

Notice of Funding Opportunity - Volunteer Income Tax Assistance (VITA) Grant

A. Program Description

In December 2007, Congress first appropriated funds to the Internal Revenue Service (IRS) to establish and administer a matching grant program for community volunteer income tax assistance. In July 2019, the Taxpayer First Act, P.L. 116-25, made the VITA matching grant program permanent through section 7526A of the Internal Revenue Code. While the law directs grant funds be provided to qualified organizations for the development, expansion, or continuation of VITA programs, it does not provide dedicated funds for the grant program. Congress continues to fund the grant program each year as part of the IRS appropriation.

The Financial Services and General Government Appropriations Act, 2021, Division E of P.L. 116-260 appropriated funding for this opportunity. This funding allows the Stakeholder Partnerships, Education and Communication (SPEC) organization within the IRS to provide grants to partner organizations to provide free federal tax return preparation to targeted segments of taxpayers. The targeted segments are low to moderate income taxpayers, persons with disabilities, persons with limited English proficiency, Native Americans, individuals living in rural areas, and the elderly. At least 90 percent of individuals receiving tax return preparation assistance must be low- to moderate-income taxpayers. Low- to moderate-income taxpayers are those whose income does not exceed the maximum threshold for Earned Income Tax Credit (EITC) for the tax year. For tax year 2021, this limit is \$57,414. VITA grant funds are prioritized and awarded to VITA programs that demonstrate assistance to targeted segments of taxpayers, mentioned earlier, including emphasis on taxpayer outreach and educational services relating to EITC eligibility and other tax benefits.

Additional information concerning this notice of funding opportunity can be found in **IRS Publication 4671, VITA Grant Program Overview and Application Instructions**, available on [irs.gov](https://www.irs.gov).

The existing VITA Program administered by the IRS originated with the Tax Reform Act of 1969 as part of the increased emphasis on taxpayer education programs. The growth and success of the VITA Program is attributed to a business model that leverages the resources of partners who are established in the community. The leveraging of partner resources began in 2000 with the reorganization of the IRS and the creation of the SPEC organization.

To ensure consistent treatment of taxpayers and accurate return preparation, the IRS established certain requirements for participation. Additional information, along with any forms mentioned, can be found in IRS Publication 1084, *IRS Volunteer Site Coordinator Handbook*. This publication along with any forms covered in the publication can be found at [irs.gov](https://www.irs.gov).

To be a VITA Grant recipient, participants must operate within the established guidelines and requirements of the VITA Program and section 7526A of the Internal Revenue Code.

B. Federal Award Information

IRS anticipates awarding a total of \$30 million in grants this year through this opportunity to non-federal entities. The amount of award depends on the applicant's reach and returns expected to be prepared by the program. The expected amounts of individual Federal awards range from \$5,000 to \$2,000,000. On average, \$93,000 was the funding per Federal award experienced in the previous year.

The **period of performance** for this grant is October 1, 2022 through September 30, 2023. Expect awards to be distributed to organizations providing services within the United States and Puerto Rico assuming eligible organizations submit applications by the due date and meet the established criteria. Awards may be given to both new and continuing programs.

All grant recipients will receive a multi-year award that can be continued for up to three total years. Although recipients

will not be subject to the technical evaluation for the second and third years of a multi-year award, the second and third years will be funded subject to satisfactory performance, compliance with program terms, and availability of appropriated funds. Multi-year recipients must submit an abbreviated application for the second and third years of the multi-year award.

C. Eligibility Information

1. Eligible Applicants – Applicants must already be classified as one of the following:

- A private or public non-profit organization that qualified for and received an IRS determination letter confirming the organization's tax exemption under section 501 of the Internal Revenue Code, including but not limited to credit unions and faith based and community organizations,
- A public, nonprofit, or proprietary (privately owned profit-making) college, university, vocational school, or other postsecondary educational institution located in the United States and Puerto Rico that has not been disqualified from participating in a student aid program administered by the U.S. Department of Education,
- A local government agency,
- A federally recognized Indian Tribal government, or
- A regional, statewide, or local coalition with one lead organization that meets one of the eligibility requirements noted above. The lead organization filing the application must have a substantive role in the coalition.

State government agencies and offices providing Cooperative Extension services (as established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914) are also eligible applicants when no other organizations classified above are available.

Note: Organizations that have applied for recognition as tax-exempt but have not received their IRS determination letter confirming the organization as exempt at the time of application are not eligible to apply for this grant. Section 501(c)(4) organizations may apply; however, if awarded a grant, federal law will prohibit your organization from lobbying. If you are a church, a determination letter is required to apply for this grant. If your organization is included as a subordinate in a group exemption ruling, include the official subordinate listing approved by the central organization.

2. Cost Sharing or Matching – This grant requires 100% cost sharing or matching of all federal funds awarded. For every federal dollar requested or awarded, the applicant must commit an equal amount. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, states that all contributions, including cash and third party in-kind, shall be accepted as part of the grantee's cost sharing or matching when such contributions:

- Are verifiable from the non-Federal entity's records;
- Are not included as contributions for any other Federal award;
- Are necessary and reasonable for accomplishment of project or program objectives;
- Are allowable under 2 CFR Part 200 Subpart E – Cost Principles;
- 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;
- Are provided for in the approved budget when required by the Federal awarding agency; and
- Conform to other provisions of 2 CFR Part 200, as applicable.

3. *Other* – In addition to 1 and 2 above, the following are part of eligibility consideration.

- Compliant with federal tax obligations – The organization applying must be tax compliant at time of application, prior to award, and must remain in compliance throughout the grant period with all federal tax obligations. This includes filing all required federal information and tax returns and payment of all federal tax, penalties, and interest.
- Compliant with other federal obligations – Organizations with federal nontax debt may not be awarded a grant depending on the circumstances surrounding the debt. We may require additional information to make a final decision if you describe a federal nontax debt in your grant application or if the System for Award Management (SAM) reports a federal nontax debt.
- Eligible to receive federal financial assistance – The organization must not be debarred or suspended from receiving federal financial assistance and must provide certification regarding debarment, suspension, and other responsibility matters as covered in the List of Assurances and Certifications section of the application.
- Compliant with audit requirements, when applicable – Audit requirements applicable to grant award recipients are described in 2 CFR 200.501. A non-federal entity that expends \$750,000 or more in Federal awards during its fiscal year is required to have a single audit conducted in accordance with 2 CFR 200.514. Organizations with other than unmodified opinion will be asked the actions taken to correct the identified concern.
- Submit required reports timely – If your organization received a VITA grant or Tax Counseling for the Elderly (TCE) grant in prior years, timely submission of required reports is a pre-requisite for consideration of future grant opportunities.
- Submission of Multiple Applications – Organizations can submit only one application per announcement (CFDA #) however there is no limit to an organization applying for more than one federal grant opportunity.

D. Application and Submission Information

1. *Address to Request Application Package* – The application package is available electronically on Grants.gov. Using the Search for Grant Opportunities feature, refine the search to CFDA Number 21.009 or funding opportunity number VITA-2023. Key to the VITA program is the electronic transmission of tax returns; an organization without the initial resources to obtain the application electronically is most likely not a good match.

2. *Content and Form of Application Submission* – IRS Publication 4671, *VITA Grant Program Overview and Application Instructions*, contains detailed instructions for application submission and required components. All applications must be submitted electronically through Grants.gov.

- a. Pre-application and letters of intent are not required or encouraged.
- b. The Narrative is limited to 55 pages, double spaced, Arial or Calibri font 12. The page limit does not include attachments; however, attachments should not be used to circumvent the narrative page limit.
- c. The application components for all **competitive** applicants are:
 - *Application for Federal Assistance, Standard Form 424*
 - *Confirmation of Non-Profit Eligibility or Postsecondary School Accreditation*
 - *Narrative -3 sections required: Program, Civil Rights, Financial Operations*
 - *Other attachments, if applicable*
 - *Form 13977, VITA Grant Budget Plan*
 - *Form 13978, Projected Operations, VITA Grant Application*
 - *Form 14335. Contact Information for VITA & TCE Grant Programs*
 - *Indirect Cost Rate Agreement, if applicable*
 - *Disclosure of Lobbying Activities, Standard Form LLL, if applicable*
- d. The application components for all non-competitive, continuing multi-year applicants are:
 - *Application for Federal Assistance, Standard Form 424*, select Continuation for Type - required

- *Narrative* - “Program Plan” and “Financial Operation” sections of the Narrative are required only to address significant changes from the prior submission’s description about the remaining years of the award.
- *Civil Rights Narrative* - required
- *Other attachments*, if applicable
- *Form 13977, VITA Grant Budget Plan* - required
- *Form 13978, Projected Operations, VITA Grant Application* - required
- *Form 14335, Contact Information for VITA & TCE Grant Programs*, if there are changes
- *Indirect Cost Rate Agreement*, if there are changes

e. Successful applicants receiving the award will not need to submit additional information prior to accepting the award and executing IRS Form 13981, *Grant Agreement*.

3. *Unique Entity Identifier (UEI) and System for Award Management (SAM)* – Each applicant must be registered in SAM at www.sam.gov before submitting its application, provide a unique entity identifier in its application, and continue to maintain an active SAM registration with current information at all times in which it has an active Federal award or an application or plan under consideration by a Federal awarding agency. The IRS cannot make this grant to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not fully complied with the requirements by the time the award is ready to be made, the IRS may determine that the applicant is not qualified to receive this grant and use that determination as a basis for awarding the grant to another applicant.

4. *Submission Dates and Times* – To be considered for an award, the application must be successfully submitted to Grants.gov by 11:59 p.m. eastern time on May 31, 2022. Applications not successfully submitted by this time will not be considered. Other methods of submission are not accepted. Proof of timely submission is automatically recorded by Grants.gov. An electronic time stamp is generated within the system when the application is successfully received by Grants.gov. The applicant will receive an acknowledgement of receipt and a tracking number from Grants.gov with the successful transmission of their application. Applicants should print this receipt and save it as proof of timely submission. When the Internal Revenue Service successfully retrieves the application from Grants.gov, Grants.gov will provide an electronic acknowledgment of receipt to the email address of the Authorized Organization Representative (AOR). Proof of timely submission shall be the date and time that Grants.gov receives your application.

5. *Intergovernmental Review* – Executive Order 12372, Intergovernmental Review of Federal Programs, was issued with the desire to foster the intergovernmental partnership and strengthen federalism by relying on state and local processes for the coordination and review of proposed federal financial assistance and direct federal development. The Order allows each state to designate an entity to perform this function. Visit <http://www.whitehouse.gov/omb/office-federal-financial-management> to determine if your state is participating. States that are not listed have chosen not to participate in the intergovernmental review process. If you are located within a state that has chosen not to participate, you may send application materials directly to a federal awarding agency.

6. *Funding Restrictions* –In general, expenses are only allowable if they are reasonable and are costs that would not have been incurred but for the VITA program. IRS Publication 4671 provides additional information by cost category along with an exhibit with the most common allowable and unallowable program expenses.

- a. Federal funds may not be used to pay for the activities of screening or return preparation. Non-federal funds may be used to pay these costs and can be used as match.
- b. Purchases of computers, printers or other technology with a cost of over \$1,000 require prior approval.
- c. Cost of food and beverages provided for volunteers at VITA sites is allowable if the purchase meets all OMB established criteria, is a direct cost, and does not exceed \$500 per applicant. Costs in conjunction with an event considered entertainment or social activity is not allowable.
- d. Construction costs are not allowable.
- e. Costs incurred outside the period of performance are not allowable.

7. *Other Submission Requirements* – Applications will only be accepted if submitted electronically through Grants.gov. Instructions for applying for a grant on Grants.gov are found at: <http://www.grants.gov/web/grants/applicants/apply-for-grants.html>. To download the grant application package under Step 1, search using **CFDA Number 21.009**. Once the package is downloaded and saved to your computer, it can be completed, submitted, and tracked following the instructions provided at the above URL address.

Applications may be downloaded prior to finishing the Grants.gov registration process; however, they may not be submitted until registration is complete. Grants.gov provides instructions for registering an organization at: <http://www.grants.gov/web/grants/applicants/organization-registration.html>. Depending on whether your organization already has a UEI or SAM registration, registration could take up to **4 weeks** to complete all steps. **START EARLY.**

Organizations applying must have a UEI, an active SAM registration that will not expire prior to successful submission, and active accounts within Grants.gov for the individual submitting and/or authorizing the submission. Applications must ensure they register the individual who is able to make legally binding commitments for the applicant organization as the Authorized Organization Representative (AOR). Approval of the AOR is done by the E-Business Point of Contact (E-Biz POC). When your organization registers with SAM, the assignment of the E-Biz POC is required. A special password is created called the “MPIN” (Marketing Partner Identification Number). This password gives the designated individual the sole authority to designate which staff members are allowed to submit applications electronically through Grants.gov. Organizations should review and confirm the E-Biz POC and contact information in SAM is accurate to prevent delay of Grants.gov application submission.

E. Application Review Information

1. *Criteria* – Competitive applications are reviewed for the following criteria in a technical evaluation. Applications must score 70% (140 points) or more in the technical evaluation to receive an evaluation by the SPEC Grant Program Office (GPO).

Technical Evaluation Criteria:

- a. *Experience with Low Income and/or Return Preparation – 0-64 points*
- b. *Strength of Program – 0-50 points*
- c. *VITA Target Audience – 0-38 points*
- d. *Ability to Partner or Collaborate with Multiple Organizations – 0-4 points*
- e. *Sustainability and Growth Strategy – 0-4 points*
- f. *Quality Control Process – 0-20 points*
- g. *Program Measures – 0-20 points*

2. *Review and Selection Process* – Parts of eligibility screening, technical review and GPO evaluation may occur simultaneously. **Technical reviews** are conducted by IRS field employees with extensive knowledge of the Volunteer Income Tax Assistance or Tax Counseling for the Elderly programs. **GPO evaluation** considers geographic dispersion of grants and risks posed by applicants.

- a. **Geographic Dispersion of Grants** – Considers applicant’s target audience and plans to provide service. Ensures funds are provided throughout all states, DC and Puerto Rico when eligible applicants are identified. To be eligible, organizations must meet eligibility requirements and score 140 or higher on the technical evaluation.
- b. **Budget Information Review** – Considers budget information including proposed budget, matching funds, appropriateness of funds sought for quantity of returns proposed and the level of outreach and educational activities and services related to financial education in connection with tax return preparation, reasonableness of expenses, and financial operations including the applicant’s ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.
- c. **Prior Year Grant Performance** – Considers delivery to plan, cooperation with requests for information and submission of required reporting. It also includes reports and findings from audits performed under 2 CFR 200 Subpart F – Audit Requirements and the reports and findings of any other available audits

- d. Eligibility requirements – Processing may occur simultaneously so GPO evaluation may occur prior to when final eligibility checks are completed. Eligibility requirements include review of OMB designated repositories of governmentwide data that contains information concerning IRS tax compliance, SAM registration, governmentwide suspension and debarment (2 CFR Part 180) and the non-public segment of the OMB-designated integrity and performance system accessible through SAM (currently the Federal Awardee Performance and Integrity Information System (FAPIS) found at <https://www.fapiis.gov/>).

Recommendations are made by the GPO through management. Final selections of grant recipients are made by the Director, Stakeholder Partnerships, Education and Communication.

3. *Integrity and Performance System* – Prior to making an award, the GPO is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM, currently the Federal Awardee Performance and Integrity Information System (FAPIS) found at <https://www.fapiis.gov>. At a minimum, the information in the system for a prior Federal award recipient must demonstrate a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, or procurement awards; and integrity and business ethics.

An applicant, at its option, may review information in FAPIS and comment on any information about itself that a Federal awarding agency previously entered and is currently in FAPIS. Any comments are input directly into FAPIS. The GPO will consider any comments by the applicant, in addition to the other information in FAPIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in 2 CFR 200.205.

4. *Anticipated Announcement and Federal Award Dates* – All awards (continuing multi-year and competitive awards) and non-awards are generally announced the first week of October. Organizations that do not meet eligibility requirements may be informed earlier.

F. Federal Award Administration Information

1. *Federal Award Notices* – Successful applicants will receive an email and grant agreement detailing the amount of funds awarded, match required, terms and conditions, and reporting requirements. The package will also include any questions, comments, or concerns noted on the budget or in the program plan, and for competitive applications, feedback from the technical review. Organizations have 20 calendar days to accept the award and provide requested information. Details on the information required to accept the award can be found at the following URL: <http://www.irs.gov/Individuals/VITA-Grant-Recipient>.

2. *Administrative and National Policy Requirements* – IRS Publication 4671 contains a section on assurances and certifications along with Appendix A, Exhibit 2, *List of Assurances and Certifications*, which were part of the national policy requirements agreed to during the application process. VITA and TCE grant recipients will also find additional information about the grant, reporting, and reviews in IRS Publication 4883, *Grant Programs Resource Guide*. It contains a sample of IRS Form 13981, *Grant Agreement*. The terms and conditions covering the administrative and national policy requirements, grant terms and conditions, and reporting requirements are available electronically in Publication 5247, *Volunteer Income Tax Assistance (VITA) Terms and Conditions*, located on irs.gov. In addition, organizations are required to sign IRS Form 13533, *VITA/TCE Partner Sponsor Agreement*, providing assurances that they will operate their VITA program within the program requirements and ensure that each volunteer has agreed to IRS Form 13615, *Volunteer Standards of Conduct Agreement – VITA/TCE Programs*. All forms and publications are available on [IRS.gov](http://irs.gov).

3. *Reporting* – Publication 5247 provides the reporting requirements along with the method and point of submission. Financial reports (Standard Form 425) are to be submitted electronically through the Payment Management System and within 90 days of project end date. The Cash Transaction Report is submitted quarterly. The Financial Status Report is submitted at the end of the performance period. Interim reporting is required periodically to inform IRS of key

personnel changes, sub-awards, related party transactions, matching funds documentation, and site changes. Final reporting is due December 30, 2021, following the end of the performance period and includes both program and financial reporting. Detailed information on the report components, method and point of submission are contained in IRS Publication 4883, *Grant Programs Resource Guide*, available on IRS.gov.

All applicants must certify to all assurances and certifications outlined in IRS Publication 4671 as part of their application. Grant recipients that have federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10 million for any period of time during the period of performance of the VITA award must complete all recipient integrity and performance reporting in the Federal Awardee Performance and Integrity Information System (FAPIS) required by Appendix XII of 2 CFR Part 200. The requirements are set forth as item IV in the Publication 5247, Terms and Conditions Addendum.

4. *OMB Guidance* – The Federal awarding agency will review and consider applications for funding pursuant to this notice of funding opportunity in accordance with the Office of Management and Budget’s grant award administrative requirements in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and other Federal regulations, including the following updates published on August 13, 2020 ([85 Fed. Reg. 49506](#)):

- Selecting recipients most likely to be successful in delivering results based on the program objectives through an objective process of evaluating Federal award applications (2 CFR 200.205),
- Prohibiting the purchase of certain telecommunication and video surveillance services or equipment in alignment with section 889 of the National Defense Authorization Act of 2019, P.L. 115-232 (2 CFR 200.216),
- Protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination (2 CFR 200.300, 200.303, 200.339, and 200.341),
- Providing a preference, to the extent practicable, to maximize use of goods, products, and materials produced in the United States (2 CFR 200.322), and
- Terminating agreements in whole or in part to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities (2 CFR 200.340).

G. Federal Awarding Agency Contacts

Interested applicants should review IRS Publication 4671 or consult the Frequently Asked Questions available on IRS.gov at <https://www.irs.gov/individuals/volunteer-income-tax-assistance-vita-grant-program-faqs>. For remaining questions, you may email Grant.Program.Office@irs.gov.

H. Other Information

The inside cover of IRS Publication 4671 provides URL and contact information for different aspects of grant management including Grants.gov and, System for Award Management, along with other IRS aides an applicant may find useful.