

Volunteer Income Tax Assistance Grant Program

Frequently Asked Questions

Category: Eligibility

Updated 5/10/2011

1. Will an approved extension for filing a tax return be accepted as being in compliance?

Yes. An approved extension for filing a tax return is acceptable for compliance.

2. How do I verify my organization has filed all required tax forms?

The person in your organization responsible for filing tax returns (including employment tax returns) should contact the IRS to check for any monies owed or tax returns not filed. Here are the phone numbers:

- IRS Tax Exempt Organization line – (877) 829-5500
- IRS Business and Specialty Tax line – (800) 829-4933
- IRS Excise Tax and Form 2290 line – (866) 699-4096

3. Are organizations that have entered into an installment agreement eligible for consideration for a VITA grant?

No. An installment agreement does not constitute full compliance with federal tax obligations. Tax compliance is defined as filing all required tax and information returns and payment of all federal taxes, penalties, and/or interest.

4. What are the eligibility requirements?

Applicants must meet the following criteria to be eligible to file an application for funding under the VITA Grant Program:

- Be classified as one of the following:
 - A private or public non-profit organization qualifying for tax exemption under IRC 501, including but not limited to educational institutions, faith-based or community organizations;
 - A state or local government agency, including native American tribal governments; or
 - A regional, statewide, or local coalition with one lead organization that meets one of the eligibility criteria stated above. The applicant organization must have a significant role in the coalition.
- Must be in compliance with federal tax filing and payment requirements;
- Must not be debarred, suspended or otherwise ineligible for a federal award;
- Must provide matching funds on a dollar-for-dollar basis for grant funds requested;
- Must meet single or program specific audit requirements when applicable; and
- Submit all required reports timely if a prior year recipient.

A detailed list of the eligibility requirements can be found in IRS Publication 4671, *VITA Grant Program Overview and Application Package*.

5. What are the requirements of an organization that applies on behalf of a coalition?

Applicants that apply on behalf of a coalition are responsible for ensuring all participants within the coalition adhere to VITA Grant Program requirements. The applicant is the only organization that will be given access to the funds if awarded. After the award is made, an agreement (letter of intent or memorandum of understanding) is required between the VITA grant recipient and its coalition members (sub-recipients) to ensure adherence to program guidelines.

6. If an organization received a VITA grant or Tax Counseling for the Elderly (TCE) grant in a prior year, will it affect this year's eligibility?

Yes. The Grant Program Office will review prior year grant files to determine whether all required reporting is complete and submitted timely. If all required reports were not submitted timely and a request to delay reporting was not approved before the due date of the report, the applicant is ineligible for a grant during this announcement period. Submitting required reports about use of funds is required for the continued consideration for future grant opportunities.

7. Can I apply if I currently operate a VITA site?

Yes, if you meet the eligibility criteria indicated in IRS Publication 4671.

8. I'd like to expand the services at my VITA site; will I be considered for a grant?

Yes, if you meet the eligibility criteria indicated in Publication 4671.

9. If applying on behalf of a coalition, do all partners receiving the funds have to be a 501 organization?

No. Only the grant applicant must be a 501 organization.

10. Can an affiliate of a nonprofit organization apply for the VITA grant?

In order to apply for the VITA grant, an applicant must be classified as one of the following types of entities:

- a. A private or public nonprofit organization that qualifies for tax exemption under IRC Section 501; or
- b. A state or local government agency.

An affiliate of a national organization that has obtained tax exempt status under IRC 501 is not eligible to apply for a VITA grant under the national organization's 501 exempt status. In this case, the organization which was issued the tax exemption under Section 501 must make application for the VITA grant. **Note:** Section 501(c)4 organizations may apply. However, if awarded a grant, federal law will prohibit the organization from lobbying.

The eligibility requirements indicate that a coalition lead must have a substantive role in the coalition. Do they have to operate a VITA site?

No. A lead organization can have a substantive role without actually operating a VITA site. For example, the lead organization may be the champion of the coalition and coordinate the activities, secure funding and identify members.

11. Does the lead agency need an EFIN or SIDN?

No. An EFIN and SIDN are required for each site. The lead agency does not have to operate a VITA site.

12. Can I apply for the grant if I do not currently operate a VITA site? How will this impact my consideration for the grant?

Yes, you may apply as long as you meet the eligibility requirements. Prior performance is a consideration during the ranking process, so you will not receive the maximum points awarded for this criterion during the technical evaluation.

13. When applying on behalf of a coalition, can a nonprofit member without a substantive role apply?

No. The agency applying must play a substantive role in the coalition.

14. I cannot locate a copy of my determination letter from IRS. How can I obtain another copy?

Contact the Tax Exempt and Government Entities Customer Service Line at (877) 829-5500 for a copy of your determination letter issued by the IRS, or a suitable substitute with the required language recognizing you as an organization exempt under IRC Section 501(c).

15. Concerning the relationship between large and small, national and local partners, at what level should they apply?

The partner should apply only one time; only one proposal will be given consideration. Partners should discuss this among themselves and come to an agreement.

16. United Way is the lead for a coalition, but they do not sponsor a site. Can they apply for the grant on behalf of all coalition members?

Yes. The lead organization does not have to coordinate a site; the lead agency must have a conversation with its members to determine the best way to apply. The proposal must include information about the sites supported by the coalition.

17. Can a small partner that is not part of a coalition be considered for the grant?

Yes. All complete applications submitted where the applicant meets eligibility will be considered.

18. Will the smaller partners that reach the target population be given consideration?

Yes, consideration will be given to all applicants who meet eligibility criteria.

For more information, please contact the grant office at: Grant.Program.Office@irs.gov