore, grant recipients should closely review the agreements provided to them for acceptance.

Following is a explanation of the contents of the agreements and general information on each term and condition.

General Federal Award Information

This section contains information unique to the recipient of an award along with information about the award itself.

Minimum returns expected (MREs) to be accomplished by your program – This is the minimum federal returns the recipient is expected to achieve. If a recipient does not achieve 100% of the returns, it could affect the amount of grant funds they are eligible for in the future. Recipients that do not achieve 100% may be ineligible to continue as a future recipient. If unforeseen circumstances hinder meeting the goal, the recipient will be provided an opportunity to explain and receive consideration for continuance of the multi-year designation.

Federal Award Identification Number (FAIN) – The Grant Program Office more commonly refers to this as the Grant Number. Organizations providing sub-awards must include this identifier in all sub-award agreements. It is used to establish the link between the prime recipient and sub-recipients when reporting is required on sub-awards at fsrs.gov. The FAIN is also used on USASpending.gov to uniquely identify the award.

Reminder: VITA or TCE recipients are required to enter the Federal Award Identification Number (FAIN), YYProgramXXXX, i.e. (21VITA0000) in the email Subject Line when corresponding with the IRS Grant Program Office to ensure prompt association with their application/grant package.

Period of Performance

Program	Period of Performance
Tax Counseling for the Elderly	October 1 – September 30
Volunteer Income Tax Assistance Grant	October 1 – September 30

Total amount of Federal funds obligated and Total amount of Federal award – These fields provide the total award amount offered to your organization.

Total cost sharing or matching funds required (VITA ONLY) – This section is applicable to VITA Grant awards only and this amount should be the same as the Maximum Award amount. The VITA Grant requires organizations to provide an equal amount of their own funding (dollar-for-dollar match) or in-kind contributions to the overall project covered by the grant.

Multi-year award and Multi-year period – These fields provide information on whether your agreement provides recognition of the organization as a multi-year recipient. For agreements marked “Yes” for multi-year award, either 1, 2, or 3 will be marked in the multi-year period section.

- “1” – the organization is in its first year of a multi-year award and has the potential of two additional years of noncompetitive award if the conditions of the multi-year grant are met.
- “2” – the organization is in the second year and has the potential of one additional year of noncompetitive award if the conditions of the multi-year grant are met and
- “3” – the organization is in the last year of a multi-year award and will be required to compete for an award in the following year

NOTICE OF AWARD

Grant Program Information

This section contains information on the federal program and funding source covered by the grant or cooperative agreement.

Assistance Listing number and name – The TCE and VITA Programs are registered under Assistance Listings in SAM.gov which provides a detailed listing and description of all federal programs available to state and local governments (including the District of Columbia); federally recognized Native American tribal governments; territories (and possessions) of the United States; domestic public, quasi-public, and private profit and non-profit organizations and institutions; specialized groups; and individuals. The Assistance Listing can narrow search results on any government system that allows users to search by Assistance Listing, such as Grants.gov and USASpending.gov. The Assistance Listing number assigned for **TCE is 21.006** and **VITA is 21.009**.

Program source – For both the TCE and VITA Programs, the funding source is 20-2009. This number is used to identify the federal source of grant funds. It is used on [SAM.gov/fsrs](https://sam.gov/fsrs) and USASpending.gov.

Terms and Conditions Highlights

Each agreement provides the requirements a recipient must adhere to for operating within program guidelines. Most of these requirements, whether focused on the financial management of the grant or the delivery of the program, flow-through the grant recipient to any sub-award recipients. An example is the requirement to follow the quality site requirements for delivery of the program. Another example is the requirement to adhere to 2 CFR Part 200, and other federal regulations, as applicable.

Agreements include terms and conditions labeled general, program specific and addendum. These terms and conditions may be included in the award or by reference to the location where they are maintained. Program specific terms and conditions neither restate all the provisions of the applicable statutes and regulations, nor represent an exhaustive listing of all requirements applicable to these awards. Rather, they are emphasized by inclusion because they represent areas where issues were identified or their violation would be a matter of concern. More explanation can be found on many of the terms and conditions on [Publication 5247, Volunteer Income Tax Assistance \(VITA\) Terms & Conditions](#) and [Publication 5245, Tax Counseling for the Elderly \(TCE\) Program Terms & Conditions](#).

Signing the Agreement – The recipient's signature and date on the Form 9661, Cooperative Agreement, or Form 13981, Grant Agreement, signifies the agreement to all terms and conditions. IRS recognizes the value of the work that our grant recipients do. It is important that all recipients understand their responsibilities so that problems do not occur that would require the repayment of funds. Please thoroughly familiarize yourself with the requirements of this agreement. Exhibit 1, Grant Agreement, is an example of the VITA Agreement.

Management and Technical direction – The recipient is obligated to provide management and technical direction for their program and ensure that all sub-recipients adhere to the provisions established by this agreement. The recipient's organization is solely responsible to the IRS for all documentation, disbursements, and reporting associated with the completion and close-out of the program. If your organization utilizes the services of other organizations to deliver these services, you are responsible for ensuring they adhere to the requirements of the program. More information on this subject is available in the Oversight of Sub-Recipients section.

Non-discrimination Policy and Practices – The recipient and all sub-recipients must adopt and practice a non-discriminatory policy that meets all federal grant requirements. They must ensure all sites providing service display [Publication 4053, Your Civil Rights Are Protected](#), and that it is translated in other languages as appropriate. The IRS will not tolerate discrimination based on race, color, national origin (including limited English proficiency), disability, sex (in education programs or activities) or age in programs or activities receiving federal assistance from the Department of the Treasury, Internal Revenue Service. More information on this subject is available in the **Assurances and Certifications** section.

NOTICE OF AWARD

Notification of Revisions or Program Plan Changes – Revisions to the program plan and budget must be submitted within 20 calendar days of notification of award as directed in your notification. We do not expect you to tell us about everything that happens at your sites; only those issues that could impact your ability to successfully deliver your plan or utilize your budget. Please notify your grant analyst and request approval of changes after submission of your revised budget immediately that does not qualify for exception as explained below:

- **VITA Grant** – Changes to the budget between object class categories may be made without pre-approval when the change is 25% or less of the total award. Approval of changes greater than 25% must be requested in advance electronically and approved before the change may be made. The maximum award amount does not change.
- **TCE** – Changes to the budget between object class categories may be made without pre-approval when the change is 10% or less of the total award. Approval of changes greater than 10% must be requested in advance electronically and approved before the change may be made. The maximum award amount does not change.

If you are unsure on whether you need to inform us, please contact your assigned grant analyst as soon as possible.

Notification of Key Personnel changes, F14335 – The recipient **must notify** the Grant Program Office (GPO) within 10 business days when changes in key personnel involved in the program occur. The GPO will research the System for Award Management (SAM) to ensure they are not debarred, suspended, or otherwise excluded from or ineligible for a federal award. You may check this system yourself before hiring or designating a change by visiting [SAM.gov](https://sam.gov).

Payment Management System (PMS) – The recipient **must utilize** the Health and Human Services, Payment Management Services, Payment Management System, for withdrawal and reporting of fund expenditures. **Advance funds may only be withdrawn for expenditures that are incurred within three (3) business days of the receipt of the funds.** Reimbursement funds may be withdrawn at any time for allowable, allocable, and necessary expenditures already incurred. **Notification of changes in contact information for the PMS is the responsibility of the recipient.** Additional information can be found in the **Utilizing the Payment Management System** section.

Reporting – The reporting requirements for the TCE and VITA grants are identified in the grant or cooperative agreement as part of the terms and conditions. The due dates and method of submission are also provided. Submission of **accurately** completed reports by the due date is required for future consideration of subsequent year grants. Extensions for filing reports due to the GPO are only granted in unusual circumstances and requests must be received at least two (2) weeks prior to the report due date.

Financial System and documentation – Financial systems must identify the source and application of funds used for this program. Recipients must maintain documentation of expenditures, both federal and matching (VITA Grant), along with all in-kind contributions from third party or sub-recipient contributors for a minimum period of three years from the end of the program period of the award.

VITA Grant – For recipients that utilize volunteer services as a match, information maintained must include the volunteer's name and contact information (address, phone and/or email) and daily time sheets to demonstrate work completed. If the volunteer performs activities for programs other than the VITA program, their time must be allocated to identify the time contributed to the VITA program. Recipients must also allocate and report time for non-volunteers who perform other activities in addition to the VITA Program. Time sheets must clearly delineate the amount of time an individual spends on the VITA program and on other activities. For an example of acceptable time sheets, see Exhibit 7, Time Sheet Examples. For recipients that utilize space as a match, information must be maintained on the actual dates and times the space is used and the calculated value of the space. A complete explanation as to how the valuation was determined is required. The use of per day and/or per hour costs should not exceed the fair market rental value of the space.

NOTICE OF AWARD

Restrictions on Use of Funds –

- **TCE Grant** – Federal funds may not be used to pay individuals for the preparation of returns, quality review and/or screening taxpayers. Individuals performing these duties in addition to site coordination, clerical support, etc. must document their time accordingly to ensure they are not paid for these activities.
- **VITA Grant** – Federal funds may not be used to pay individuals for the preparation of returns and/or screening taxpayers. Individuals performing these duties in addition to site coordination, clerical support, etc. must document their time accordingly to ensure they are not paid for these activities.

At this time, federal law prohibits the IRS, its recipients and all sub-recipients from providing funds to the Association of Community Organizations for Reform Now (ACORN) or any of its affiliates, subsidiaries, allied organizations, or successors.

Use of Form 13614-C, Intake/Interview & Quality Review Sheet – The recipient and all sub-recipients must utilize [Form 13614-C, Intake/Interview & Quality Review Sheet](#), at sites or events where federal returns are prepared by other than the taxpayer.

Adherence to Quality Site requirements – The recipient and all sub-recipients must adhere to all Quality Site Requirements as explained in the Publication 5166, VITA/TCE Volunteer Quality Site Requirements. This publication is available on [irs.gov](https://www.irs.gov) and should be consulted for participant requirements.

Reporting Sub-Award and Executive Compensation – The recipient of an award that sub-awards \$30,000 or more of their own award must provide sub-award data on applicable grants after the sub-grant (or a subsequent change to the sub-grant) has been made. Certain organizations must report executive compensation when all conditions are met. Please see the section under **reporting requirements, Sub-award and executive compensation reporting** for additional information and to determine if your organization is required to report.

Reporting Cash Sub-Awards of \$1,000 or More – The grant recipient **must notify** the **Grant Program Office** of any cash sub-awards of \$1,000 or more using the Sub-Awards of \$1,000 or more table on page 9 of Form 13979-A. Submit this information with your award acceptance documents. Recipients must include the entity name, DUNS/UEI, and amount of award. Recipients are not required to report non-cash sub-awards to the Grant Program Office, such as when the recipient purchases supplies for the entity. Please see the section under **reporting requirements, reporting cash Sub-Awards of \$1,000 or More** for additional information.

Tip: Make sure all sub-recipients have a valid UEI number prior to providing any grant funds.

Reporting Related Party Transactions – The grant recipient must notify the Grant Program Office of related party transactions using grant funds and include the entity name, an explanation of the transaction, and its relationship. Refer to Exhibit 9 for the required information to report or use Tab 8 in the VITA Grant Workbook (for VITA) available on [irs.gov](https://www.irs.gov). A related party transaction is one in which one party is able to control or substantially influence the actions of the other. Such transactions include, but are not limited to buyer/vendor transactions, lessee/lessor agreements, and client/consultant arrangements. They generally occur between entities under common control through officers, directors, or members; and an organization and a director, trustee, officer, or key employee of the organization or his immediate family. Please see the section under **reporting requirements, reporting related Party Transactions** for additional information.

Tax Compliance – The recipient agrees to remain tax compliant (file all required federal returns and information reporting documents and pay all federal taxes, penalties and interest) during the period of this grant. Failure to remain tax compliant during the grant reporting period will impact consideration for subsequent year grants. This does not restrict the recipient's use of established processes for contesting assessments.

Electronic Filing – It is the intention that all grant recipients electronically file all eligible returns. It is a goal of the TCE program that at least sixty-five percent (65%) of all electronically-filed returns completed are for taxpayers aged 60 years of age or older. If an organization does not meet their 65% elderly e-files goal, it may impact their consideration for the subsequent grant application period.

NOTICE OF AWARD

Termination of Grant – IRS may terminate the agreement for reasons of default or failure of the recipient to perform its obligations under the agreement, as well as for malfeasance, illegal conduct, and/or management practices by the recipient that jeopardize the ethical operations and implementation of the agreement. In any of the above cases, IRS will notify the recipient in writing of its intent to terminate the agreement and the causes for such a decision. IRS will provide seven (7) business days for the recipient to respond in writing.

Award Notification – Once IRS offers a grant, your organization is required to take certain actions to accept or decline the grant within a set time frame. The notification includes a letter, grant agreement, contact information (name, address, phone number, and email address) and other pertinent information due to your grant analyst. Your grant analyst will work with your organization throughout the grant period and will be your point of contact for any questions you have concerning the grant or your responsibilities.

Other information you may receive with your award notification or in a separate document includes:

- **Technical Evaluation Feedback** – This information comes from the technical ranking panel who provides general observations about your grant application. The GPO does not assign the scores and are not prepared to discuss their observations with your organization. If your organization is a continuing multi-year grant applicant, a technical evaluation was not required, and no feedback is provided.
- **GPO Evaluation Feedback** – Concerns or questions identified during the GPO review are provided. It covers concerns or questions about your budget and matching funds (VITA) summary and documentation for TCE or VITA. It may also include concerns about your proposed sub-award instrument or financial management practices. Please be sure to address all concerns identified when revising and submitting the required documents for acceptance of the grant.
- **Webinars or Conference Calls** – Information on scheduled orientation or training opportunities is shared via email/electronic notifications from the grant office. Please mark your calendars.

Grant Program Office

A grant analyst is assigned to each grant recipient. Contact information for your assigned grant analyst was included in the grant award notification package. The grant analyst assists with:

- Understanding the terms and conditions of the grant;
- Answering questions about allowable and unallowable uses of the grant; and
- Providing guidance on reporting requirements.

Correspondence or questions pertaining to the grant, whether by phone, mail or email, should be directed to your assigned grant analyst. Grant analysts are required to provide you with the official contact information (email address and phone number) and the general contact information for the Grant Program Office.

If immediate assistance is needed, you may contact us via email at Grant.Program.Office@irs.gov for VITA. Please use these email addresses or phone number only when you're unable to reach your assigned grant analyst. Email is the preferred method for all communications. If you prefer to call, contact your assigned grant analyst via email to arrange a convenient time for the discussion.

REQUIRED ACTIONS FOR ACCEPTANCE

Accepting the Grant

To accept the grant, TCE and VITA recipients must provide the documents below within 20 days from the date on the notice of award. If an extension is needed or your organization plans to decline the award, please notify your grant analyst prior to the deadline. All information, unless otherwise noted, should be emailed as directed in your grant notification.

Documents Required to Accept Grant

Documents Required	Returning Recipients	New Recipients
Budget, Production Goals and Site Information VITA – Submit detailed budget using the Form 13979-A, VITA Budget and Narrative. Submit changes regarding production goals and site information on Form 13978. TCE – Submit the budget narrative and the Form 8653 , TCE Program Application Plan. Be sure to make changes to: • Budget information – Sum of proposed expenses should agree with award amount • Projected returns – Should agree with minimum returns expected as reflected on your cooperative or grant agreement • Sites proposed – Address changes in plans to open new sites or expand hours of operation Note: Revise the returns by focus and method if necessary.	Yes	Yes
Matching Funds Documentation (VITA only) Award funds are deposited in full when matching funds are verified with acceptable documentation.	Yes	Yes
Sub-award Contract/Agreement/MOU Submit your proposed sub-award instrument, if not included with your application. This applies to VITA recipients only.	Yes, if applicable	Yes, if applicable
Payment Management System Complete the Payment Management System (PMS) Access Form. Forms and instructions are available at pms.psc.gov .	Only if changes	Yes
Cash Sum-awards of \$1,000 or more Submit information on Sub-Awards of \$1,000 or more on page 9 of Form 13979-A. More information on this reporting is available in the Reporting Requirements chapter of this publication.	Yes	Yes

Declining the Grant

If your organization decides to decline the grant, provide email notification from the authorized organization representative along with the reason for non-acceptance to your assigned grant analyst.

PAYMENT MANAGEMENT SYSTEM

Establishing a Payment Management System Account

To establish a PMS account, new grant recipients must request access to the Department of Health and Human Services (HHS) and provide banking information. PMS will notify the Grant Program Office when the account is established. Returning grant recipients must keep their established accounts active by timely filing the required quarterly Federal Cash Transaction Reports (see Payment Management System Reporting section). To access PMS, visit pms.psc.gov. Recipients must ensure that the e-mail address domain used in PMS is the same as the e-mail address domain in SAM.gov. E-mail addresses must identify the name of the business contact (full name or initials are accepted). A shared e-mail address or general business e-mail address will not be accepted by PMS.

All required forms to establish and activate a PMS account must be submitted through PMS. Use the [PMS User Guide](#) for instructions on the following:

- Request New User Access
- Change User Access
- Banking – Add/Change

Maintaining Funds in Interest-bearing Account

You must maintain advances of federal grant funds in interest-bearing accounts unless:

- You receive less than \$120,000 in federal awards per year.
- The best available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances or require an average or minimum balance so high that it would not be feasible.
- The depository would require an average or minimum balance so high that an interest-bearing account would not be feasible given the grant recipient's expected federal and non-federal cash resources.

Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense.

Any changes to the above procedures must be approved in writing by the Grant Program Office.

Use of a Fiscal Agent

The Grant Program Office allows the use of a fiscal agent if the intention to use a fiscal agent is disclosed in the application. The grant recipient will be permitted to use a fiscal agent as long as the fiscal agent is not an individual and is tax compliant. Tax compliance includes filing all required tax returns and payment of all federal tax, penalties, and interest. The grant recipient must provide the appropriate documents to DPM. Recipient organizations using a fiscal agent must provide the following:

- Two Forms 1199A – The grant recipient must complete section 1. The banking section at the bottom of the form must be left blank. The fiscal agent must complete the second Form 1199A and all sections must be completed.
- Payment Management System User Access Form completed by the grant recipient organization and fiscal agent for those users needing access.
- A letter from the grant recipient on their letterhead acknowledging who the fiscal agent is for their program.

As the grant recipient, it is your responsibility to ensure the fiscal agent follows all terms and conditions to disburse and record funds provided to another organization within your program. The account will be registered with the grant recipient's name but with the fiscal agent's banking account information.

PAYMENT MANAGEMENT SYSTEM

Funding of Payment Management System Accounts

For new recipients, Payment Management Services notifies the GPO when they have established an account. Upon notification of account establishment, IRS authorizes the funding of the account up to the award amount. This generally takes a couple of business days.

Once your award acceptance documents have been reviewed and approved, your grant analyst will submit a request for your funds to be deposited into your PMS account.

NOTE: In order update existing information in PMS all grant recipients must have an active status in SAM.gov the System for Award Management. SAM.gov requires a yearly renewal to stay active. Grant recipients must ensure their information in SAM.gov is accurate and updated before any updates can be made in PMS.

The VITA grant requires recipients to provide documentation for funds that are in hand or committed to match 100% of the award amount; and funding is limited to the amount of committed match recognized by your grant analyst. If this amount is less than the total award, additional match documentation must be furnished to your grant analyst before all grant funds are released. See the “Supporting Matching Funds Documentation” section of [Publication 4671, Volunteer Income Tax Assistance \(VITA\) Grant Program Overview and Application Instructions](#), for documentation requirements.

Recipients may withdraw funds as indicated below:

- **Advances of funds should only be requested when they will be used within three days.**
- Reimbursements of expenses already incurred may be withdrawn at any time during the project period. There are no limits on the amount or frequency of reimbursement payments; however, it is limited to the amount of the award. It is important that all funding used during the project period should be withdrawn by the final reporting due date, December 30.
- Quarterly reporting is required in order to continue to access funds.

Additional information on use of grant funds can be found in the section Budget Administration later in this publication.

PMS User Training and Help

The Payment Management System offers training sessions for grant recipients throughout the year, where attendees learn how to:

- Access PMS
- Complete a payment request
- Perform APEX inquiries
- Run report requests
- Complete the Federal Financial Report (FFR)

Please visit the PMS website and click on the training tab for information on upcoming training. We recommend that all new recipients and new users attend training.

The website contains training presentations created for all recipients and are not specific to IRS grants. The functionality of the system is the same regardless of the granting agency. However, some guidance may differ and, in this situation, you should always follow the guidance provided by your granting agency.

Payment Management System Reporting

The Standard Form 425 or Federal Financial Report (FFR) must be filed electronically through the Payment Management System (PMS). Visit the PMS website pms.psc.gov to access the [PMS User Guide](#) for instruction on how to file the Federal Financial Report (FFR).

PAYMENT MANAGEMENT SYSTEM

The electronic version of the SF 425 is designed in two parts:

- Quarterly Federal Financial Report due quarterly
- Federal Financial Report due annually (VITA Grant only)

Federal Financial Report

The Federal Cash Transaction Report was retired in 2024 and has been replaced by the Federal Financial Report (FFR). The FFR must be filed in the Payment Management System (PMS) by January 28.

If the FFR Quarterly is not filed by the due date, funds will be frozen until the report has been submitted.

Grant recipients that are new to PMS should begin filing this report quarterly once funds are deposited in the PMS account. For example, if funds are deposited after January 1st and before Mar 31st, then the first report would be due on or before April 30th.

For recipients that received a grant in the prior grant period, please continue to file the FFR Quarterly whether the current grant account is funded or not to ensure the account is not locked when your organization needs to withdraw funds.

The Federal Financial Report (FFR) is a cumulative report and must be completed by VITA Grant recipients only. The report reflects use of funds throughout the Period of Performance (PoP) and should cover the entire PoP. This report is due within 120 days of the end of the PoP. The PoP is October 1–September 30.

It is important that the Federal Financial Reports are submitted timely. Prepare the report early enough to ensure timely submission. Depending on each individual's permission, certification may require that a second person review and certify the report, which could cause a delay in submitting the report. Make sure you understand who is authorized to prepare and certify your reports. Once the report is submitted and certified, print or save a copy for your records.

Quarter ending	Report due By
December 31	January 30
March 31	April 30
June 30	July 30
September 30	October 30

PAYMENT MANAGEMENT SYSTEM

Your assigned grant analyst can assist with questions about the information your organization is reporting during this process. Contact the PMS Help Desk regarding the functionality of PMS and/or existing permissions to prepare and certify the report.

Federal Financial Report (Quarterly Report)

Guidance for completion of the SF 425 and the items required for this report follow. Steps for accessing and completing the Federal Quarterly Report:

Top Portion of the SF 425	
Item	Instruction
Items 1 – 6a	PMS automatically completes the information requested in these fields based on the information captured during account registration. Note: If any information is incorrect, the information will need to be corrected prior to report preparation.
6b. Report Type	Choose “Quarterly” when filing the Federal Cash Transaction Report; and “Final” when filing the final report (for VITA).
7. Basis of Accounting	Choose either “Cash” or “Accrual.” Check with your financial department or accountant for the basis of accounting if you do not know.
8. Project/Grant Periods	Complete with the period of your project. It will be 10/01/20XX to 09/30/20XX.
9. Reporting Period End Date	09/30/20XX

Middle Portion of the SF 425	
Item	Instruction
Items 10 – 10o	All information in this section will need to be completed manually. PMS does not prepopulate any item 10 information.

Federal Cash	
Item	Instruction
10a. Cash receipts	Enter the total amount of federal cash received for the VITA Grant withdrawn through the PMS. This is generally the award amount; however, it may be adjusted during the year because your organization could not use all the funds.
10b. Cash disbursements	Enter the cumulative amount of cash and check payments your organization has made for the selected grants. This includes any payments made to sub-awardees.
10c. Cash on hand	Enter the amount of Line 10a minus Line 10b. Since the project period is over, it will generally be zero.

PAYMENT MANAGEMENT SYSTEM

Federal Expenditures and Unobligated Balance:	
Item	Instruction
10d. Total federal funds authorized	Enter the original grant amount if all funds were used. If your award has been revised through a modification (you returned funds or received additional funds), report the adjusted amount.
10e. Federal share of expenditures	Enter the amount of TCE or VITA Grant funds expended. Again for the final report, it will generally be the full award amount but could be different if you have obligations in conjunction with the grant that have not yet been paid.
10f. Federal share of unliquidated obligations	Because this is the final report, this line will most likely be zero because all obligation will have been paid in the three months since the end of the project. If it is not, inform your grant analyst why there are unliquidated obligations prior to submitting your report. Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which expenditure has not yet been recorded. Enter only the federal portion of unliquidated obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to sub recipients and contractors
10g. Total federal share	This screen will show you only those reports that are available for completion and its current status/due date. Under the "Action" column, scroll in the "I want to ..." box to "Prepare/Certify."
10h. Unobligated balance of federal funds	Subtract line 10g from line 10d. Because this is the final report, this line will most likely be zero because all obligations will have been paid in the three months since the end of the project. If it is not, inform your grant analyst why there are unliquidated obligations prior to submitting your report.

Recipient Share (VITA only):	
Item	Instruction
10i. Total recipient share required	Enter the amount of the original grant or adjusted amount of the grant if modified. The VITA Grant requires a 100% match.
10j. Recipient share of expenditures	Enter the recipient's cost share of actual cash disbursements including payments to sub recipients and contractors. This amount may include the value of allowable third party in-kind contributions. It should be equal to or greater than the amount on line 10i.
10k. Remaining recipient share to be provided	Subtract line 10j from line 10i. If the amount in 10j is more than the amount in 10i, record zero.
Program Income (10l – 10o) – The VITA Grant does not allow program income. No entries should be present in these fields. Please note that a systemic problem in PMS may generate an entry on the program income line of the report; be sure to reduce the entry to zero as program income is not allowed in the VITA program	
Indirect expense (11a-11g) – complete this section only if your organization was authorized to charge indirect expenses under an indirect cost rate agreement. Indirect expenses incurred without an indirect cost rate agreement should be included in program costs.	

PAYMENT MANAGEMENT SYSTEM

Recipient Share (VITA only):	
Item	Instruction
11a. Type of rate	State whether the indirect cost rate is Provisional, Predetermined, Final or Fixed.
11b. Rate	Enter the indirect cost rate in effect during the reporting period.
11c. Period	Enter the beginning and ending effective date of the rate as noted in the indirect cost rate agreement.
11d. Base	Enter the amount of the base against which the rate was applied.
11e. Amount charged	Enter the amount of indirect costs charged during the time period specified.
11f. Federal share	Enter the federal share of the amount in 11e.
11g. Totals	Enter the totals for columns 11d, 11e, and 11f.

Bottom Portion of the SF 425	
Item	Instruction
Item 13.	Once you have finished, double-check to make sure all information input is correct. Scroll to the bottom of the page to enter the signature of the authorized certifying official; enter the official's name, telephone number and e-mail address in Item 13.

Actions to Certify in Payment Management System (PMS)	
Item	Instruction
Certification	Within the PMS, scroll down and click the "Certify" button to attest to the accuracy and completeness of the report. A "disclaimer" message box will appear after clicking the "Certify" box. Read the disclaimer statement and click "OK" to agree. NOTE: If you do not see the "Certify" button on the screen, you may need to review your PMS access permissions and update them.
Submit	Within the PMS, scroll down and click "Submit" button.
Certification and Submission Confirmation	A screen will appear to confirm that certification is complete "Certify Transaction Complete."

PAYMENT MANAGEMENT SYSTEM

Unused Funds

The funds awarded during each year are appropriated for only a short period of time. If they are not used during the appropriation period, they become part of our general fund and may no longer be used for the grant programs. Please notify your assigned grant analyst via email by June 30, that all grant funds will be utilized. Be sure to check with your sub recipients as well on whether they will use all the funds sub-awarded them. If all funds will not be utilized, provide the amount of funds your organization is releasing along with a brief explanation as to why the funds were not utilized. Reasons for not using all the funds vary by organization but may include such issues as:

- For VITA, your organization may realize after acceptance of the grant that you will not be able to provide the required match.
- Sites may not open reducing your need for supplies and other funding so your organization does not need all the funds.
- If operating a coalition, partners may drop out of the coalition reducing the need for monies to support their activities.
- Projected costs may be considerably less than planned.
- Unexpected monies may be received to support the initiative and reduce the dependency on TCE or VITA grant funds.

In all these instances, please notify your assigned grant analyst and discuss your options. The GPO will re-grant any funds you release if sufficient time exists.

Returning Funds

It is sometimes necessary to return funds that were withdrawn from the Payment Management System. **It is extremely important that you notify the Grant Program Office when you plan to return funds and provide the method you will use to return the funds. This allows the GPO to track the progress of the funds to ensure your account is properly credited.**

Payment Management Services prefer that funds be returned using ACH Direct Depot (REX or Remittance Express) or FedWire; however, they are prepared to accept funds by check.

Note: On ACH and Fedwire there are fields available in the electronic submission to include the requested information. Please be sure to use these fields so that returned funds are properly credited.

If you are required to return grant funds refer to the [PMS](#) website to access the [PMS User Guide](#).

Payment Management System Closeout

In order for IRS to close out your Payment Management System (PMS) account, all funds must be withdrawn and all PMS reporting completed accurately. Generally, all grant funds should be drawn on or before the last date final reports are due (performance period plus 120 days). PMS considers funds remaining in the account after 120 days as “expired”. When a PMS withdrawal request is made more than 120 days after the grant period ends, PMS will contact the Grant Program Office for approval to release the funds, which could delay your receipt of funds.

Any unspent funds must be returned, all reports filed, and any reporting discrepancies resolved. Recipients are required to take timely action to resolve these discrepancies. Failure to assist the Grant Program Office in timely closing the Payment Management System account could result in non-consideration for an award during a subsequent year period.

MAINTAINING TAX COMPLIANCE

Maintaining tax compliance is a term and condition that grant recipients must maintain throughout the grant period. Each organization is subject to a review before grant awards are finalized.

Organizations should ensure that all required returns are filed and that all federal taxes, penalties, and interest payments are made. We recognize that adjustments are possible during the period of the grant and recommend that your organization keep thorough records of any contested assessments and take immediate action to resolve any unpaid balances and meet all filing requirements. If communicating with IRS via phone, be sure to keep thorough records of contact to include:

- The name of the individual the issue was discussed;
- Contact information for the individual; and
- The date and time of the discussion.

Please capture any actions that are required of your organization and the actions the IRS will take along with any expected resolution date. You may even want to request they send you a transcript of your account to verify compliance. If we identify a questionable issue during our review for tax compliance, we will contact your organization for an explanation of the issue identified. Contact is limited to individuals in your organization that are authorized to discuss your organization's tax matters with the IRS. The name and contact information for this individual was provided in the application. If this person changes, please provide an email with contact information on the new individual for Form 14335, Contact Information for VITA and TCE Grant Programs.

Intentional disregard of tax compliance requirements will result in immediate termination of the grant. Failure to remain tax compliant during the grant reporting period will also impact your consideration for subsequent year grants.

MULTI-YEAR AWARD

The TCE and VITA Grants are one year grants; however, prior year VITA or TCE grant recipients meeting certain conditions can apply for multi-year award status to eliminate the need to compete against other applicants every year. The determination for multi-year award status is made during the application process.

Eligibility Requirements for Multi-Year Award Status – The applicant must be in good standing based on the grant program records. In general, a prior year grant recipient is considered to be in good standing if:

1. No significant concerns were raised in prior years during territory office assistance visits, financial reviews, TIGTA reviews, or Grant Program Office administrative reviews in the following areas:
 - a. Accounting and recordkeeping practices
 - b. Accuracy and quality of returns
 - c. Volunteer training
2. Applicant successfully met its program plan and minimum returns expected as agreed upon in the most recent program period.
3. Applicant demonstrated its ability to grow and sustain its program in the areas of returns prepared, e-file percentage, and volunteer resources.

Award Determination for Multi-Year Award Status (TCE) – Applicants that apply for a multi-year award and meet eligibility must score 90% or better during the technical evaluation to be considered for this award status. Multi-year grant recipients are selected at the discretion of the IRS and IRS reserves the right to impose a limit on the number of multi-year awards and funds awarded to multi-year recipients.

Award Determination for Multi-Year Award Status (VITA) – Applicants that apply for a VITA grant award and meet eligibility requirements are automatically included as a multi-year recipient. Recipients may choose to decline year 2 and/or year 3 at anytime. Multi-year grant recipients are selected at the discretion of the IRS and IRS reserves the right to impose a limit on the number of multi-year awards and funds awarded to multi-year recipients.

Now that you are a grant recipient you may want to focus on meeting the other eligibility requirements for multi-year award status this year. That way, when the application period is open next year, you can consider the benefits of applying for multi-year award status.

Benefits of Multi-Year Award Status After Initial Multi-Year Award

- Abbreviated application process in years 2 and 3
- Elimination of competitive phase of application processing

Note: The availability of funds is conditional upon the appropriation of funds by Congress. Funds awarded in a subsequent year may or may not be the same as awarded in the prior year.

Continuation of Multi-Year Award Status

Grant recipients that received a multi-year award and the multi-year period section of the most recent grant agreement shows either period “1” or “2” may forego certain aspects of the grant application process. If the multi-year period section shows period “3,” the grant recipient must reapply for multi-year award status as explained in the grant instructions contained in Publications 1101 (TCE) and 4671 (VITA).

In addition to continuing to meet the eligibility requirements for multi-year award status, grant recipients must achieve 100% of the return goal specified in the grant agreement.

MULTI-YEAR AWARD

The Grant Program Office will confirm that grant recipients are eligible for continued multi-year consideration in late April. If the notification indicates the applicant is not eligible, the applicant must follow normal application procedures for consideration of a subsequent year grant. Grant recipients that disagree with the notification must submit proof addressing the deficiency. If unforeseen challenges were encountered that prevented achieving the minimum returns expected, explanation must be provided for consideration. If the deficiency is with the number of returns prepared, recipients must provide acceptable documentation to support the claim that our record keeping is incorrect. Acceptable documentation would include reporting system reports by site, including the EFIN and SIDN, that support the number of returns prepared. Any disagreement with the notification should be communicated to the assigned grant analyst as instructed in the notification.

AUDIT REQUIREMENTS

The audit requirements applicable to grant award recipients are described in 2 CFR Part 200 Subpart F – Audit Requirements, applies to organizations that **expend** \$1M or more in a year in federal funds. Organizations must have a single or program-specific audit for all years meeting the established threshold. **If an organization expends less than \$1M a year in total federal awards, these audit requirements do not apply.** Total federal awards includes all sources of federal funding, not just the funds received from IRS in support of TCE or VITA. If an organization expends \$1 million a year in federal funds, you must ensure an audit is performed in compliance with 2 CFR Part 200, Subpart F – Audit Requirements. **You must arrange for an audit by an independent auditor in accordance with the Government Auditing Standards developed by the Comptroller General of the United States.** The costs of audits performed in compliance with 2 CFR Part 200, Subpart F are allowable expenditures for which grant funds may be used.

Budget Note: For organizations receiving funds from multiple federal programs, the cost of the audit should be allocated among the different federal programs from which funding was received. Rarely should a single program be charged for the full cost of the audit when multiple sources of federal funds are involved. Cost to all federal programs should not exceed the overall cost of the audit.

An audit under 2 CFR Part 200, Subpart F is organization-wide. The auditor must determine whether:

- Your financial statements are a fair representation of your financial position and the results of your operations are in accordance with generally accepted accounting principles;
- You have an internal control structure to provide reasonable assurance that you are managing federal awards in compliance with applicable laws and regulations, and controls that ensure compliance with the laws and regulations that could have a material impact on the financial statements; and
- You have complied with laws and regulations that may have a direct and material effect on your financial statement amounts and on each major federal program.

Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final report for the grant cycle, subject to certain exceptions set forth in 2 CFR §200.334.

The audit should be completed and the data collection form and reporting package should be submitted by the earlier date of either 30 days after receipt of the auditor's report or nine months after the end of the fiscal year end date. Reports must be submitted on line at www.fac.gov. Federal agencies no longer grant extensions to due dates for Single Audit submissions.

The Federal Audit Clearinghouse operates on behalf of the Office of Management and Budget (OMB) and its primary purpose is to disseminate audit information to federal agencies and the public. Detailed information can be obtained from 2 CFR §200.512. The Grant Program Office will review the audit reports located at www.fac.gov. If an audit report is not available, the GPO may request a copy of the audit report from your organization.

The Grant Program Office reviews the Schedule of Findings and Questioned Costs upon receipt of an application to determine if any concerns exist prior to completing the eligibility review. Serious problems will impact whether an organization will be considered for award. For recipients the information obtained from this review is used to identify whether any specific terms and conditions should be added to the grant agreement.

AUDIT REQUIREMENTS

Traditionally the oversight of sub recipients applies to VITA Grant recipients, however, as more organizations become aware of the Tax Counseling for the Elderly program, more coalitions may become involved in operating TCE programs. This section applies to all those organizations that apply for a TCE or VITA grant on behalf of a group of other organizations forming a coalition. It is important to understand the relationship between the recipient and those organizations that provide service on its behalf – sub recipients. The following definitions are included here to assist in understanding the relationships when federal funds are involved.

Recipient means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include sub recipients.

Sub-award means an award provided by a pass-through entity [grant recipient] to a sub recipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A sub-award may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Sub recipient means a non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A sub recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Non-Federal entity means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a Federal award as a recipient or sub recipient.

Based on our experience with coalitions receiving the VITA grant, most coalition members responsible for delivery of return preparation are considered sub recipients. However, if you still have questions as to whether your program involves a recipient/ sub recipient or recipient/contractor relationship, review 2 CFR §200.331, Sub recipient and contractor determinations for characteristics that support each classification.

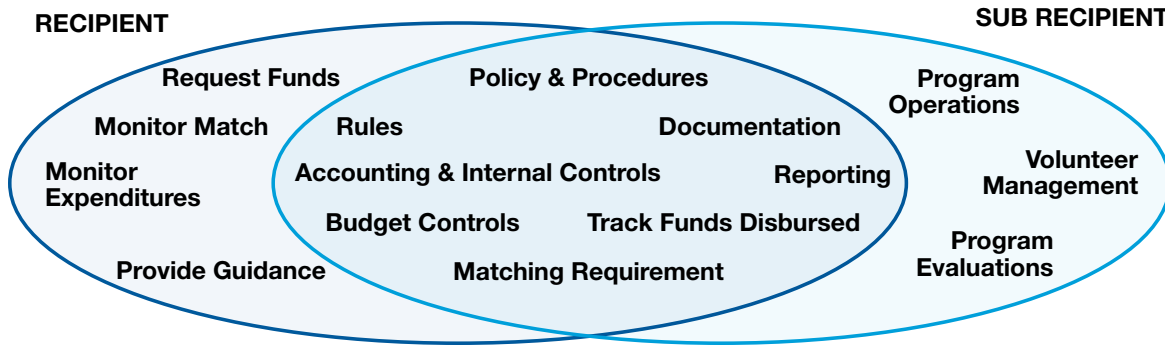
Alert: The recipient organization retains overall responsibility for meeting the requirements of the grant.

Recipients should:

- Develop written expectations of the sub recipients to ensure your organization will have the information necessary to meet the terms and conditions of the grant including:
 - Accountability of funds including allowable/unallowable uses;
 - Adherence to List of Assurances and Certifications;
 - Documentation of funds including receipts for expenses and/or match;
 - Reporting of activities including volunteers, production, and quality; and
 - Providing acceptable matching documentation especially when volunteers and services are involved as match.
 - For a complete list of the information that must be included in the sub-award document (e.g., contract, memorandum of understanding), see 2 CFR §200.332(a).
- Ensure understanding of grant terms and conditions, federal laws and regulations that apply to the recipient and to sub recipients.
- Establish consistent reporting guidelines and timeframes.
- Provide training as needed to ensure complete understanding of roles and responsibilities.

More detailed information on requirements for recipients providing sub-awards are contained in 2 CFR §200.332. The following depicts common overlap of responsibilities when operating a coalition.

OVERSIGHT OF SUB RECIPIENTS



We recognize that each coalition operates in a unique manner and it may or may not represent your coalition in all aspects. It is for illustration only. Exhibit 3, Sub-award Agreement, provides information on the development of a agreement between the recipient and sub recipients of funds.

Grant award guidance is covered in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Recipients should become familiar with this guidance to ensure adherence to program requirements. The Electronic Code of Federal Regulations (e-CFR) is a currently updated version of the Code of Federal Regulations (CFR). It is not an official legal edition of the CFR. The e-CFR is an editorial compilation of CFR material and Federal Register amendments produced by the National Archives and Records Administration's Office of the Federal Register (OFR) and the Government Printing Office. The OFR updates the material in the e-CFR on a daily basis. You can view the e-CFR at www.ecfr.gov. There are some differences between the TCE and VITA Grant. Initially, this section covers those items that are the same. Following this section are sections that cover the issues unique to TCE and VITA Grant programs.

Sub Recipient Oversight and Monitoring – As the recipient, you are expected to monitor and ensure sub recipients maintain supporting documentation to demonstrate proper use of federal funds. You should ensure sub recipients maintain documentation and that you periodically review the sub recipient documentation.

- General ledger
- Personnel costs
- Staff time sheets correlate to payroll distributions and reimbursements
- Employees benefits rate (if applicable) is supported by valid calculation
- In-kind contributions are recorded in general ledger
- In-kind contributions value is supported by the appropriate documentation
- Financial reports agree to general ledger
- Financial duties are properly segregated
- Match requirements are being met
- Proper documentation is being retained
- Organization is operating within standard policies and procedures
- Organization has appropriate internal controls

Sub Recipient Reporting – Sub recipients should be asked to report financial information for grant activities to ensure grantee reports are:

- Timely – Ensure all deadlines are met
- Accurate – Use accounting data that has been reviewed
- Complete – Reports should contain all pertinent information relating to reporting period

Documentation

All grant recipients are expected to keep up-to-date records on expenditures and matching funds for their respective grant. Have a plan. If working with multiple organizations, request that they submit documentation when funding is requested or at specific times throughout the period of performance. Ensure processes are in place to account for direct activities of the grant and for expenditures.

Daily time reporting is required to demonstrate work effort, whether paid or unpaid. Projections submitted with your budget proposal are not acceptable. Final reporting should include actual work effort expended on the grant programs.

The OMB circulars governing grant recipients provide detailed information as to maintaining documentation. Please become familiar with these along with the Generally Accepted Accounting Principles (GAAP) to ensure your organization will have the information necessary to support your financial activities with federal funds. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements. Documents should include:

- A description of the accounting system and software used to maintain your financial records;
- Most recent audited financial statements and report;
- Most recent audit report as required by 2 CFR Part 200 Subpart F – Audit Requirements, if applicable;
- General Ledger;
- Chart of accounts reflecting all grants, including cost centers.

This includes ensuring internal controls are in place with appropriate policies and procedures for:

- Cash management;
- Purchasing;
- Property management and inventory controls;
- Time sheets, allocation of time to various cost centers and payroll;
- Travel expenses;
- Assets and liabilities;
- Record retention;
- Monitoring sub-grants; and
- Documentation for matching, except TCE recipients.

Some additional items that must be available are:

- Documentation of volunteers including Forms 13615, Volunteer Agreement, Standards of Conduct; signed time records of hours served, training hours and activity performed;
- Indirect costs;
- Indirect cost rates and limitations, when applicable; and
- Monitoring processes or controls for ensuring delivery of services as planned in your program plan.

BUDGET AND FUNDS ADMINISTRATION

Indirect Cost Proposal Checklist (VITA ONLY)

Non-Profits and Commercial Organizations

1. Submit once unless changes are observed:
 - a. ____ Organizational chart,
 - b. ____ Nonprofits – Narrative explaining compliance with 2 CFR §200.430(a)(1)(2) & (3) and the standards for documentation of personnel expenses. Commercial – Narrative explaining the standards for documentation of personnel expenses in compliance with FAR 9.106-4 and SF-1408. For both entities, an example of an employee time record for a pay period, providing for distribution of hours to direct/indirect functions.
 - c. ____ Signed Cost Policy Statement.
2. An indirect cost rate proposal(s) providing the following:
 - a. ____ Personnel Costs Worksheet, including fringe benefits breakdown.
 - b. ____ Allocation of Personnel Worksheet, providing indirect/direct time charges.
 - c. ____ Fringe Benefits Worksheet,
 - d. ____ Statement of Total Costs, supporting the indirect and direct costs incurred by expense category, identified by Federal agency, specific government grant, contract, and other non-government activities.
 - e. ____ Statement of Indirect Costs, including indirect cost pool(s), allocation base(s), and indirect cost rate(s) proposed.
3. ____ Audited financial statements, if available. If audited financial statements are not available, IRS Form 990 (non-profits) or compilation/review financial statements (for-profits) for the final rate proposal. Approved budget for provisional proposal, if needed. Note: The Statement of Total Costs (2d. above) must reconcile to Financial Statements. If not, please provide a reconciliation statement.
4. ____ Certification that the indirect cost rate proposal was prepared in a manner consistent with the applicable cost principles set forth in 2 CFR Part 200, Subpart E & Appendix IV for non-profits, or the Federal Acquisition Regulation (Part 31) for commercial organizations. The certifications should be signed by the President/Executive Director, or Comptroller/ CFO.
5. ____ A listing of grants and contracts by Federal agency, sub agency, program office funding source, award amount, period of performance, and the indirect cost (overhead) limitations (if any) applicable to each, such as, ceiling rates or amounts restricted by administrative or statutory regulations, applicable to the period(s) of the proposal(s). This listing must be supported with copies of the approved federal grants or contracts notification awards (1st page).

Note: For organizations receiving funding from DOL's Employment and Training Administration (ETA), please ensure that the proposed individual compensation (salary and bonus) complies with the salary limitations established in ETA's TEGL 5-06. The Office of Job Corps has similar salary limitations. Both of these documents are accessible at: www.dol.gov/oasam/boc/dcd/extrelatedlinks.htm. Two additional proposal worksheets (see 2b. and 2d above) may be needed to show ETA and/or Job Corps rates reflecting unallowable compensation and prorated amounts. If you have any questions, contact OCD.

Overall, your organization must ensure that it can account for the funds it expends and the services it provides for delivering TCE or VITA.

BUDGET AND FUNDS ADMINISTRATION

Allowable Under Cost Principles

Expenses must be allowable. Become familiar with the cost principles that govern allowable costs for your organization. The cost principles are covered in 2 CFR Part 200 Subpart E – Cost Principles.

Key features of allowable costs include:

- Treated consistently – Charges should stay consistent among categories. Printer cartridges should not be considered a supply purchase one time and then the next time considered an equipment purchase.
- Conforms to Generally Accepted Accounting Principles (GAAP) – This refers to the standard framework of guidelines for financial accounting.
- Net of applicable credits – Rebates or refunds that reduce the overall cost of an item must be considered. A computer purchased for \$600 but with a \$50 rebate should be charged at \$550.
- Not a cost used to meet matching requirements of another federal grant.
- Not prohibited under federal, state or local laws – Federal funds cannot be used for lobbying.
- Conform to limits or exclusions – For instance, administrative costs that do not directly support the TCE or VITA programs would be excluded as an allowable expense or for matching funds use.
- Be adequately documented – Maintain receipts and in the cases of in-kind contributions, maintain descriptions and explanation of valuation and methods for determining.
- Consistent with recipient's policies, regulations, and procedures – A good example is the reimbursement of expenses. If the organization requires receipts for meals while traveling, it must continue to require receipts for meals if traveling for the TCE or VITA Grant program. Another example might be the process where all purchases in the organization over \$500 require a second approval and/or signature. Purchases for the VITA Grant program meeting the criteria would require the second approval and/or signature as well.

Necessary, Reasonable, and Allocable

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Examples of purchases not considered reasonable would include the purchase of a computer costing \$3,000 or a pen that costs \$20. Software requirements for tax return preparation are limited and do not require the latest technology. Pens can be found for much less and still function properly.

When making purchases you must consider perception. For instance, contracting a family member of your organization's president for all publicity could be perceived that the president had undue influence on the decision. Clear documentation comparing comparable services should be completed and only if facts clearly and strongly support the decision should you proceed with the contract for the family member.

A **necessary** expense would be one in which the decision not to purchase would limit your program from delivering its objective if not incurred. For example, computers are necessary to an e-file program; however, the cost must continue to be reasonable. Providing copies of completed tax returns is necessary for the program. However, the purchase of a copier would need to consider the initial cost of the copier; on-going costs to operate and maintain; and the availability of other alternatives for providing the necessary copies.

An **allocable** expense is one that occurs during the grant period and can be directly shown to benefit the TCE or VITA program. An expense that benefits more than one program is allocable when it can be distributed. For instance, two computers are purchased to staff a site where return preparation will occur four hours each day. The computers are used six hours each day to teach unemployed individuals new job skills. Forty percent of the cost could be allocated to the TCE or VITA grant program based on the intended use.

Exhibit 4, Determining Reasonable, Necessary, and Allocable Expenses, provides information that should be considered when making certain purchases. The examples covered include cell phone, air cards, and technology service plans; and computers and related items or services. This exhibit provides key questions that should be asked and considered prior to making a purchase.

Allowable Expenses

Know what is allowable for the TCE or VITA grant programs. Common items that can be purchased include:

- Computers, printers, and related supplies;
- Encryption software;
- Internet connectivity;
- Audit services when required by 2 CFR Part 200 Subpart F – Audit Requirements;
- Costs associated with space utilized for tax preparation, such as rent, utilities, insurance, and custodial services;
- Office supplies;
- Miscellaneous services, such as computer repair or courier for delivering program documents to IRS;
- Installation of phone lines necessary to provide electronic transmission of returns or to schedule appointments for tax preparation;
- Travel reimbursement costs to and from the site or other required activities; and
- Costs for interpreter services.
- Costs for financial education and asset building services in connection with tax return prep for the VITA program
- Even if an expense occurs in one of the allowable categories, the funds spent should be considered reasonable and necessary. For instance, buying the latest computer with many extra features would not be an allowable purchase. A computer chosen for either program should not cost over \$1,000 and will often cost less. The program requirements do not justify the purchase of the most expensive technology.

Note: If your organization requests bids for the purchase of computers and finds that they cannot purchase a computer for \$1,000, submit the specifications and bid proposals to your grant analyst for review and approval. We recognize that with technology pricing fluctuates and exceptions may be granted.

Expenses should also be allocable. For instance, if you purchase and utilize a copier solely for the TCE or VITA program, it would most likely be an allowable cost providing the expense is reasonable and necessary. Providing taxpayers with a copy of their return is required.

However, the decision to purchase a copier must be justified. If another alternative is available for less, it should be a consideration as well. If, after considering all factors, a copier is purchased; and it is used for other operations outside the TCE or VITA program, the cost would need to be shared among all uses.

Use of Stipends – Some organizations will elect to use a stipend in lieu of requiring their volunteers to keep detailed records of mileage or small expenses they incur (purchase of printer paper) in their day-to-day operations. Use of stipends is acceptable within the VITA and TCE programs as long as it is not a salary or wage. It cannot be based on the time a volunteer is engaged in volunteer service or used to circumvent a program limitation such as paying an individual for the screening, preparation of a return or as recognition for overall services provided. Organizations should develop a policy around the use, management and distribution of stipends. At a minimum the policy should answer the following questions:

1. How will you determine the stipend amount? If varying amounts, what influences them? What happens when a requester falls between levels?
2. What expenses are you trying to cover (travel, parking, etc)?
3. Does your policy allow for reimbursement of actual expenses or stipend or both?
4. Is it limited only to volunteers? Volunteers and employees?
5. How frequently will the stipend be disbursed? Are there deadline dates for submission of a request for a stipend? What happens if not met?
6. What form will the stipend take (e.g., pre-paid purchase cards, cash, check)? If pre-paid purchase cards, how frequently do you purchase? How do you ensure no roll-over to next year?

BUDGET AND FUNDS ADMINISTRATION

7. What documentation will be used to request? Approve? Disburse?
8. Is adequate separation of duties evident in the approval and disbursement processes?
9. How long will you retain documentation? Where will it be retained?
10. What activities are allowable in order to earn or request the stipends?
11. Who oversees the distribution of the stipends and, if more than one person, their responsibilities?
12. Who is eligible for the stipends and what are their responsibilities?
13. What is the final date that a request will be honored for this grant period?
14. How will you track the distribution of stipends in order to insure what is obligated, what activity is covered, and how much was distributed during the grant period?
15. Does your organization have policies in place to monitor and document FEAB activities and its associated costs?

Unallowable Expenses

The most common unallowable use of funds includes:

- Salaries for tax return preparation, screening;
- Required match on another federal grant – this includes subsistence for AmeriCorp, VISTA or Senior Corp participants;
- Seminars, such as the IRS Tax Forums;
- Purchase, construction, or repair of any building or space;
- Capital expenditures for improvements to land, buildings or equipment which materially increases their value or useful life.
- Any expenses that are not necessary for the delivery of the TCE or VITA program;
- Goods or services for personal use of program employees;
- Costs outside the program period of the grant;
- Expenses associated with refund anticipation loans;
- Child care;
- Tax preparation software;
- Cost to prepare or submit a grant application;
- Entertainment;
- Postage to mail individual tax returns to the IRS on behalf of the taxpayer;
- Outreach that is unrelated to tax return preparation; and
- Certain advertising and public relations costs as found in the 2 CFR §200.421(e).

This represents only a few of the items that have generated questions. Do not assume unlisted items are allowable. Check out 2 CFR Part 200 Subpart E – Cost Principles or contact the Grant Program Office if you have questions.

Areas of Concern Identified by Financial Reviews

The following areas are emphasized here to assist your organization in ensuring sufficient processes and procedures are in place for managing your grant program. These areas of concern are a compilation of the issues previously identified during administrative and financial reviews. All areas apply to both VITA and TCE with the exception of in-kind documentation, which applies solely to the VITA Grant.

Commingling of Funds – Although federal regulations do not require physical segregation of cash deposits, the accounting systems of all recipients and sub recipients must ensure that agency funds are not commingled with funds from other federal agencies.

- You must account for each award separately.
- Recipients and sub recipients are prohibited from commingling funds on either a program-by-program or project-by-project basis.
- Funds specifically budgeted and/or received for one project may not be used to support another.

Federal Financial Reports – This refers to the Federal Quarterly Report required by both VITA and TCE grant programs and the Federal Financial Report required by the VITA Grant. Both reports are prepared and certified within the Payment Management System.

- Your organization should have proper documentation in the files to support all information reported in the reports including match.
- All financial reports should be prepared with information that comes directly from the organization's accounting system.
- There should be a review and reconciliation of the information to ensure accuracy prior to report submission.

Documentation – All expenditures should contain documentation (i.e., receipts, brief descriptions, agendas, etc.) that support why a transaction is allowable for grant purposes. Accounting records should trace back to source documentation. Documentation should also ensure that costs:

- Conform to grant limitations
- Are treated consistently
- Determined in accordance with Generally Accepted Accounting Principles (GAAP)
- Salary documentation examples – All salaries and wages charged to federal grants must conform to the requirements as provided in 2 CFR §200.430, Compensation – personal services.
- Reflect an after-the-fact distribution of the employee's actual activity
- Account for the total activity of each employee
- Are prepared at least monthly and coincide with one or more pay periods
- Are signed by the employee or supervisor having first hand knowledge of the work performed
- Are supported by source documents, such as quarterly payroll returns, payroll register, personnel file with salary/wage information, employment contract, canceled checks and/or direct deposit schedule

BUDGET AND FUNDS ADMINISTRATION

Fringe Benefit Documentation Examples – Fringe benefits are allowable, provided such costs are absorbed by all organization activities in proportion to the relative amount of time or effort actually devoted and included in the organization's policies. See 2 CFR §200.431, Compensation – fringe benefits.

- Organization policy on fringe benefits
- Fringe benefit rate agreement
- Insurance receipts
- Cost allocation plan
- Paid invoices

Travel Documentation Examples – Travel costs must not exceed charges normally allowed by the organization in its regular operations based on the organization's written travel policy.

- Authorization/reimbursement requests
- Receipts/invoices
- Per diem rates (applicable for region)
- Mileage calculation
- Reconciliation of advances to payments
- Mileage logs or reimbursement request

Training Documentation Examples

- Agenda
- Course description, cost
- Sign-in sheet (if in-house)
- Consultant/trainer agreement
- Paid invoices

Property And Equipment Documentation Examples

- Organization policy on dollar amount equipment is capitalized
- Property records that describe the item, manufacturer, model number, serial or identification number, acquisition date, cost and location of each item; tagged as purchased with federal funds

UNIQUE LIMITATIONS

TCE Unique Limitations

This section covers areas unique to the TCE program.

- Costs for salaries, wages and benefits are limited to clerical, administrative or technical personnel.
- Costs for installation of a toll-free number are not allowable.
- Costs for volunteer recognition are limited to \$10 per volunteer.
- Costs for food for volunteers at **volunteer sites** are limited to \$500 per year. It is an allowable expense as long as the purchase meets all established criteria (necessary, reasonable, allocable, and allowable). It must be a direct cost (not indirect) and incurred solely in support of the program. Purchase of food for training events is not allowed. Purchase of food for customers is not allowed because it is not in support of the program. Food costs should consider the number of volunteers, days and hours the site operates, length of site session, and type of foods provided. The cost of foods purchased in conjunction with an event considered entertainment or social activity is not allowable.
- No more than 30% of the grant funds may be expended for administrative expenses.

The limitation on administrative expenses can best be explained by following the instructions on the reverse of [Form 8653](#), Tax Counseling for the Elderly Application Plan, or [Form 8654](#), TCE Program Semi-Annual/Final Program Report. These forms best explain the items considered administrative expenses under this program. Also reference the Management of Funds section of [Publication 1101](#), Application Package and Guidelines for Managing a TCE Program, for more information.

VITA Grant Unique Limitations

This section covers areas unique to the VITA grant program.

- Use of federal funds to pay salary for screening and tax return preparation is not allowed. However, if an organization pays salary using non-federal funds for these activities, it can be used to help meet the matching funds requirement.
- Costs for volunteer recognition are limited to \$10 per volunteer.
- Costs for food for volunteers at **volunteer sites** are limited to \$500 per year. It is an allowable expense as long as the purchase meets all established criteria (necessary, reasonable, allocable, and allowable). It must be a direct cost (not indirect) and incurred solely in support of the program. Purchase of food for training events is not allowed. Purchase of food for customers is not allowed because it is not in support of the program. Food costs should consider the number of volunteers, days and hours the site operates, length of site session, and type of foods provided. The cost of foods purchased in conjunction with an event considered entertainment or social activity is not allowable.

The Publication 4671 contains other information pertinent to formulating the budget and understanding limitations and/or allowable costs for both federal and non-federal funds.

- No more than 10% of the grant funds may be expended for services related to FEAB in connection with tax return preparation

MATCHING FUNDS REQUIREMENT – VITA GRANT ONLY

The VITA Grant requires that organizations share in the cost of the program by committing matching funds. Key points of the match requirements include:

- A dollar-for-dollar match;
- Documentation must be maintained;
- Other federal grant funds cannot be used as matching funds;
- Non-federal funds used to fulfill the requirement of another federal grant cannot be used as matching funds; and
- Unallowable expenses outlined in the Publication 4761.

The terms **matching** or **cost sharing** are used interchangeably in this document and refers to the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute).

At 2 CFR §200.306 Cost Sharing or matching all contributions, including cash and third party in-kind, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

16. Are verifiable from the non-Federal entity's records;
17. Are not included as contributions for any other Federal award;
18. Are necessary and reasonable for accomplishment of project or program objectives;
19. Are allowable under Subpart E – Cost Principles of this part;
20. Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
21. Are provided for in the approved budget when required by the federal awarding agency;
22. Conform to other provisions of this part, as applicable.

Third party in-kind contributions, defined in 2 CFR §200.96, means the value of non-cash contributions (i.e., property or services) that (a) benefit a federally assisted project or program; and (b) are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award. For the VITA Grant program, examples of third party in-kind contributions are computers, printers, space, volunteer time, interpreter services, supplies or advertising.

Note: Most grant recipients must provide documentation for matching funds after award for items categorized as “to be raised” in the matching funds summary chart included with the application. Examples of acceptable statements for common contributions can be found in Exhibit 5, Matching Funds Documentation.

In-kind contributions can only be counted as matching funds when the contribution is an allowable item program. The Publication 4671 covers the most common grant expenses and other expense are covered in the 2 CFR §200.

There is no prohibition on counting student services for which academic credit is given, nor other services for which service providers receive some benefit from a third party, as a proper basis of meeting the matching fund requirements as a third party in-kind contribution that otherwise complies with 2 CFR §200.306.

The following additional definitions and distinctions will assist in understanding matching funds:

- **Grant recipient or recipient or non-Federal entity** – The organization receiving financial assistance directly from a federal awarding agency to carry out a project or program.
- **Sub recipient** – Legal entity receiving award from a grant recipient and accountable to the grant recipient for use of the funds and delivery of the program.
- **Federal Funds** – Funds provided by the Federal Government; may be in the form of cash, equipment, supplies, goods or services.
- **Non-federal funds or non-federal share** – Funds used to support the program that are not borne by the Federal Government.

MATCHING FUNDS REQUIREMENT – VITA GRANT ONLY

Verifiable from Recipient's Records

Your organization should have sufficient processes and procedures in place to insure that any contributions to the VITA Grant program, whether expenses of your organization or from third parties, are verifiable in **your records**. This means your organization should be able to demonstrate:

- Any funds expended specifically on the project. This would include such items as receipts for goods and services; time sheets of employees showing amount of time charged to grant activities; and indirect expense determinations when applicable. Additionally, records should include the corresponding payments for these expenses.
- Any third party in-kind contributions used toward meeting matching requirements. This would include recordation in your ledger of the contribution and its determined value. Along with the recordation, additional documentation is needed to show how the value was determined and the source of the contribution. Exhibit 6, Sample Form Documenting In-Kind Contributions, is provided to assist in insuring thorough documentation is available for match purposes. Other supporting documentation might include:
 - Supply catalog or advertisements for valuing supplies;
 - Department of Labor data for valuing work effort not readily available in your organization; and
 - Rental agreement or other comparables for space.
 - FEAB activities by volunteers

The most common third party in-kind contribution for the VITA Grant program is **volunteer services**. Volunteer services include individuals that do not receive any compensation for their activities or receive compensation from other than your organization. Most commonly, these individuals are involved in the scheduling of appointments, screening of individuals, or return preparation and quality review of returns. Records would need to include a time sheet (unless the simplified method for recordkeeping was elected) that shows the amount of time provided to **qualified** activities of the program. Exhibit 7, Time Sheet Examples, provides a template for capturing time for an individual and a group of individuals. Additional information would include contact information, agreement to standards of conduct, and training certifications, when applicable.

Additionally, for volunteers that provide services for more than the VITA Grant project, time sheets would need to include the distinction between the programs served. For instance, if an individual answers the phone and provides information on all programs operated, the time sheet would need to show that portion of time attributable to handling calls associated with the VITA Grant program. We realize it may be difficult for volunteers to keep minute-by-minute details on how long they spend on each call. Historical data can be used and time allocated to activities. For instance, if scheduling appointments generally take 10 minutes, time may be attributed at the end of the day based on appointments scheduled. Additional information on valuing and documenting third party in-kind contributions can be found in 2 CFR §200.306.

Simplified Method for recordkeeping is an alternative method for documenting volunteer services used for screening, tax return preparation and unpaid quality review of returns. This method uses each federal return accepted at traditional VITA sites and reflected on IRS reporting (ELF 1541 and SIDN Workbook reports) as one hour of time. This number is multiplied by the rate consistent with those paid for similar work in the labor market in which the applicant competes. The total is the amount of matching funds contributed toward the program. The simplified method can be used for all or a portion of the proposed match. Your organization may also continue to utilize time sheets for documenting the volunteer services match.

MATCHING FUNDS REQUIREMENT – VITA GRANT ONLY

If using this simplified method, your grant documentation should include the research completed to determine the salary used and a report on the federal returns completed during the grant year for the number of hours as support. This documentation may take many forms. For salary determination, it may be a note showing three firms were consulted that prepare returns to find out what employees are paid or a copy of the research performed on-line using an employment service or BLS information. For federal returns, it could be a report from the software used or from your local SPEC contact or your own internal records that distinguishes returns and whether they were accepted. A line item should be captured in your ledger to record the match at the end of the program period and this same information reflected in the final budget included with the final report. During the filing season, you should check to make sure your organization is on target to achieve the anticipated match or make adjustments to identify other match to meet program requirements.

Returns are limited to those filed electronically and accepted at the sites operated based on the electronic filing identification number (EFIN) or site identification number (SIDN) AND paper returns processed by IRS and captured on the SIDN Workbook Report. Though other returns can be counted toward your return production goals, these are the only returns counted for purposes of the simplified method. Multiply the number of **federal returns** shown in the report by the salary rate determined. This is the amount of matching funds provided by your program this year. Use of the simplified method is only an option. Your organization may continue to utilize time sheets for determining the volunteer services match for screening.

We recognize volunteers also provide other services besides screening, return preparation and quality review for your programs. However, due to the many varied ways in which programs are operated, we are unable to provide a simplified method of recordkeeping for all activities. Time sheets for other activities performed by volunteers are still required if utilized as matching funds for the grant. Supporting matching funds explanations should show the calculations that will be used for activities.

[Publication 561](#), **Determining the Value of Donated Property**, may be a useful reference tool.

Contribution for Other Federally-Assisted Project or Program

Funds used to support another federal program cannot be used for meeting matching requirements on the VITA Grant. If your organization receives other federal grants for delivery of programs that require matching contributions, the contributions (whether expenses or third-party in-kind) cannot be used on both grants unless authorized by federal statute.

Since inception of the VITA Grant program, the most common example of this issue involves use of AmeriCorp and VISTA individuals to support the program. The Corporation for National Community Services (CNS) is responsible for these two federally-assisted programs. Often CNS covers the salary and insurance on an individual, while the organization they provide the service for covers the individual's subsistence costs. The time the individual contributes to the program and the funds provided for subsistence to the individual cannot be counted toward the cost sharing required by the VITA Grant.

Contributions may be prorated or shared between other federally-assisted projects. For instance, if you receive both the VITA Grant and Low Income Tax Clinic grant and utilize the same office for both programs. The costs for the space may be apportioned between the two programs.

MATCHING FUNDS REQUIREMENT – VITA GRANT ONLY

Federal Funds as Match

In general, most funds provided by the federal government may not be used as match for the VITA Grant program. Funds may be other than cash. IRS may provide participants in the programs non-cash funds for delivery of the VITA program. This includes such items as:

- Tax preparation software for electronic preparation and transmission;
- Training materials and/or IRS instructors; and
- Loaned laptops and printers.

None of these items can be counted as match on the VITA Grant.

Federal funds may flow through other entities. This is especially true if your organization receives funds from state and local governments. It is extremely important that organizations understand the source of funds in order to determine whether they are federal or non-federal. Federal funds remain federal funds regardless of the entities they pass through.

Know the source!

Purchases with federal funds remain a federal resource. That is to say, if computers are purchased one year with VITA Grant funding, they cannot be used in future years as match for the VITA Grant. The computers continue to retain their identity as federal funds. Likewise, if a specific contribution is used as cost share in the prior year, it cannot be used in the current year.

The following table depicts federal funding that we have researched whether it can be used as match. This list is not comprehensive. The determination as to whether a grant can be used as match is statutorily driven. IRS does not make the decision for other grantors.

Federal Funding	Eligible as Match for VITA Grant
Self-Determination and Education Assistance Act awards to Indian Tribal governments	Yes
Community Development Block Grants (CDBG)	Yes, with limitations
TCE and Low Income Taxpayer Clinic (LITC)	No
Community Services Block Grant (CSBG)	No

If you receive federal funds through a non-federal source and they tell you they can be used as match for other federal grants, take time to confirm in writing. Contact the federal grantor of the funds and request confirmation in writing. Share the information provided with the Grant Program Office. We will take steps to confirm.

MATCHING FUNDS REQUIREMENT – VITA GRANT ONLY

Budgeted and Approved

Budgeted items that support the VITA program can be categorized broadly as:

- Work effort – This is the time individuals contribute to the program. These can be paid and unpaid staff.
- Travel – Monies expended to cover the cost of travel associated with the program.
- Equipment and technology – Purchase or use of computers, printers, networking, etc. to support electronic return preparation and filing.
- Supplies – Monies expended to cover the purchase of common supplies necessary for the program.
- Space – This can be space paid for or donated to operate a tax preparation site.
- Publicity – Limited to tax preparation activities only.

As always, items must be necessary, reasonable, and allocable to the VITA program.

Overall Match

There is no requirement that matching contributions agree by category of expense, e.g., personnel, fringe, travel, equipment, etc. Only that total non-federal funds equal or exceed the federal funds awarded. For example, if you use federal funds to pay travel, equipment and supplies totaling \$7,000, the match could be in salaries and equipment. All that matters is that the total matching equals or exceeds the federal funds expended.

Excess non-federal funds should be included in reporting if available. This provides a “safety net” in the event a portion of the funds are disallowed or considered ineligible. For example, if you received \$25,000 in grant funds but have documentation to show you spent or received in-kind contributions totaling \$50,000, report the \$50,000 as non-federal funds expended. In the event the value or allowance of an expenditure using federal funds or an in-kind contribution is questioned, the excess reporting in match can often be shifted to cover any shortfall and eliminate the need to return funds. Indirect costs will no longer be allowed as match.

Example: A building's electricity costs for a portion of the building used for tax prep can not be used for match as an indirect charge.

Matching Funds Documentation for Release of Funds

Before grant funds can be deposited into the recipient's Payment Management Account you must submit matching funds documentation to your assigned grant analyst. The documents must include the following information and match the entries on the Matching Funds table on page 9 of Form 13979-A and correspond to the budget line items:

Documenting In-Kind Contributions – Document the donor's basis for determining value of personal services, material, equipment, and space, and supplies. Obtain written acknowledgement from the donor to include:

- Date and location of donation
- Detailed description of item/service
- Estimated value of contribution, how value was determined, who made the determination
- Certification that contribution was not obtained with federal funds
- Name and signature of donor

REPORTING REQUIREMENTS

TCE Reporting Requirements

Along with the quarterly reporting completed in the Payment Management System, the TCE reporting requirements include program and budget narratives, along with [Form 8654](#), TCE Program Semi-Annual/Annual Program Report.

Note: Grant Reporting Requirements – A brief summary of all reporting required for the TCE grant is also included in Publication 5245, TCE Terms and Conditions

TCE Program Semi-Annual/Annual Program Report

At the end of the program season you are required to submit a final report consisting of Form 8654, TCE Program Semi-Annual/Annual Program Report and Final Narrative reports (program and budget) to give us specific information about the methods and procedures used to implement your program. These reports show the actual expenses incurred by you on this program during the period of the Cooperative Agreement. **Failure to timely submit required reports to the TCE Grant Program Office may result in freezing of funds or termination of the grant.**

- If site operations cease on or before April 30, the final report is due **120 days** after completion of your program and reporting is required only once.
- If site operations continue beyond April 30, a semi-annual report is required in addition to the final report. The semi-annual report is **due June 30**. The final report is due **January 28 or 120 days** after the completion of your program, whichever is earlier.

Documentation of expenses for attending a meeting at the IRS Territory Office or other location (i.e., airline tickets, hotel, meals, etc.) is needed for reimbursement and should be attached to Form 8654. Form 8654 is available on irs.gov.

All reports must be submitted electronically (unless otherwise directed) to the grant analyst assigned responsibility for your grant. The grant analyst is identified with your award. Due to size restrictions in our email system, the grant recipient is responsible for confirming the receipt of electronic messages with attachments.

Form 8654, TCE Program Semi-Annual/Annual Program Report

This form captures information on funds spent along with program results. Detailed instructions for completing each line item are included on the form. The due date is dependent on when site operations ceased as explained in the previous section. It is one of three components of the semi-annual and final report.

TCE Final Narrative Reports

The final program and budget narratives are the last two components of the semi-annual and final reports. **The narratives must be typed, double-spaced and numbered to correspond with the paragraphs indicated under each narrative section.** Be sure to clearly state, in detail, the actions you took in implementing the TCE Program.

TCE Program Narrative

23. Briefly describe the overall approach you took in implementing this program and the steps you took to ensure compliance with its rules and administrative guidelines.
24. Describe the methods and resources you used to recruit volunteer assistants, instructors, and coordinators/administrators.
25. Describe how the training for your volunteers was provided. Specify whether your organization provided the training.
26. Specifically state how program and site publicity were provided.
27. Specifically state how volunteers provided quality service to elderly taxpayers. In detail, describe any onsite quality review procedures, your method of monitoring and any meetings you held to draw the attention of volunteers to problem areas.

REPORTING REQUIREMENTS

28. Describe the steps you took to ensure taxpayer privacy and to maintain the confidentiality of tax returns.
29. Identify the geographic distribution and number of assistance sites; number of electronic filing sites and number of telephone answering sites. If assistance was provided in more than one state, list the number of sites for each state. Share any research done to determine site placement.
30. Describe your electronic filing program and how it assisted the elderly taxpayers in the community. Explain whether you met the minimum returns expected goal included in your cooperative agreement. If not, why?
31. Explain internal procedures you used to monitor and evaluate program activities to ensure that the program was administered in accordance with the cooperative agreement guidelines.
32. If applicable, describe the type of assistance given by telephone and the procedures you used to monitor the quality of the information provided.
33. Provide any feedback or comments you would like to share on our federal agency's administration of the TCE Program or the grant management process for this past year.

TCE Budget Narrative

1. Describe the method and frequency of reimbursement to volunteers. For example, state whether the volunteers were reimbursed for their actual expenses or whether your organization reimbursed using stipends. Please explain in detail. If stipends were provided, provide your stipend policy, which should include how administered.
2. Describe the personnel in which their salaries or wages were paid using grant funds and what role they played in providing 100% of their time (weekly/bi-weekly or monthly) supporting the TCE Program. Provide a breakdown for each person and the costs charged to the grant.
3. Explain the process within your organization for authorization of expenditures charged to the grant. Is only one person authorized to approve or do multiple persons have to approve?
4. State the cost of travel expenses (including meals and lodging) to attend a meeting with the Territory Office. You are required to provide documentation with your Form 8654.
5. Describe your activities and list the types of expenses and costs charged to the grant in support of electronic filing. As a reminder, these expenses are not considered administrative expenses, but must not exceed your total grant amount. (Refer to Electronic Filing section of Publication 1101 for more information).
6. Explain your recordkeeping system and how the records and receipts for the TCE Program are maintained within your organization.
7. Explain if any grant funds were expended for food. If so, provide an itemized cost listing of the food items that were expended for volunteers at TCE sites. These items should be deemed necessary, reasonable, allocable, and allowable under OMB guidelines. Remember the total expenses for food may not exceed \$500.

VITA Grant Reporting Requirements

Along with the quarterly reporting and final reporting completed in the Payment Management System, a final report is required for the VITA Grant. The final report (sometimes referred to as year-end report) includes:

VITA Grant Final Report

1. Narrative
2. Form 13979, VITA Grant Final Expense Report
3. Form 13980, VITA Grant, Performance Measures Report
4. Final Site Listing, use page 2 of Form 13980
5. Federal Financial Report (filed electronically in the PMS)

REPORTING REQUIREMENTS

The final report must be filed within 120 days after the project period ends (September 30). Email the report to your assigned grant analyst no later than the due date and you should confirm receipt. **All recipients regardless of the grant amount are required to file all components listed.**

Narrative – The narrative should focus on how your organization was able to achieve the following VITA Grant Program objectives:

- Enable the VITA Program to extend services to primary and secondary (the underserved) populations in hardest to reach areas, both urban and non-urban;
- Increase the capacity to file returns electronically;
- Heighten quality control;
- Enhance training of volunteers; and
- Improve the accuracy rate of returns prepared at VITA sites.

The narrative is limited to five pages and must be typed, 12 point font, double-spaced. Please label all attachments and limit to the critical few. Please provide any feedback on how IRS administers the VITA Grant Program.

Form 13980, VITA Grant Performance Measures Report – This form is used to report on your organization's performance. The grant requires that you report five measures and the other measures reported are based on the information submitted in your application package and/or required by your organization. This form is available on IRS.gov at www.irs.gov/file_source/pub/irs-utl/sf-ppr-a_perf-measures.pdf. See Exhibit 14 – **Form 13980, VITA Grant Performance Measures Reports**.

Form 13979, VITA Grant Final Expense Report – Use this form to report actual federal fund expenses and matching funds provided by category. The final expense report must reflect the actual items and expenses incurred during the program period. It should not have terms like “estimated,” “future,” or “to hire” that were in the original/revised budget detail. Remember to change these terms and descriptions when updating from your original or revised budget.

Examples of descriptions and computations that should not be in the final budget detail include:

- **“To Hire”** – Generally found in Section A, Personnel. It should be replaced to show number of hires and position.
- **“Average hours per week”** – Generally found in Section A, Personnel, for donated services. For donated services, it should be replaced to show the actual number of hours worked, the position, and the hourly wage used to value their work. For instance, if individuals preparing returns are valued at \$19.85 per hour and individuals providing information technology support at \$26.15 per hour, two lines should be used to show the number of hours for each position by the value designated. Be sure time sheets support the number of hours and activities performed by the individuals unless you are using the streamlined recordkeeping for screening, tax return preparation and quality review. For this method, include the number of returns completed with the value to determine your matching funds. Remember this only includes those returns tracked by the ELF 1541 and SIDN Workbook reports. It does not include returns prepared through facilitated self assistance.
- **“Estimate based on prior year cost”** – Generally found in Section E, Supplies, and should be replaced with actual cost for the purchases made (i.e., marketing, publicity, postage, supplies, etc.).

Final Site Listing, page 2 Form 13980 – Review the site listing to ensure all sites shown opened. If additional sites were opened, add to the list; if sites did not open, remove from the list. This is your chance to demonstrate the reach provided to customers. If mobile sites are operated, be sure to list locations visited. Be sure to indicate sites that operated as virtual intake sites and facilitated self-assistance sites.

Federal Financial Report – The final report must be completed and submitted in PMS within 120 days after the Period of Performance (PoP) ends. The report must include cumulative information for the entire PoP – October 1 through September 30. All grant recipients must complete this report regardless of the amount of the award. Please refer to the instructions for completing this report in the Federal Financial Report – Payment Management System Reporting section.

REPORTING REQUIREMENTS

Alert: Do not confuse Federal Financial Report (FFR) with the Federal Cash Transaction Report (FCTR) that is filed quarterly. The Standard Form 425 is used to complete both the FCTR and Federal Financial Report but different line items are required for each report.

Please remember to keep a copy of your submissions and documentation to support your final report and to confirm that the report is received by your grant analyst. Questions about reporting may be directed to your assigned grant analyst.

TCE and VITA Grant Reporting Requirements

Reporting requirements in this section are applicable to both TCE and VITA grant programs.

Federal Financial Quarterly Report

The Federal Financial Quarterly Report must be filed in the PMS within 30 days after the end of each quarter. Failure to file this report timely will result causes the system to automatically freeze the account. The account and funds will be frozen until the quarterly report is filed. Please refer to the instructions for completing this report in the section, Federal Financial Quarterly, under Payment Management System Reporting.

Sub-Award and Executive Compensation Reporting

The Federal Funding Accountability and Transparency Act (FFATA), signed on September 26, 2006, empowers every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website, which is www.USASpending.gov.

Note: To help in understanding this requirement, we recommend you view the FSRS Prime Grant Awardee Training Webinar located on USASpending.gov. Select the NEWS tab at the top of the page and scroll to the bottom. A link is available to the webinar.

There is a term and condition requiring the reporting of sub-awards and executive compensation along with a requirement to maintain current registration in the System for Award Management (SAM) and have a unique entity identifier, currently a Dun & Bradstreet Data Universal Numbering System (DUNS) number.

The terms and conditions addendum reads as follows:

Reporting Sub-award and executive compensation

- a. Reporting of first-tier sub-awards.
 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates 30,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a sub-award to an entity (see definitions in paragraph e. of this award term).
 2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to SAM.gov/fsrs.
 - ii. For sub-award information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

REPORTING REQUIREMENTS

3. What to report. You must report the information about each obligating action that the submission instructions posted at [SAM.gov/fsrs](https://sam.gov/fsrs) specify.
- b. Reporting Total Compensation of Recipient Executives.
 1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if--
 - i. the total Federal funding authorized to date under this award is \$25,000 or more;
 - ii. in the preceding fiscal year, you received--
 - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170 Appendix A (and sub-awards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170 Appendix A (and sub-awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm).
2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:
 - i. As part of your registration profile at [SAM.gov](https://sam.gov).
 - ii. By the end of the month following the month in which this award is made, and annually thereafter.
- c. Reporting of Total Compensation of Sub recipient Executives.
 1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first tier sub recipient under this award, you shall report the names and total compensation of each of the sub recipient's five most highly compensated executives for the sub recipient's preceding completed fiscal year, if--
 - i. in the sub recipient's preceding fiscal year, the sub recipient received--
 - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.210 (and sub-awards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and sub-awards); and
 - ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)
 2. Where and when to report. You must report sub recipient executive total compensation described in paragraph c.1. of this award term:
 - i. To the recipient.
 - ii. By the end of the month following the month during which you make the sub-award. For example, if a sub-award is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the sub recipient by November 30 of that year.

REPORTING REQUIREMENTS

d. Exemptions

1. If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:
 - i. awards, and
 - ii. The total compensation of the five most highly compensated executives of any sub recipient.

e. Definitions. For purposes of this award term:

1. Entity means all of the following, as defined in 2 CFR Part 25:
 - i. A Governmental organization, which is a State, local government, or Indian tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization;
 - v. A Federal agency, but only as a sub recipient under an award or sub-award to a non-Federal entity.
2. Executive means officers, managing partners, or any other employees in management positions.
3. Sub-award:
 - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible sub recipient.
 - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. 210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").¹
 - iii. A sub-award may be provided through any legal agreement, including an agreement that you or a sub recipient considers a contract.
4. Sub recipient means an entity that:
 - i. Receives a sub-award from you (the recipient) under this award; and
 - ii. Is accountable to you for the use of the Federal funds provided by the sub-award.
5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or sub recipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
 - i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax-qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

¹ This guidance is now found at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, §200.330.

REPORTING REQUIREMENTS

System for Award Management and Universal Identifier requirements

- a. Requirement for System for Award Management (SAM)
 - 1. Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.
- b. Requirement for Unique Entity Identifier
 - 1. If you are authorized to make sub-awards under this award, you:
 - i. Must notify potential sub recipients that no entity (see definition in paragraph c of this award term) may receive a sub-award from you unless the entity has provided its unique entity identifier number to you.
 - ii. May not make a sub-award to an entity unless the entity has provided its DUNS number to you.
- c. Definitions
 - 1. For purposes of this award term:
 - i. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at [SAM.gov](https://sam.gov)).
 - 2. Unique entity identifier means the identifier required for SAM registration to uniquely identify business entities.
 - 3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR Part 25, subpart C:
 - i. A Governmental organization, which is a State, local government, or Indian Tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization; and
 - v. A Federal agency, but only as a sub recipient under an award or sub-award to a non-Federal entity.
 - 3. Sub-award:
 - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible sub recipient.
 - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).
 - iii. A sub-award may be provided through any legal agreement, including an agreement that you consider a contract.
 - 4. Sub recipient means an entity that:
 - i. Receives a sub-award from you under this award; and
 - ii. Is accountable to you for the use of the Federal funds provided by the sub-award.

REPORTING REQUIREMENTS

There are numerous resources available to assist your organization in determining whether your organization is required to report information under this term. Resources are available concerning the use of the FSRS system and the SAM at [SAM.gov/fsrs](https://sam.gov/fsrs). In addition, USASpending.gov is the central repository for all information and requirements under the Transparency Act. Please take time to review the Frequently Asked Questions and the user guide or other resource guides available on these websites.

To assist you with the most common questions you may have, the following questions and answers are provided.

Q1. As the recipient, do I need a UEI number?

A1. Yes. If you are the grantee, your organization must have a UEI number. This was a requirement to be considered for the grant.

Q2. If I plan to sub-award any funds, are the organizations that I sub-award to required to have a UEI number?

A2. Yes. All entities granted a sub-award must now have a UEI number. See section System for Award Management and Universal Identifier Requirements, c.3., for the definition of entity.

See Publications 1101 or 4671 for information on obtaining a UEI number.

Q3. As the recipient, must I register in the System for Award Management (SAM)?

A3. Yes. As the recipient, you must register in the SAM at [SAM.gov](https://sam.gov).

Q4. As the recipient, how long must I maintain my SAM registration?

A4. You must maintain your SAM registration until you submit the final financial report required under this award or receive the final payment, whichever is later.

Q5. As the recipient, must I report executive compensation in the SAM?

A5. It depends. Refer to [Executive Compensation – Recipient – Decision Table](#). Follow the questions and answers to assist in determining whether executive reporting in SAM is required for the grantee.

Q6. As the recipient, must I report executive compensation in the FSRS system for the sub-award recipients?

A6. It depends. Refer to [Executive Compensation – Sub Recipient – Decision Table](#). Follow the questions and answers to assist in determining whether reporting in the FSRS is required for the sub recipient by the recipient.

REPORTING REQUIREMENTS

Executive Compensation – Recipient – Decision Table

Use this decision table to assist in determining whether your organization must report executive compensation due to Title 2 CFR Part 170, Reporting Sub-award and Executive Compensation Information, in the System for Award Management (SAM) at [SAM.gov](https://sam.gov).

Ask and Answer:	If yes, then:	If No, then:
1. In the previous year, did your organization have gross income (all sources) under \$300,000.	Go to 2.	Skip to 8.
2. Is this grant for \$25,000 or more?	Skip to 8.	Go to 3.
3. In the preceding fiscal year, was 80% or more of annual gross income from	Go to 4.	Skip to 8.
4. In the preceding fiscal year, did you have \$25,000,000 or more in annual gross revenue from federal contracts and financial assistance?	Go to 5.	Skip to 8.
5. Does the public have access under the Securities Exchange Act of 1934 to compensation of executives?	Skip to 8.	Go to 6.
6. Does the public have access under Section 6104 of the Internal Revenue Code of 1986 to compensation of executives? See note.	Skip to 8.	Go to 7.
7. Reporting required at SAM.gov		
8. Additional reporting is not required at SAM.gov		

Note: If your organization files Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service, compensation information may be reported on the return for certain officers, directors, trustees, key employees, and highest compensated employees. Exempt organization returns may be requested by the public. In addition, exempt organizations must make their returns available for public inspection.

REPORTING REQUIREMENTS

Executive Compensation – Sub Recipient – Decision Table

Use this decision table to assist in determining whether your organization as the recipient must report executive compensation on the organizations you sub-award due to Title 2 CFR Part 170, Reporting Sub-award and Executive Compensation Information, in the FSRS.

Ask and Answer:	If yes, then:	If No, then:
1. In the previous year, did the sub recipient organization have gross income	Skip to 11.	Go to 2.
2. Is this sub-award for \$30,000 or more?	Go to 3.	Skip to 11.
3. In the preceding fiscal year for the sub recipient organization, was 80% or more of annual gross income from federal contracts and financial assistance?	Go to 4.	Skip to 8.
4. In the preceding fiscal year for the sub recipient organization, did they have \$25,000,000 or more in annual gross revenue from federal contracts and financial assistance?	Go to 5.	Skip to 8.
5. At SAM.gov/fsrs answer “Yes” in the FSRS system when inputting the sub-award information about executive compensation on the sub recipient.	Go to 6.	
6. Does the public have access under the Securities Exchange Act of 1934 to compensation of executives?	Skip to 9.	Go to 7.
7. Does the public have access under Section 6104 of the Internal Revenue Code of 1986 to compensation of executives? See note under the Executive Compensation – Grantee – Decision Table	Skip to 9.	Go to 10.
8. At SAM.gov/fsrs answer “No” in the FSRS system when inputting the sub-award information about executive compensation on the sub recipient.		
9. At SAM.gov/fsrs answer “Yes” in the FSRS system when inputting the sub-award information about the public having access to executive compensation		
10. At SAM.gov/fsrs answer “No” and input the name and amount of the top five individuals at the sub recipient organization into the fields provided.		
11. No reporting required.		

REPORTING REQUIREMENTS

Reporting Cash Sub-Awards of \$1,000 or More

Grant recipients that provide cash of \$1,000 or more to a sub recipient must notify their grant analyst within 30 days of the sub-award. You must provide specific information – the name of the organization, address, UEI, and amount of the sub-award. This requirement affects recipients that applied on behalf of a coalition. The only time it would not apply is when the grant recipient provides non-cash sub-awards, such as supplies or equipment. However, if your organization provides a combination of cash and non-cash sub-awards, reporting is required once the cash award reaches \$1,000. This also applies to multiple sub-awards. For instance, if you award \$500 in January and then \$500 in February, reporting is required within thirty days of the February sub-award.

Reporting Related Party Transactions

You must report all related party transactions to your grant analyst within 30 days of the transaction. You must include the entity name, an explanation of the transaction and the relationship. There is no dollar limitation involved. A template with key questions we will ask is included in Exhibit 9, Reporting Related Party Transactions. Although its use is not mandatory, all information requested on the template is required.

Now, back to basics. What is a related party transaction?

This is when one party is able to control or substantially influence the actions of the other. Such transactions include, but are not limited to buyer and vendor transactions, lessee and lessor agreements, and client and consultant arrangements. They generally occur between entities under common control through officers, directors, or members; and an organization and a director, trustee, officer, or key employee of the organization or his immediate family.

Some examples might include:

- Renting or leasing space from an officer of the grant recipient organization;
- Hiring a spouse of the program director as a program consultant;
- Purchasing computers from a company where the child of the director is the general manager; or
- Leasing space from another organization under common control through common officers, directors, or members.

If there is any doubt about a related party transaction, ask your grant analyst.

VISITS AND REVIEWS

Types of Reviews

Participants in the TCE and VITA programs are subject to visits and reviews by IRS employees. The IRS completes these visits and reviews to ensure operations performed on behalf of IRS follow established guidelines. These reviews include:

- **Administrative reviews** – The Grant Program Office (GPO) selects recipients each year for an administrative review. These reviews may be conducted in person or virtually. The purpose is to ensure grant recipients comply with the grant terms and conditions, and ensure program and financial plans are followed. The review focuses on the recipient's administration of the grant and not specifically site operations although questions may be asked about delivery of service and production at the sites.
- **Territory sites visits and Quality Program Office (QPO) reviews** – IRS employees perform reviews to ensure sites are operating within established guidelines. QPO reviews also measure the accuracy of return preparation through a statistically valid sample of sites and reviews of returns prepared at the selected sites.
- **Civil Rights Office reviews** – The IRS Office of Civil Rights and Compliance conducts reasonable accommodation reviews as well as investigates taxpayer discrimination complaints. Initially they review all TCE and VITA grant applications to make an initial determination on whether the applicant fulfills its civil rights requirements. They may contact an applicant before award to seek further information on the application. Once the award is made, the office conducts post-award audits to determine if recipients adequately address civil rights reporting requirements and assurances. They also select a few TCE and VITA sites for reviews each year. They provide technical assistance and confirm requirements are in place to provide equal access to programs. Their review evaluates the site's location and space for easy access; required posters; and the ability to receive assistance. These reviews are not limited to grant recipients. Other participants in the program may be visited as well.
- **Treasury Inspector General for Tax Administration (TIGTA) reviews** – These reviews are most often a review of IRS instead of the grant recipient. As part of their review of our TCE and VITA programs, TIGTA may visit sites operated under the programs and measure return preparation accuracy through return preparation tests.
- **Financial reviews** – These reviews concentrate on adherence to terms and conditions of the grant, recordkeeping and documentation practices.

Additional information follows on these reviews.

Territory

Each IRS territory assigns a relationship manager to work with organizations in the local area. The relationship manager provides information about TCE or VITA program activities. They will assist you with all program related activities, such as:

- Establishing sites;
- Understanding quality site requirements;
- Developing effective training plans;
- Ordering tax software; and
- Ordering products and publications.

If your organization does not have an assigned relationship manager, you may ask the Grant Program Office for the name and contact information for the territory manager that covers your location. Contact with the Territory Manager will result in assignment of a relationship manager. It is important that you (or a member of your organization) stay in contact with the territory office as they are responsible for communicating information specific to program operations.

Financial Reviews

Within the SPEC organization, there are employees that perform quality assurance activities. They are separate from the Grant Program Office; however, they will perform a financial review on the recipients of the TCE and VITA Grants. The primary purpose of the financial review is to ensure that grant funds are spent in accordance with the grant terms and conditions and recipients adhere to grant guidance, federal laws and statutes.

Since they are unable to review all recipients on an annual basis, this process considers certain factors that might indicate higher risk, such as but not limited to:

- Prior financial review or administrative visit results;
- Prior involvement in managing federal grants;
- Amount of all federal funds expended in a given year; and
- Amount of award.

For VITA Grant recipients they also consider whether the recipient sub-awards a portion of their grant and the ratio of in-kind match to other match. The Grant Program Office also recommends recipients for review depending on monitoring activities. These reviews are conducted throughout the calendar year.

The financial review process involves a review of financial management systems, policies, records and documentation of the organizations awarded a grant to help assess the recipient's adequacy and compliance with TCE and VITA grant provisions and federal requirements. It is not a single audit as required by 2 CFR Part 200 Subpart F – Audit Requirements. The financial review process consists of three phases:

- Pre-Visit Phase
- On-Site Phase
- Post-Visit Phase

Pre-Visit Phase

During the pre-visit phase, the financial reviewer contacts the recipient to request an appointment to discuss and view the organization's records pertaining to the IRS grant. The financial reviewers work to find a mutually-agreed upon date for a face-to-face or correspondence review. Although reviews are generally conducted face-to-face, financial reviewers will conduct correspondence reviews where organizations are requested to mail information in to them for review. This is often the case when low dollar grants are involved.

The completion of a VITA/TCE Grants Financial Review Questionnaire is required prior to the or start of a review. Senior management, financial, business, accounting and program officials should be available for discussions at some time during a face-to-face or correspondence review. In addition, the following documents, records, and information should be readily available for the review and discussion:

General – Organizational chart showing placement of units and individuals responsible for financial and program matters.

General Financial Management

- Overall description of financial management/accounting system or software used;
- Financial management policies and procedures dealing with such areas as:
 - Cash management including receipts, draw-down, disbursements and payments;
 - Grant expenditures and documentation;
 - Purchasing and procurement;

VISITS AND REVIEWS

- Time sheets, payroll, and allocation of time to various cost centers;
 - Travel, authorization, approval and documentation of expenses;
 - Check issuance;
 - Documentation and accounting for matching funds;
 - Separation of responsibilities and internal controls;
 - Interest;
 - Accounting for assets and liabilities; and
 - Bank statements
- Most recent audited financial statements and report;
 - Most recent audit report prepared to meet requirements of 2 CFR Part 200 Subpart F – Audit Requirements when applicable;
 - Ledgers to include general, operating, and project (when applicable); and
 - Journals to include cash receipts, cash disbursements, purchase, and payroll.
 - Explanation of who handles financial and fiscal management responsibilities;
 - Chart of accounts showing organization grants, cost centers for fund accounting and codes;
 - Internal controls and delegations of authorities to commit, prepare, review, approve, sign, issue and record commitment or obligation documents (e.g., purchase orders, contracts, agreements, supplies, equipment, property, travel, sub-awards, professional services, and checks);
 - Identification of who receives, reviews, approves, and retains vouchers, invoices, and other source documents and how expenses are coded and allocated to organization's grants; and
 - Vouchers or invoices showing their coding and allocation to grants along with recordation in financial system and inclusion in periodic reports.

Records and Reports for Grant expenditures, Match and Withdrawals

- Financial accounting system reports and records corresponding to the most recent Federal Financial report;
- Documentation on who prepares, reviews, and certifies the Federal Financial report;
- Most recent Federal Financial report;
- Responsibility for and frequency of payment requests and withdrawals;
- Source documentation for entries in the financial accounting system;
- Identification of and reports on cash on hand and use of and reporting on interest bearing accounts.
- Supporting documentation for cash and in-kind match;
- Monitoring documents showing grantee expenditures (current and cumulative) and corresponding to the proposed VITA/ TCE grant budget with cumulative expenditures and balances by cost category.

Procurement, Contracts, Purchase Orders, and Agreements

- Policies and procedures for procurement, purchase orders, contracts, sub-awards and agreements along with examples;
- Monitoring tools, reports, and payments for sub-award agreements;
- Indirect cost rate agreement (VITA) including limitations; and
- Use of and rates for consultants.

Time and Effort Reports – Policy, procedures and samples of completed, signed time sheets, including allocation of time to more than one cost center as necessary, for employees and volunteers, when applicable.

VISITS AND REVIEWS

Other

- Documentation of volunteers (Form 13615), training hours and activity records;
- Record retention policies and practices; and
- Property management and inventory controls.

Exhibit 10, Information Document Request (IDR), is sent with the initial letter showing the items needed for the review.

On-Site Phase

The financial reviewer will conduct an interview, usually with the person(s) most knowledgeable about the organization's activities and operations, and review books and records. Length of the review can vary depending on the grant amount, level of documentation, etc. Following are highlights of the information and guidance used to review program expenses and matching requirements when applicable.

- Review against 2 CFR Part 200 Subpart E – Cost Principles – The cost principles establishes standards for Federal agencies for a uniform approach for determining the allow ability of costs.
- Source documentation – 2 CFR §200.302 – Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- Records, contract and sub-award documentation.
- Source documentation for cash contributions – Documentation showing cash received (sources, deposit); cash outlays (payrolls, invoices, canceled checks); and evidence of volunteer services (time and effort reports).
- Documentation of in-kind contributions – Includes name and signature of donor; detailed description of item/ service; date of receipt; value of contribution; how value was determined; who made the determination; and is verifiable from the recipient's records.

ASSURANCES AND CERTIFICATIONS

List of Assurances and Certifications

By checking “I Agree” in Block 21 on the SF 424, your organization certified to the statements listed in Exhibit 11, List of Assurances and Certifications. This was in Appendix A of the application publications. It is Exhibit 2 in Publications 1101 and 4671. These assurances and certifications are also applicable to any organization that you sub-award and should be included in your contracts or memorandums of understanding when sub-awards are involved.

Civil Rights Compliance Requirements

The SPEC organization has a process in place concerning providing the provision of civil rights assurances to ensure the requirements of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972 (in education programs or activities), and Age Discrimination Act of 1975. The process applies to all SPEC partners if the partner is involved in a federal program or activity located in the United States that provides a benefit to others and receives federal financial assistance. Federal financial assistance is defined as grants, money, and other non-monetary forms such as the following:

- Loans of computer equipment,
- Loan of IRS personnel,
- Direct training of VITA volunteers,
- Provision of supplies and equipment,
- Use of federal property at reduced or no cost,
- Grants of computer software, and
- Waiver of fees for electronic filing of tax returns.

In general, the IRS must ensure that the recipient of federal financial assistance does not discriminate against potential beneficiaries of the assistance. Also, recipients must prominently display posters explaining civil rights protections and the procedures for filing complaints. Many of the organizations that you may be considering for sub-awards may already certify to IRS on civil rights compliance because of non-monetary assistance received.

Civil Rights Assurance – A statement of assurance concerning civil rights compliance is incorporated into [Publication 4299, Privacy, Confidentiality, and Civil Rights – A Public Trust](#). The assurance is confirmed by signing **Form 13533, Sponsor Agreement**, which reiterates the key principles of privacy, confidentiality, and civil rights. It is required annually. Form 13533 must be submitted annually when returning grant acceptance documents.

Civil Rights Evaluation of Program – Exhibit 12, Integrating Civil Rights into Your Volunteer Programs, provides a series of questions to help when assessing, planning, and selecting sites for delivery of your volunteer return program to ensure that civil rights requirements are a priority in your program.

Civil Rights Notification at Sites – The civil rights poster should be displayed in English and Spanish at the entrance area of each site. IRS provides **Publication 4053, Your Civil Rights are Protected**, for this purpose. If you are prevented from posting anything at the site, an alternative product is available. **Publication 4454, Your Civil Rights are Protected**, is a brochure in English and Spanish that can be provided to individuals upon arrival at the site.

ASSURANCES AND CERTIFICATIONS

Civil Rights Marketing Notification – Many grant recipients will develop specialized marketing or publicity materials in both printed and electronic media. The following statements are examples of the language that should be included in this media:

- The [VITA/TCE program name] is a program that receives federal financial assistance from the U.S. Department of the Treasury. We do not discriminate based on race, color, national origin, sex, disability, age, and reprisal .
- [VITA/TCE program name] will make every effort to provide reasonable accommodations to persons with a disability. These accommodations will be provided at no cost to the taxpayer.
- [VITA/TCE program name] will provide language assistance to persons who are limited English proficient at no cost to the taxpayer.
- If you believe you have been discriminated against based on race, color, national origin including limited English proficiency, sex (in education programs and activities), disability, age, and/or reprisal, you may file a complaint with the Operations Director, Civil Rights Division, Internal Revenue Service, Room 2413, 1111 Constitution Ave. NW, Washington, DC 20224 or email civil.rights.division@irs.gov

Other Civil Rights Resources – In some situations, sites may find using “I Speak” flashcards helpful to identify the primary language of the taxpayer. [Publication 4269, Language Identification Flashcard](#), is available on the forms and publications section of the [IRS.gov](https://www.irs.gov) website for this purpose.

For other information concerning taxpayer civil rights, review the Fact Sheets and Civil Rights Advisories under the Site Coordinator Corner on the website.

Lobbying

Federal law generally prohibits recipients of a federal contract, grant, loan, or cooperative agreement from using federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, or officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (31 USC 1352; 31 CFR Part 21). Persons are required to file a certification form and a disclosure form with each submission that initiates agency consideration of such person for award of a Federal contract, grant, or cooperative agreement exceeding \$100,000 or an award of a Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000 (31 CFR Section 21.110). See also 31 CFR Section 21.110 for additional requirements to revise or update forms. The certification if required is “The Certification for Contracts, Grants, Loans, and Cooperative Agreements” published as Appendix A to 31 CFR Part 21 and reprinted in this Publication as the “Certification Regarding Lobbying” within the List of Assurances and Certifications, Appendix A, Exhibit 2. The disclosure form to be filed if required is Standard Form LLL, Disclosure of Lobbying Activities published as Appendix B to 31 CFR Part 21 and reprinted in Publication 1101 at Appendix A, Exhibit 3.

Trafficking Victims Protection Act of 2000

The Trafficking Victims Protection Act of 2000, as amended (22 USC 7104) requires any agency that awards a grant to a private entity to include a condition authorizing the agency to terminate the grant or take other remedial actions, without penalty, if the private entity engages in certain activities related to trafficking in persons. As part of the implementation of the Act, the Office of Federal Financial Management has established terms that must be included in every grant agreement. See 2 CFR 175.15. Under the Act, a recipient that is a private entity and any sub-recipient that is a private entity may not engage in, or use labor recruiters, brokers, or other agents who engage in:

- Severe forms of trafficking in persons;
- The procurement of a commercial sex act during the period of time that the award is in effect;
- The use of forced labor in the performance of the award;
- Acts that directly support or advance trafficking in persons, including the following acts:
 - Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents.
 - Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant, contract, or cooperative agreement; or the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action.
 - Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment.
 - Charging recruited employees unreasonable placement or recruitment fees, such as fees equal to or greater than the employee's monthly salary, or recruitment fees that violate the laws of the country from which an employee is recruited.
 - Providing or arranging housing that fails to meet the host country housing and safety standards. The IRS may unilaterally terminate the award or take other remedial actions, without penalty, if any private entity is determined to have violated a prohibition in items a, b, c, or d above or has an employee who is determined by the IRS official authorized to terminate the award to have violated a prohibition in items a, b, c, or d above through conduct that is either:
 - Associated with performance under the award; or
 - Imputed to the private entity using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-Procurement), as implemented by the Department of the Treasury at 31 CFR Part 19.

Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (FFATA) of 2006, as amended, intends to empower Americans with the ability to hold the government accountable for each spending decision. Each applicant must ensure it has the necessary processes and systems in place to comply with the FFATA reporting requirements should it receive funding. OMB issued guidance to establish requirements for recipients to report information about executive compensation in certain circumstances. For more information, see 2 CFR Part 170.

System for Award Management

Applicants must register with the System for Award Management (SAM) prior to submitting a grant application. Applicants and recipients must maintain an active SAM registration with current information at all times during an active federal award or an application under consideration. To remain registered in the SAM database after the initial registration, the applicant or recipient must review and update on an annual basis from the date of the initial registration or subsequent updates – of its information in the SAM database to ensure it is current, accurate, and complete. Applicants are also required to provide a Unique Entity Identifier (UEI) with each application. For more information, see 2 CFR Part 25.

Unique Entity Identifier (UEI)

Effective April 2022, the System for Award Management website, [SAM.gov](https://sam.gov), stopped using the proprietary, nine-digit Data Universal Numbering System (DUNS) number supplied by Dun & Bradstreet. The DUNS was replaced by the Unique Entity Identifier (UEI). The transition involved the following steps:

- Phase out the DUNS number as the official identifier for doing business with the federal government.
- Implementation of the UEI, generated in the System for Award Management, as the official identifier for doing business with the government.
- The General Services Administration (GSA) will supply and generate a non-proprietary UEI for identifying entities during the awards process for things like contracts, grants and cooperative agreements – in SAM.gov and other systems.
- GSA has streamlined the UEI request, registration and support process by allowing entities to handle all three through [SAM.gov](https://sam.gov).

Customer Support

Organizations go to a single place, [SAM.gov](https://sam.gov), to:

- Request their UEI and register their entity to do business with the U.S. Government.
- Make any updates to their legal business name and physical address associated with the UEI.
- Find customer support at a single help desk for all UEI and entity registration issues.

UEI Characteristics

- UEIs are 12-character alpha-numeric values — all letters being capitalized. The final character will be a checksum of the first 11 to detect errors in data. UEIs won't: use the letters "O" or "I" to avoid confusion;
- Use 0 (zero) as the first character for ease of data imports;
- Use nine-digit sequences like the DUNS number;
- Use the first five characters conflict with Commercial and Government Entity codes (CAGE);
- Use the entity's Electronic Funds Transfer (EFT) indicator.

ASSURANCES AND CERTIFICATIONS

Corporate Felony Convictions

VITA or TCE funds currently may not be awarded to any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless the agency has considered suspension or debarment of the corporation and made a determination that denial of the grant is not necessary to protect the interests of the government. You must certify either that you are not a corporation or that you have disclosed in your application all your felony criminal convictions that occurred under Federal law within the preceding 24 months. In addition, applicants must disclose all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. Applicants awarded a grant will remain under a duty to disclose these acts and will need to require similar certifications from any grant sub-recipients. To disclose a covered conviction or covered violation, record the information specific to the conviction or violation and submit with your application through Grants.gov as an attachment.

Buy American Act

As a condition of the VITA or TCE grant, the Recipient and all sub-recipients agree to comply with the Buy American Act, 41 U.S.C. 8301-8303, which includes a requirement that all unmanufactured articles, materials, and supplies purchased using grant funds be mined or produced in the United States and that all manufactured articles, materials, and supplies purchased using grant funds be manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States. A conviction for violating the Buy American Act causes debarment from federal grants and contracts. The requirement to Buy American does not apply to information technology that is a commercial item, products for which the expected value of the procurement is \$3,500 or less, products for use outside the United States, foreign products when domestic products are unavailable or are of unacceptable quality, or foreign products excepted by certain trade agreements. The IRS may waive the requirement to Buy American if its application would be inconsistent with the public interest or the cost would be unreasonable.

Other Applicable Laws and Regulations

Federally funded programs are governed by a wide variety of federal laws, regulations, OMB circulars, Department of Treasury circulars, and Federal management circulars.. These include, but are not limited to:

- Restrictions on political activities at 18 USC 595, 598, 600-603;
- The national preservation program requirements at 54 USC 300101 et seq;
- Environmental requirements of the Clean Air Act (42 USC 7401 et seq.);
- The non-pollution requirement of the Federal Water Pollution Control Provisions (33 USC 1251 et seq.),
- Whistleblower protections at 41 USC 4712;
- Rules governing allowable costs at 41 USC 4304 and 4310,
- All additional applicable statutory requirements and all additional applicable requirements in OMB Circulars, Department of the Treasury Circulars and Federal Management Circulars, including 2 CFR Part 200.

APPENDIX

Exhibit 1 – Form 9661, Cooperative Agreement

[illegible]

APPENDIX

Exhibit 2 – Form 13981, Grant Agreement

Form 13981 (June 2025)	Department of the Treasury - Internal Revenue Service Grant Agreement	VITA OMB Number 1545-2222
General Federal Award Information		
Recipient name	Federal Award Identifier Number (FAIN)	
Recipient address	Federal award date	
	Period of performance	
	October 1, _____ to September 30, _____	
	Amount of federal funds obligated	
UEI	Total amount of federal funds obligated	
Indirect cost rate	Total cost sharing or match required	
Budget approved	Total amount of federal award + Total cost sharing or match	
Minimum federal returns to be accomplished by your program	Multi-year period ☐ 1 ☐ 2 ☐ 3	
General Program Information		
CFDA number and name		
Program source		
Federal award project description		
Contact Information for IRS Grant Officer		
Name		
Address	Email address	
	Email grant acceptance	
	Email questions	
This Grant Agreement is entered into by the Internal Revenue Service, Department of the Treasury, United States of America, hereinafter referred to as IRS, and the recipient shown above and hereinafter referred to as recipient. Period of Performance: The Grant Agreement covers the grant period shown above and is conditional on compliance with terms and conditions in Publication 5247 on IRS.gov. Recipients are cautioned to review the terms and conditions specific to this agreement in its entirety prior to signing. Expenses incurred before or after this period are not covered by this grant. No additional expense reimbursements or other payments shall be made by the IRS unless the total amount of federal award set forth above is increased in writing. Your organization is an approved multi-year grant recipient. Your grant will be renewed in year two or year three, provided your organization meets the multi-year grant criteria as outlined in the application package for your initial multi-year award. Funding for the subsequent grant cycle may be increased or decreased, depending on the Congressional appropriation for the VITA Grant Program and your organization's performance during the grant cycle covered by this award.		
Approved by an Authorized Representative of the Recipient Approved for the Internal Revenue Service by		
Name (Print)		Name (Print)
Title (Print)		Title (Print)
Signature	Date	Signature Date
Catalog Number 51540F www.irs.gov Form 13981 (Rev. 6-2025)		

Exhibit 3 – Sample Format for Sub-Award Agreements

The following information is provided to assist in your development of a sub-award agreement. 2 CFR §200.331 Requirements for pass-through entities provides a comprehensive listing of all the information required to be included in your sub-award. Providing a copy of your Form 13981, Grant Agreement, as an attachment to the document you develop will aid in insuring all components are covered. Other suggested sections are shown below.

Suggested Selections to Include in Sub-Award Agreement

Explanation	Examples of Language
Recipient and Sub Recipient Information	
Provide the names of the organizations involved in the agreement along with addresses.	This Agreement is between (name and address of prime recipient) and (name and address).
Period Covered by Agreement	
State the period covered by the agreement	This agreement is effective (date) and continues until (date) unless terminated earlier in accordance with the provisions of this agreement (state location of termination clause).
Services to be Performed	
Include a section that describes the expectations of the agreement. You should include detailed information in this section or provide reference to other parts of the agreement if not all information is covered in this section.	Following are the services to be performed by your organization in conformance with the requirements of the IRS VITA or TCE Programs: • Site operation (may include specific site locations and hours/days operation) • Return preparation (may include expected number and/or audience for which return preparation is targeted) • Marketing and outreach of tax preparation services and financial education and asset building (FEAB) activities • Training requirements for participants (include your expectations on level of training if exceeds IRS requirements and other FEAB requirements) • Reporting responsibilities (what and how frequently you want them to report to your organization; at a minimum reporting to finalize the agreement)

APPENDIX

Suggested Selections to Include in Sub-Award Agreement

Explanation	Examples of Language
Documentation Requirements for Program Performance	
Include a section that describes your documentation expectations. At a minimum cover the requirement concerning IRS requirements. If you produce and require they survey their clients, be sure to include this as well.	Your organization is expected to provide or retain the following information as covered by the Publication 5683 (as applicable) and other FEAB documentation. • Electronic application to participate in the IRS e-file Program • Civil Rights assurances (Forms 13325 and 13324) • Form 13206, Volunteer Assistance Summary Report • Form 13615, Volunteer Standards of Conduct • Form 13533, VITA/TCE Partner Sponsor Agreement • Consent notices for use and disclosure of information • Property loan agreements • Return information
Contract Amount, Invoicing and Compensation	
Explain contract amount, invoicing expectation, and process for payment for services. Be sure to provide guidelines on frequency and documentation requirements in the agreement. Note: Good communication on how funds are to be spent and deadlines for providing feedback on funds used is necessary so that you, as the recipient, can meet your reporting requirements to IRS.	This contract will not exceed (insert negotiate amount of support). Invoicing for services is expected (describe frequency such as weekly, monthly, etc.) and must be supported by invoices and supporting documentations, where necessary. Payment will be made within (insert days) after submission of allowable expenses. Documentation of program delivery, expenses and in-kind contributions are to be retained a minimum of three years used.
Required Terms and Conditions	
Be sure to stress that sub recipients are held accountable for all terms and conditions stated in the VITA or TCE Grant Agreements. You may wish to attach a copy of the Terms and Conditions included in your grant agreement along with the List of Assurances and Certifications found in the respective applications or Publication 4883.	As a sub recipient of federal funds, you are responsible for adhering to the terms and conditions established by the VITA Grant or TCE Grant agreements. Information on these requirements can be found in the application publications (IRS Publications 1101 and 4671) and in the IRS Grant Programs Resource Guide, Publication 4883.
Responsibilities of the Prime Recipient	
If your agreement is structured as a memorandum of understanding, it is typical to add a section that describes the responsibilities of the prime recipient or lead organization.	

APPENDIX

Suggested Selections to Include in Sub-Award Agreement

Explanation	Examples of Language	
Other Sections for Consideration		
Your organization may already have a standard contract or agreement format. They should be incorporated into the agreement as needed. Such sections may include but are not limited to:		
• Indemnification of liability • State and Federal Taxes • Recognition of sub recipient as a contractor and not employee • Use of organization name, logos or trademarks in advertising or other products		
Signature		
Include the names of the individuals within the respective organizations that are executing the agreement.	The parties have executed this Agreement on (date).	
	Sub recipient Name • Name of Individual • Title • Signature • Taxpayer Identification • Number or Social Security Number • UEI	Prime Recipient Name • Name of Individual • Title • Signature

This exhibit is an example only. It should be modified to include all information required by your organization and by 2 CFR §200.331.

Exhibit 4 – Determining Reasonable, Necessary and Allocable Expenses

This exhibit provides information to assist grant recipients in determining whether certain expenses under consideration meet established criteria for purchase. The questions presented here can be applied to almost any purchase; however, we are concentrating on two areas:

- Purchase of cell phones, air cards and technology service plans
- Purchase of equipment and related items or services

What do you need to know and consider when using federal grant funds to purchase cell phones, air cards and technology service plans?

XII. Consider whether the expense is reasonable, necessary, and allocable to the VITA or TCE grant programs

Cell phones, air cards and plans for these services are an allowable expense in the VITA and TCE grant programs. However, recipients must remember that the expenses for these items must be reasonable, necessary, and allocable. Ask these questions:

- Reasonable – Is the expense one a prudent person could justify?
- Necessary – Is it necessary that the program provide the phone/service? How frequently will they need to use or have access to a phone? How will the phone be used? Is there another alternative?
- Allocable – Will the phone be used solely for the VITA or TCE program? If not, how can I allocate a portion of the expense to the grant? Is the methodology reasonable? What policy on cell phone use will I implement to ensure I am not paying for personal phone calls? If I make a term commitment, how will I pay for the period of time the phone is not used for the VITA or TCE program?

A prudent person would find it difficult justifying a Smart Phone, iPhone, or the latest Android. Service plans that involve Internet access may also be unreasonable because it isn't a requirement of the program. In addition, service plans that require a two-year commitment are not prudent for a program that operates only a portion of the year.

XIII. Review findings by the Internal Revenue Service

Recent budget and financial reviews have identified unnecessary expenses for these items requiring that budgets be adjusted or monies paid back. Examples that did not meet the reasonable, necessary and allocable tests include:

- Service plans that run beyond the program period but were expensed entirely during the project period;
- Air cards for multiple computers when historical data showed only 10 returns were filed between April and December;
- Expensive phone and service plans that were considered unreasonable for the program use identified; and
- Monthly Internet access fees with no program justification.

Protect your organization by making the right decision concerning the expensing of these items on the VITA or TCE grant programs.

What do you need to know and consider when using federal grant funds to purchase computers and related items or services?

I. Equipment or supply item

Confused on whether the purchase of a computer or printer is characterized as a supply or equipment? The Office of Management and Budget (OMB) defines equipment and related acquisitions as follows:

- Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000 2 CFR §200.313.
- Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use.
- Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as, taxes, duty, protective in-transit insurance freight and installation may be included or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices. 2 CFR §200.1.

Let's look at an example. Your organization defines a capital asset as one with an acquisition cost of \$1,000 or more. As long as the cost of the computer (including any modifications to make it ready for use) is less than \$1,000, it is considered a supply. However, if the cost were \$1,100, then the computer would be considered equipment. If your organization defines capital assets at a higher threshold than \$10,000, the \$10,000 threshold applies.

You must consider the cost of software needed to make the property usable for the purpose for which it was acquired. Operating system software is a must for any laptop purchase and the cost is part of the "acquisition".

II. Consider whether the expense to purchase the computer is reasonable, necessary, and allocable to the VITA or TCE grant programs

- **Reasonable** – Is the expense one a prudent person could justify? Did I obtain quotes to know that the price I am paying is fair?
- **Necessary** – Is it necessary that the program provide the equipment? How frequently will they need to use or have access to the equipment? How will it be used? Is there another alternative?
- **Allocable** – Will the equipment be used solely for the VITA or TCE program? If not, how can I allocate a portion of the expense to the grant? Is the methodology reasonable? Do I need to institute a policy on use to ensure the VITA or TCE grant program is not paying an unfair share of the cost?
- A prudent person would find it difficult justifying the use of VITA or TCE grant funds to purchase an iPad or similar device because it must be compatible with the tax preparation software provided by IRS. Adding the additional software (Windows 7 or higher) and components that will make it usable for the program can increase the cost beyond the IRS limitation. If using the equipment to support IRS provided software, consideration must still be given to whether it can support alternative service when the software is not available and it defaults to the solution identified.

III. Other requirements that should be considered

- **Inventory** – Keep a record of, protect, and periodically confirm the location of the equipment.
 - Requirements specified in Publication 4299, Privacy, Confidentiality, and Civil Rights – A Public Trust, apply to all recipients and requires recording the make, model and serial number of all computers used. Additional requirements pertain if the computer is considered equipment. In addition to recording the make, model and serial number the non-Federal entity must also record the source of funding and who owns; date of acquisition; cost or donation value of property; location, use and condition; and disposition including date and sale price.
 - Protect the equipment from theft or damage. This includes protecting the information that is stored on a laptop as agreed to on the **Form 13533, VITA/TCE Partner Sponsor Agreement**.
 - Inventory equipment at least once every two years. Know where it is located and key information about the equipment should it get lost or stolen. If not under your control, maintain property receipts showing the individual with responsibility for the equipment.
- **Use** – Know how it is used. Equipment purchased with this grant should be used to support the VITA or TCE program. If not used full time, it can also be used to support other federal programs as long as it does not interfere with its use for VITA or TCE.
- **Program limits** – Both grant programs have determined that \$1,000 per unit is sufficient for purchasing computers or laptops for the program. However, if a special need is identified requiring a purchase exceeding the limit, justification must be provided and approved prior to purchase.
- **Subsequent year Use as Match for the VITA Grant** – Remember when an asset is purchased with grant funds and its life exceeds the current year; it may not be used as match for another federal grant in succeeding years.

Exhibit 5 – Matching Funds Documentation

During the application process, organizations could designate matching funds as in-hand, committed or to be raised. After award, documentation must be provided for all matching that was categorized as “to be raised.” Additional documentation may be needed for in-hand or committed if previously submitted documentation was insufficient. This is communicated in the package received with the grant award. Please note that funds are not released until sufficient matching fund documentation is provided.

Matching funds documentation must include:

- A description of the contribution;
- A dollar value and an explanation as to how the valuation was determined, if applicable;
- A current date;
- A signature of an authorized individual that can make the commitment; and
- An organization name on letterhead with contact information.

Examples of acceptable explanation for most common in-kind contributions are shown below:

Contribution	Explanation
Advertising	We will develop and air radio advertisements for twelve weeks daily on our five radio stations. The public service announcements will start the last week in January and will be aired through the first week of April. Estimated value is \$4,200. In addition, our publicity department will visit a tax site for an interview with taxpayers using the service, take pictures of the site and post all the interview materials on each of our web-sites. Estimated advertising value is \$2,100. Total advertising is valued at \$6,300.
Interpreter	We will provide 40 hours of interpreting services to your program this year. Hours will be computed based on arrival and departure from the site and should be scheduled at least one week in advance of required service. I traditionally charge \$28 per hour for my services; therefore, this donation is valued at \$1,128.
Site coordinator	We will provide one bi-lingual site coordinator certified at the advanced level who will commit 60 hours total (15 sessions at 4 hours each) at an estimated value of \$2,240. This is based on \$28 per hour, which is the hourly salary paid for bi-lingual management positions in my organization, multiplied by 60 hours (60 hours x \$28 = \$2,240).
Space and equipment	Space of 2,000 square feet for training and tax preparation that includes 12 computers and workstations with internet access and projection audio and video system. Rental cost per hour is \$187.50, and includes building security and cleaning. Estimate 60 hours use for tax preparation over 14 days and 20 hours use over three days for training volunteers for advanced certification. (60+20) x \$187.50 = \$15,000.

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Contribution	Explanation
Supplies	We will provide 10 boxes of printer paper at a retail cost of \$35 per box for a value of \$350. We will provide miscellaneous office supplies to include pens, pencils, staplers, and staples for an estimated value of \$50. We will also provide access to our copier, shredder, fax and filing cabinets. Estimated value 6,000 pages at \$0.05 each for a value of \$300. Total contributions are \$700.
Volunteers to prepare returns	We will provide 10 volunteers at \$15 per hour averaging 10 hour per week each for 15 weeks for a total value of \$22,500. The \$15 per hour is the average hourly wage paid to individuals that prepare tax returns in our area per the Bureau of Labor Statistics. 10 volunteers x \$15/hour x 10 hours per week x 15 weeks = \$22,500
Volunteers to prepare returns – Simplified Method	We prepared 2,750 returns last filing season. This amount was confirmed by the territory on the ELF 1541 and SIDN workbook reports. Using the average hourly wage paid for return preparation in our area per the BLS of \$18.50 we anticipate a minimum of \$49,500 in volunteer services using the simplified method for recordkeeping.

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Exhibit 6 – Sample Form Documenting In-Kind Contributions

Organizations that utilize in-kind contributions as match should have sufficient documentation in their records to show the receipt and value of the contribution. This serves as an example only and may be used if your organization does not currently have an approved method.

Sample Form for Documenting In-Kind Contributions:

Name of Grant		Grant Number	
Organization Receiving Contributions		Grant Period	
Description and Valuation of In-Kind Contribution			
Date of Contribution			
Detailed Description of Contribution (Item or Service)			
Purpose for Contribution			
Value of Contribution			
Describe how value determined (actual, fair market value, appraisal) and attach supporting documentation as applicable			
Explain who determined value			
Was contribution obtained with or supported by federal funds? If yes, contribution may not be eligible for use as match.			
Contributor's Information			
Name of Contributor			
Address			
Phone			
Signature Section			
Printed Name of Contributor's Representative	Title	Printed Name of Contributor's Representative	Title
Signature of Contributor's Representative	Date	Signature of Contributor's Representative	Date

APPENDIX

Exhibit 7 – Time Sheet Examples

Use of these time sheets is not required; however, they are provided as an example of the information that should be captured on a time sheet for individuals involved in the program.

Time sheets, in combination with personal data on each individual, provide the required support necessary to account for time contributed to the program. They can be used to calculate volunteer services for matching funds purposes if not paid from grant funds.

Note: Federal funds may not be paid to individuals for the activities of screening, preparing tax returns, or performing quality review of prepared returns.

The time sheets can be adjusted to cover more than one week if service is not provided daily. For example, if service is only provided on Monday, Wednesday and Saturday, a similar time sheet might cover two weeks.

Example of time sheet for one individual:

Name:					Week:				
Activity	Paid?	M	T	W	T	F	S	S	Total
Quality Review									
Tax Return Preparation									
Clerical									
Screening									
Site Coordinator									
Other									
FEAB activities									
Non-VITA Activities									
Total									
Individual Signature:					Date:				
Site Coordinator Signature:					Date:				

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Example of time sheet for more than one volunteer:

Site Name:									Week:		
Individual Name (List name multiple times if more than one activity performed)	Paid?	M	T	W	T	F	S	S	Total	Initials	Activity
Total Time											
Site Coordinator Signature:									Date:		

Exhibit 8 – Form 13979-A VITA Grant Budget and Narrative

Go to

Form 13979-A (June 2025)	Department of the Treasury - Internal Revenue Service VITA Grant Budget and Narrative	OMB Number 1545-2222
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Federal Award Identification Number (FAIN)

Recipient name	Grant Period From	To
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Personnel

Part A

	Position	Name	Narrative
1.			
2.			
3.			
4.			
5.			

Part B

For each employee listed in Part A provide the requested information for that employee in Part B in the corresponding row number.

	Other, Salary or Hourly	Total VITA Hours	Yearly Salary or Hourly Rate	Total Wage/Salary	Total VITA Allocated Salary or Wages	Federal	Match	Total	Narrative
1.									
2.									
3.									
4.									
5.									
Totals									

Catalog Number 94386P

www.irs.gov

Form **13979-A** (Rev. 6-2025)

Exhibit 9 – Template for Providing Related Party Transactions

Template for Providing Related Party Transactions:

Grant Recipient Name:	
Federal Award Identifier:	
Purpose	Your grant agreement “Terms and Conditions” require your organization to notify the Grant Program Office of any related party transactions, as defined in the agreement, using grant funds within 30 days of the transaction.
1. What transaction is involved? Please describe.	
2. Does the transaction propose to use TCE/VITA grant federal funds or designated match? If the answer to this question is no, then this transaction is not reportable under the TCE/VITA Grant terms and conditions.	
3. Who is involved? Provide organization and/or individual names.	
4. What is the relationship? Provide information on how the organizations and/or individuals are related.	
5. Where are the parties located?	
6. When did the transaction occur or is planned to occur?	
7. Who is the contact if additional information is needed?	

Exhibit 10 – Information Document Request

Financial Review Information Document Request Checklist (IRS VITA/TCE Grant Programs)

To (name of organization (sponsor/recipient))	To Be Completed by IRS	
	3. Response due date	
	4. Request number	
1. Responsible official	5. Dates of previous requests	
2. Email address	5a. mm/dd/yyyy	5b. mm/dd/yyyy

Documents Required for Review

6. Books and Records are being requested to determine adherence to Title 2 Code of Federal Regulation Section 200 (2 CFR 200)
- Publication 1101, Application Package and Guidelines for Managing a TCE Program
 - Publication 5245, Tax Counseling for the Elderly Program Terms and Conditions
 - Publication 4671, VITA Grant Program Overview and Application Instructions
 - Publication 5247, Volunteer Income Tax Assistance (VITA) Terms and Conditions

7. The following documents, records and information must be readily available for on-site, correspondence, or virtual review and discussion

- ☐ Form 13979, VITA Grant Final Expenses and Narrative (*narrative categories must have itemized costs*)
- ☐ Organizational chart showing placement of organizational units and individuals responsible for financial and program matters
- ☐ Policy and Procedures for Financial, Accounting, HR/Personnel, Travel, Procurement, Property Management, Stipends, etc.
- ☐ Bank Statements for grant period showing Payment Management System (PMS) drawdowns
- ☐ General ledger with VITA and/or TCE related entries
- ☐ Documentation to support purchase and payment of VITA/TCE expenses with code identifiers
- ☐ Copies of agreements with contractors, subgrantees, independent contractors, etc.
- ☐ Job descriptions for staff and/or volunteers receiving salaries, stipends, or reimbursements from VITA and/or TCE funds
- ☐ Payroll records including timesheets, wage/salary verification, payroll ledger, timesheets, and calculated fringe benefit rates
- ☐ Matching funds documents (*VITA only*)
- ☐ Indirect cost rate agreement (*VITA only*)
- ☐ Form 14558, Financial Review Questions and Notes

8. ☐ I am providing the documents listed in Section 7 of the Financial Review Information Document Checklist

Signature	Title	Date
9. Information must be emailed or by using DUT		10. Information should be available on site for the review on
11. IRS Financial Reviewer		12. Email address
		13. Employee ID number
		14. Telephone number

APPENDIX

Exhibit 11 – Assurances – Non-Construction Programs

OMB Number: 4040-0007
Expiration Date: 02/28/2025

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

APPENDIX

Exhibit 11 – Assurances – Non-Construction Programs

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

Standard Form 424B (Rev. 7-97) Back

APPENDIX

Exhibit 12 – Integrating Civil Rights into Your Volunteer Program

The following questions will help when assessing, planning, and selecting sites for delivery of your volunteer return program to ensure civil rights requirements are recognized as a priority by your program.

ID	Category	Consideration
1.	Policies	What methods are used to disseminate non-discrimination policy or notices?
2.	Policies	Where is the non-discrimination policy posted?
3.	Policies	Is the non-discrimination policy included in brochures, on websites, in advertisements?
4.	Policies	Does my facility and the planned sites have the IRS poster, Publication 4053, Your Civil Rights Are Protected , displayed? Note: Publication 4454, a brochure, should be provided if the site cannot display a poster.
5.	Policies	How will staff be trained on responding to a civil rights inquiry or complaint and on responding to a request for a reasonable accommodation?
6.	Public Transportation Access	Is the service location convenient to public transit when offered?
7.	Building Access	Does the building have a primary entrance that is accessible?
8.	Building Access	Is there an accessible route from the sidewalk to the building entrance?
9.	Building Access	Are there curb cuts to allow easy access to the sidewalk?
10.	Building Access	Is there signage at entrances directing people to an accessible entrance?
11.	Building Access	Are there clear signs posted with large print and high contrast lettering to inform persons with disabilities of accessible emergency evacuation routes?
12.	Building Access	If the building has more than one floor/level, does it have elevators? Is the elevator accessible to individuals with disabilities? Does the control panel contain Braille markings?
13.	Building Access	If the building has more than one floor/level and it doesn't have an elevator, are ramps available for accessing other floors?
14.	Building Access	Are programs and activities offered in at least one area accessible to people with disabilities?
15.	Restroom Access	Is the entrance to the restroom accessible to a person who uses a wheelchair?
16.	Restroom Access	Is at least one toilet stall wheelchair accessible and maneuverable? Can the person and chair get in and turn around?
17.	Restroom Access	Is there at least one soap dispenser accessible to persons with disabilities?
18.	Restroom Access	Is at least one towel dispenser and sink accessible to persons with disabilities?
19.	Water Fountain	Is there a water fountain that is accessible to persons with disabilities?

APPENDIX

ID	Category	Consideration
20.	Work Area	Access Are all work areas the program occupies wheelchair accessible?
21.	Work Area Access	Are any necessary controls and equipment operable by a person who uses a wheelchair?
22.	Work Area Access	Is there enough clear floor space for a person in a wheelchair to pull up close to the equipment?
23.	Work Area Access	If a telephone is made available for public use, is it accessible to a person in a wheelchair?
24.	Information	Is accessibility language/information publicized in promotional materials, announcements, access or advertisements?
25.	Information	Are alternative products, such as cassette recordings, Braille, or large print, provided? Access
26.	Reasonable	How will you provide accommodations for people with sensory loss? Examples of accommodations include: • Note exchange between assistor and taxpayer • Sign language interpretation • Assistive listening system • Open/closed caption film or video • Audio description • Large print/high contrast labeling • TTY/TDD • Tactile tours
27.	Language	How do you assess if language assistance services are needed? Assistance Note: The IRS offers Publication 4269 , Language Identification Flashcard, for use in identifying 38 unique languages.
28.	Language	How would you accommodate a taxpayer with limited English proficiency? Assistance
29.	Language	What methods are used to inform limited English proficient persons that language assistance services are available at no cost to the person being served?
30.	Language	What efforts will be made to serve limited English proficient persons? Assistance

For questions that arise concerning civil rights and your VITA program, please contact the IRS Civil Rights Division at 202.317.6925 (not a toll-free number) or civil.rights.division@irs.gov.

APPENDIX

Exhibit 13 – Form 13979, VITA Grant Final Expense Report

Form 13979 (June 2025)	Department of the Treasury - Internal Revenue Service VITA Grant Final Expense Report	OMB Number 1545-2222
Purpose: VITA grant recipients must submit this form to the IRS Grant Program Office (GPO) on or before 120 after the Period of Performance ends. Recipients must report actual federal and matching funds expensed.		
Recipient name		Federal Award Identification Number (FAIN)
Unique Entity Identifier (UEI)		Period of Performance (MM/DD/YYYY) From _____ To _____
Expense Category		Federal Expenditures
Matching Funds Expenditures		
1. Personnel		
2. Volunteer Services ☐ Check if Simplified Method Used		
3. Fringe Benefits		
4. Travel		
5. Equipment		
6. Supplies		
7. Contractual		
8. Other Expenses		
9. Volunteer Recognition		
10. Financial Education Asset Building Services		
11. ☐ Indirect Cost Rate _____ % ☐ 10% de minimis rate ☐ None		
Total Program Cost		
12. Total Program Cost (add all lines)		
Federal Award		
13. Unused Federal Funds		
14. Final Award Amount		

APPENDIX

Exhibit 14 – Form 13980, VITA Grant Performance Measures Reports

Form 13980 (June 2025)	Department of the Treasury - Internal Revenue Service VITA Grant Performance Measures Report	OMB Number 1545-2222
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Purpose: VITA grant recipients use this form to accompany the completed VITA Grant Program Year End Narrative due on or before 120 days after the Period of Performance ends. Data represents the recipient's program measures for the Period of Performance in the categories below.

Recipient name	Federal Award Identification Number (FAIN)
Period of performance October 1, _____ through September 30, _____	Unique Entity Identifier (UEI)

Federal Return Preparation	Number of Returns
1. Federal returns filed electronically	
2. Federal returns filed as paper	
3. Federal returns filed through MyFreeTaxes	
4. Total federal returns prepared (add lines 1 through 3)	

Return Preparation Site Information (complete page 2 with site information)	Number of Sites
5. Traditional sites	
6. Virtual sites	
7. Facilitated self-assistance (FSA) sites	
8. Total sites operated (add lines 5 through 7)	

Volunteers and Total Volunteer Hours (provide the number of volunteers and total hours worked by volunteers)	Volunteers
9. Number of volunteer tax preparers	
10. Number of volunteer tax preparation hours	

Underserved Population	Primary (select one)	Secondary (select one)	Number of Returns
11. Elderly	☐	☐	
12. Rural	☐	☐	
13. Persons with disabilities	☐	☐	
14. Limited English proficient	☐	☐	
15. Native American	☐	☐	
16. Low income (not included in lines 11 -15)	☐	☐	

Dollars Generated	Dollars
17. Total EITC refund dollars generated by low income federal returns filed	
18. Total refund dollars generated by low income federal returns filed	
19. Number of federal returns prepared meeting EITC Threshold	

Signature	
Signature of responsible official	Date

APPENDIX

Exhibit 15 – Important Reporting Requirements and Dates

Item	Description	Method	Frequency	Due
1	Key personnel changes – Notify your assigned grant analyst when key personnel change.	Email to IRS grant analyst	When action occurs.	Within 10 business days of change
2	Cash sub-awards of \$1,000 or more	Email to IRS grant analyst	When action occurs.	Within 30 business days of sub-award
3	Related party transactions	Email to IRS grant analyst	When action occurs.	Within 30 business days of transaction
4	Federal Financial Report (FFR) Cash Transaction Report, Standard Form 425 – Provide quarterly financial information using Payment Management System (PMS). Reporting continues until all grant funds are withdrawn and reported.	Submit electronically in the PMS	Quarterly once funds are deposited in PMS account	January 30 April 30 July 30 October 30
5	Sub-award and Executive Compensation reporting – See 2 CFR Part 170, Appendix A for full information.	Complete electronically at SAM.gov/fsrs	Upon sub-award of funds meeting conditions	By the end of the month following the month during which the sub-award is made
6	Unused funds notification – Provide IRS with confirmation that all funds awarded will be used. If not, provide amount that can be released.	Email to IRS grant analyst	Annually	June 30
7	TCE Semi-Annual/Annual Report Requirements - Semi-Annual Form 8654 and Semi-Annual Narrative Report - Annual Form 8654 Program Report and Final Narrative Report	Email to IRS grant analyst	Semi-Annual Report ONLY due if program is operational after April 30) Annually	June 30 120 days after the completion of your program or by January 28
8	Final report (VITA ONLY) – Report includes the following: - Narrative Form 13980, VITA Grant Performance Measure Form 13979, VITA Grant Final Expenses - Federal Financial Report, Financial Status Report (FSR) in PMS	Email to IRS grant analyst	Annually	120 days after end of Period of Performance, January 28
9	Federal Financial Report (VITA ONLY) – Complete and submit report in the Payment Management System (PMS).	Complete electronically in the PMS	Annually	120 days after end of Period of Performance, January 28

GLOSSARY OF TERMS AND ACRONYMS

Acquisition cost – The cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices. 2 CFR §200.1

Advance payment – A payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes. 2 CFR §200.1

Capital expenditures – Expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Cash contributions – This is the recipient's cash contribution, including the outlay of money contributed to the recipient by third parties.

Clerical Support – A person that performs such activities as: answering the phone, scheduling appointments, copying materials, maintaining information on employees or volunteers, and maintaining timekeeping records.

Closeout – The process by which the federal awarding agency determines that all applicable administrative actions and all required work of the federal award have been completed and takes actions as described in 2 CFR §200.344 Closeout.

Coalition – A collaboration of community organizations that have a common interest or shared commitment to the overall goal of helping low-income families and/or elderly individuals.

Cooperative agreement – A legal instrument of financial assistance that is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency to the non-Federal entity to carry out a public purpose distinguished from a grant in that it provides for substantial involvement between the federal agency and the sponsoring organization in carrying out the activity covered by the Federal award. See 2 CFR §200.24 for the complete definition.

Cost sharing or matching – The portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute). See 2 §200.306 for more information.

Counseling – Providing advice, guidance and assistance regarding questions relating to individual federal income tax returns, but does not include such things as estate planning or representing taxpayers before the IRS or in judicial proceeding. For purposes of this program, it also includes the preparation of individual federal income tax returns.

Department of Health & Human Services (HHS) – The United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves.

Elderly – An individual age 60 or over. For purposes of return preparation, the individuals must be 60 or over at the close of the taxable year.

Equipment – Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$10,000. 2 CFR §200.1

Executive Compensation – Officers, managing partners, or any other employees in management positions. Compensation means the cash and non-cash dollar value earned by the executive during the recipient's or sub-recipient's preceding fiscal year. See Sub-award and Executive Compensation Reporting for additional explanation of total compensation.

Financial Education and Asset Building (FEAB) – Collaborating with partners to provide information, knowledge and skills to evaluate their financial options and identify those that best meet their needs and circumstances. Presentations during tax season is effective because refunds often constitute the largest cash asset for low-income persons.

Federal award – Federal financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and cooperative agreements in the form of money or property in lieu of money, by the federal government to an eligible recipient.

Federal Funding Accountability and Transparency Act (FFATA) – Empowers every American with the ability to hold the government accountable for each spending decision. The act was signed on September 26, 2006.

GLOSSARY OF TERMS AND ACRONYMS

FSRS.gov – FFATA Sub-Award Reporting System (FSRS) is the reporting tool federal prime awardees (i.e. prime contractors and prime grants recipients) use to capture and report sub-award and executive compensation data regarding their first-tier sub-awards to meet the FFATA reporting requirements. Prime contract awardees report against subcontracts awarded and prime grant awardees report against sub-grants awarded. The sub-award information entered in FSRS is displayed on www.USASpending.gov associated with the prime award furthering federal spending transparency.

Generally Accepted Accounting Principles (GAAP) – Established accounting rules used to prepare, present, and report financial statements for a wide variety of entities, including publicly-traded and privately-held companies, non-profit organizations and governments.

Grant – Federal financial assistance awarded to an organization to carry out a project or program.

Grant Program Office (GPO) – The office in the Internal Revenue Services that coordinates the Tax Counseling for the Elderly (TCE) and Volunteer Income Tax Assistance (VITA) grant programs.

Grant recipient – An organization that receives financial assistance directly from a federal awarding agency to carry out a project or program.

Grants.gov – Website source used to FIND and APPLY for federal grants managed by the U.S. Department of Health and Human Services, an initiative that is having an unparalleled impact on the grant community.

Intake/Interview & Quality Review Sheet (Form 13614-C) – This form is required to be used for all returns prepared one-on-one to capture information about the taxpayer's dependents, income, and other issues with potential tax consequence and to document the quality review of the return. It is not required when the taxpayer self-prepares the return.

Internal Revenue Service (IRS) – The nation's tax collection agency and administers the Internal Revenue Code enacted by Congress.

Key Personnel – The individuals responsible for the overall program operations and financial requirements for which the grant was awarded.

Low income – For purposes of the VITA Program, this refers to individuals with adjusted gross income at or below the maximum Earned Income Tax Credit income limit.

Matching or cost sharing – The portion of project or program costs not paid by Federal funds (unless otherwise authorized by Federal statute). 2 CFR §§200.29 and 200.306

Matching grant program – A program or project that requires recipients to provide non-federal funds in order to obtain federal financial assistance. The VITA Grant is a matching grant program that requires a recipient provide funds on a dollar-for-dollar basis.

Minimum Federal Returns Expected (MRE) – The number of federal returns prepared a recipient is expected to achieve.

Non-Federal entity – A State, local government, Native American Tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or sub recipient.

Non-urban – A non-metropolitan county. A metropolitan county must contain at least one core urban area with a population of 50,000 or more. The population may live in one county or several connecting counties and is socioeconomically connected to an urban core city (typically by employment, shopping, or other major services). Non-urban is sometimes interchanged with rural.

Outreach – A systemic attempt to provide services to the community. Outreach activities include special events, educational seminars, distributing materials, and delivering financial, educational, and asset building activities.

Payment Management System (PMS) – The system used to request and report on grant funds electronically. The system is maintained by the Payment Management Services, which is part of the Department of Health and Human Services.

Prime recipient – The organization that receives financial assistance directly from a federal awarding agency to carry out a project or a program.

Period of Performance – This refers to the period covered by the grant. For TCE, the project period is October 1 through September 30. For the VITA grant, the Period of Performance is August 1 through July 30.

Quality Reviewer – A person other than the individual that assisted in the preparation of the return that checks a tax return to ensure its accuracy and completeness.

Quality Site Requirements (QSR) – Practices identified by the IRS that must be implemented at the site to ensure taxpayers visiting volunteer sites receive quality service and accurate returns.

GLOSSARY OF TERMS AND ACRONYMS

Recipient – An organization that receives financial assistance directly from a federal awarding agency to carry out a project.

Site – A location established to provide free tax preparation and assistance with return filing.

Site Coordinator – The person responsible for program coordination and various administrative duties associated with managing a site.

Sponsor – When this term is used within the Tax Counseling for the Elderly Program (TCE), it identifies an organization that receives federal financial assistance directly from a federal awarding agency to carry out a project.

Sub-award – This term means an award provided by a pass-through entity to a sub recipient for the sub recipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payment to an individual that is a beneficiary of a Federal program. A sub-award may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Sub recipient – A non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program; but does not include an individual that is beneficiary of such program. A sub recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

System for Award Management (SAM) – Federal system that consolidated the capabilities of the Central Contractor Registration (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS). System used to ensure recipient's key personnel are not debarred, suspended, or otherwise excluded from or ineligible for a federal award. Recipients may check this system themselves before hiring or designating a change by visiting www.beta.SAM.gov.

Tax Counseling for the Elderly (TCE) – A program sponsored by IRS to provide tax counseling and return preparation to persons 60 years of age or older; and provide training and technical assistance to volunteers who serve the elderly community by furnishing free federal income tax assistance.

Taxpayer Services – The outreach and education branch of the IRS that administers the VITA and TCE programs. Taxpayer Services assist taxpayers in satisfying their tax responsibilities by building partnerships with key stakeholders, seeking to create and share value by informing, educating and communicating with those shared customers.

Territory Office – SPEC offices located throughout the United States established to provide assistance with the TCE and VITA programs.

Third Party In-kind contributions – The value of non-cash contributions that benefit a federally assisted project or program contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award. Third party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

Underserved – This term encompasses low income taxpayers that may also be limited English proficient, elderly, disabled, Native American, live in rural or urban areas, or other hard to reach areas.

Volunteer – Individual under the direction of a sponsor or grant recipient that provides their services without pay to achieve the objectives of the program. Volunteers may be reimbursed for out-of-pocket expenses and remain a volunteer.

Volunteer Income Tax Assistance (VITA) – A program sponsored by IRS to provide free income tax preparation for low-to-moderate income people who need assistance in preparing their own tax returns, including the elderly, persons with disabilities, limited English proficient, military, and Native American taxpayers.

