

LITC

LOW INCOME TAXPAYER CLINIC

Low Income Taxpayer Clinics ensure the fairness and integrity of the tax system by **educating low income taxpayers** about their rights and responsibilities, by **providing pro bono representation** to taxpayers in tax disputes with the IRS, by **conducting outreach and education** to **taxpayers who speak English as a second language**, and by **identifying and advocating** for issues that impact low income taxpayers.

2013 GRANT APPLICATION

Package and Guidelines



YOUR VOICE AT THE IRS

IMPORTANT CONTACT INFORMATION

LITC PROGRAM MANAGEMENT CONTACTS

Grant Program Office

Internal Revenue Service Office: 202-622-4711
Taxpayer Advocate Service Fax: 877-477-3520
LITC Program Office E-mail: LITCProgramOffice@irs.gov
Attention: Hours of Operation: 8:00 a.m. – 4:30 p.m. EST
TA:LITC Room 1034
1111 Constitution Ave., NW
Washington, DC 20224

LITC Grant Program on IRS.gov

<http://www.taxpayeradvocate.irs.gov/Tax-Professionals/Low-Income-Taxpayer-Clinics>

LITC Toolkit (password protected and only accessible by current grantees)

<http://www.litctoolkit.com/>

Dun and Bradstreet Data Universal Numbering Systems (DUNS) Number

<http://fedgov.dnb.com/webform>
866-705-5711

Central Contractor Registration (CCR)

<http://www.bpn.gov/ccr/>

On-line Grant Announcement and Application Submission

<http://www.grants.gov>

Department of Health and Human Services (HHS) Payment Management System

<http://www.dpm.psc.gov>

Current Poverty Guidelines

<http://aspe.hhs.gov/poverty/>

U.S. Bureau of the Census Term Definitions

<http://www.census.gov/cps/about/cpsdef.html>

Civil Rights Reporting

Director, Equity, Diversity, and Inclusion, Civil Rights Division
202-927-0180

Office of Management and Budget (OMB)

http://www.whitehouse.gov/omb/circulars_index-ffm

IRS CONTACTS

Taxpayer Advocate Service

<http://www.taxpayeradvocate.irs.gov>

IRS Tax Forms and Publications

<http://www.irs.gov/formspubs/index.html>



Smartphone
Interactive
Scan Here

Federal Tax Compliance Verification (Internal Revenue Service)

877-829-5500

IRS Tax Exempt Status Information

<http://www.irs.gov/charities/article/0,,id=156733,00.html>

General IRS Information

800-829-1040

Becoming an IRS Partner to Help in Your Community

<http://www.irs.gov/individuals/article/0,,id=119374,00.html>

IRS Office of Professional Responsibility

202-927-3397

UNITED STATES TAX COURT CONTACTS

Tax Court *Pro Bono* Program

<http://www.ustaxcourt.gov/clinics.htm>

How to Gain Admission to Practice Before the Tax Court

See Tax Court Rule 200, available at www.ustaxcourt.gov

Dear Prospective Low Income Taxpayer Clinic Grant Applicant:

I am pleased to announce the opening of the 2013 Low Income Taxpayer Clinic (LITC) grant application period, which runs through June 15, 2012. The Taxpayer Advocate Service (TAS) is committed to enhancing the LITC Program's quality and coverage.

We continue to improve the application, reporting, and administrative process for LITC grantees by incorporating many of the comments and suggestions we received from clinics and the Program Office staff.

Some of the specific improvements include:

- **Earlier Application Period** - We are releasing Publication 3319 earlier this year in an attempt to release award decisions earlier. Applicants will still have six weeks to complete applications, but the due date to submit them to the Program Office will now be June 15, 2012;
- **Use of IRC § 7430 Rate to Value Volunteer Representation Services** - LITC grantees receiving controversy funding may use the rate found in IRC § 7430 (as adjusted for inflation) to value certain donated services from qualified representatives. See section II.G.iii for more information.
- **Detailed Instructions for Completing Standard Form 425** - Line-by-line instructions for completing the *Standard Form 425, Federal Financial Report* are now included; and
- **LITC Toolkit** - The Program Office has launched a new LITC Toolkit website that consolidates various sources of information useful to clinics and provides program guidance as well as useful tools for serving low income and ESL taxpayers. The site is password protected and is accessible to LITC grantees only.

We are pleased that we have funded at least one clinic in all 50 states, the District of Columbia and Puerto Rico during the 2012 grant cycle. The Taxpayer Advocate Service remains committed to achieving maximum access to representation for low income taxpayers under the terms of this grant program. Thus, in awarding 2013 LITC grants, we will continue to work toward the following program goals:

- Ensuring that each state (plus the District of Columbia and Puerto Rico) continues to be served by at least one clinic; and
- Ensuring that grant recipients demonstrate that they are serving geographic areas that have sizable populations eligible for and requiring LITC services.

To better identify areas most in need of LITC services, the Program has again evaluated the areas serviced. Based on the findings of this assessment, we are particularly

interested in organizations that meet at least one of the following criteria: (1) organizations currently receiving a grant for the 2012 cycle, or (2) organizations servicing the following areas (whether or not they are receiving a grant for 2012):

Underserved Metropolitan Areas for Applications to Provide ESL or Controversy Services (New or Existing Clinics)

Los Angeles, California, including the following counties:
Los Angeles, Kern, Riverside, Ventura

Sacramento, California, including the following counties:
El Dorado, Placer, Sacramento, San Joaquin, Stanislaus

Philadelphia, Pennsylvania, including the following counties:
Berks, Delaware, Philadelphia

St. Louis, Missouri, including the following counties:
Cape Girardeau, Jefferson, St. Francois, St. Louis

Underserved States for Applications to Provide ESL or Controversy Services (New Clinics Only)

Alabama, Georgia, Montana, Nebraska

We also encourage existing clinics to consider expanding their services to cover these areas, where possible.

Although we are proud to be funding at least one clinic in each state, the District of Columbia and Puerto Rico, not all clinics offer both controversy services and outreach and education services to English as a second language (ESL) taxpayers. An overriding goal of the Taxpayer Advocate Service is to provide both types of services in each state, the District of Columbia and Puerto Rico. To that end, we are also interested in applications from clinics in target states that currently lack either controversy or ESL services. The chart below lists the states that are lacking and which type of service they need:

Underserved States for Applications to Provide ESL Services (New or Existing Clinics)

Colorado, Connecticut, Kentucky, Louisiana, Montana, New Mexico, South Dakota

Notwithstanding the criteria detailed above, all applications for clinics from all areas will receive serious consideration.

The LITC Program Office may award grants to qualifying organizations to fund one-year to three-year project periods. Any clinic currently receiving an LITC grant that does not expect to use all of its funds must contact the LITC Program Office immedi-

ately so that other clinics and taxpayers may benefit from those funds. Moreover, any clinic currently receiving a grant that does not intend to apply for a 2013 grant must notify the LITC Program Office immediately so we can solicit coverage of that service area by other applicants.

An organization awarded a grant for providing controversy services must have at least 90 percent of the taxpayers represented or referred with incomes that do not exceed 250 percent of the Federal Poverty Guidelines. The guidelines were recently updated on January 26, 2012 and can be found in section II.D.ii.a of this Publication.

This package contains current program guidelines, eligibility criteria, application materials, instructions on how to file an application, and detailed reporting requirements. The cost of preparing and submitting an application is the responsibility of each applicant.

To be considered for 2012 LITC Program grant funding, all applications must be submitted by **June 15, 2012**. Applications may be submitted either electronically via www.grants.gov or in hard copy by U.S.P.S. mail, private delivery service, or hand delivery to:

**Internal Revenue Service
Taxpayer Advocate Service - LITC Program Office
Attention: LITC Applications
TA:LITC, Room 1034
1111 Constitution Ave. NW
Washington, DC 20224**

The LITC Program Office will notify each applicant whether it will be awarded a grant no later than November 28, 2012.

If you have questions about the LITC Program or grant application process, please contact the LITC Program Office at 202-622-4711 or by e-mail at LITCProgramOffice@irs.gov.

I appreciate your interest in the LITC Program and look forward to working with the 2012 Low Income Taxpayer Clinic grantees to improve the fairness and quality of federal tax administration.

Sincerely,

A handwritten signature in black ink, appearing to read "Nina Olson", with a long horizontal flourish extending to the right.

Nina E. Olson
National Taxpayer Advocate

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Paperwork Reduction Act Notice:

This application package is provided for awards under the Low Income Taxpayer Clinic Grant Program. The information is requested from the applicants in order to determine their eligibility for an LITC grant and evaluate their grant proposals. Applicants are not required to respond to this collection of information unless it displays a currently valid OMB number. The estimated average burden associated with this collection of information is 60 hours per respondent for program sponsors and 2 hours for student and program participants. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the IRS, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave.NW, IR-6526, Washington, DC 20224. Do not send grant application forms to this address. Grant applications should be sent to: Internal Revenue Service, Taxpayer Advocate Service, LITC Program Office, TA:LITC, Room 1034, 1111 Constitution Ave., NW, Washington, DC 20224.

Catalog of Federal Domestic Assistance Number: 21.008 OMB Approval No.1545-1648

I INTRODUCTION

A Mission Statement

Low Income Taxpayer Clinics (LITCs) ensure the fairness and integrity of the tax system by educating low income taxpayers about their rights and responsibilities, by providing *pro bono* representation to taxpayers in tax disputes with the IRS, by conducting outreach and education to taxpayers who speak English as a second language (ESL), and by identifying and advocating for issues that impact low income taxpayers.

Important Dates for 2013 LTC Grantees	
Application period	May 1 – June 15, 2012
Program Office review and evaluation	June – October 2012
Notification of selection/non-selection	November 2012
LTC Grantee Conference	Early December 2012
Program period	January 1, 2013 – December 31, 2013
Interim report due	July 31, 2013
Year-End report due	March 31, 2014

B What is Included in Publication 3319?

Publication 3319 outlines requirements for operating a qualified Low Income Taxpayer Clinic under Internal Revenue Code (IRC) § 7526. This publication contains:

- i Eligibility requirements, including mandatory assurances and certifications;
- ii Standards of operation;
- iii Post-award requirements;
- iv Application forms and instructions; and
- v Reporting forms and instructions.

This publication, including the accompanying Appendices, should be retained for future reference.

C Contacting the Program Office

Potential applicants may direct questions concerning the LTC Program or the application process to the LTC Program Office via:

- ▶ E-mail: LITCProgramOffice@irs.gov;
- ▶ Phone: (202) 622-4711 (not a toll-free number); or
- ▶ Mail: Internal Revenue Service
Taxpayer Advocate Service
LITC Program Office
TA:LITC, Room 1034
1111 Constitution Ave., NW
Washington, DC 20224.

Current grantees should direct questions about reporting or program requirements directly to their assigned Advocacy Analyst.

D What's New

We continue to improve the application, reporting, and administrative process for LITC grantees by incorporating many of the comments and suggestions we received from clinics and the Program Office staff. Some of the changes to note in this year's Publication 3319 are:

- ▶ **Earlier Application Period** – The due date to submit an application for LITC funding for grant year 2013 is June 15, 2012. Consequently, Publication 3319 is being issued earlier this year to allow applicants up to six weeks to complete and submit applications.
- ▶ **Use of IRC § 7430 Rate to Value Volunteer Representation Services** – LITC grantees receiving controversy funding may use the rate found in IRC § 7430 (as adjusted for inflation) to value certain donated services from qualified representatives.
- ▶ **Additional Guidance on Determining Income Eligibility** – This publication now contains additional guidance to help grantees operating a controversy program determine and document a taxpayer's income eligibility for services.
- ▶ **Detailed Instructions for Completing *Standard Form 425*** – Line-by-line instructions for completing SF 425, Federal Financial Report are now included.
- ▶ **LITC Toolkit** – The Program Office has launched a new LITC Toolkit website that consolidates various sources of information useful to clinics and provides program guidance as well as useful tools for serving low income and ESL taxpayers. The site is password protected and is accessible to LITC grantees only.
- ▶ **Consultations Not Subject to Income Eligibility Requirements** – This publication now clearly states that the income eligibility requirement applies only to representation in controversy cases and does apply to consultations or other activities.

- ▶ **New Reporting Forms** – In addition to the necessary application forms, Appendix C to this publication contains all required forms for the Interim and Year-End Reporting requirements. Electronic versions of the forms are available in fillable format on www.irs.gov and at the LITC Toolkit website, www.litctoolkit.com.

The LITC Program Office will be making additional policy changes in the 2014 grant year. LITCs planning on applying for a 2014 grant should be aware that the following will be required beginning in 2014:

- ▶ **Mandatory Use of www.grants.gov** – Beginning with the 2014 grant year, the use of www.grants.gov to submit applications will be mandatory for LITC grant applicants. The use of www.grants.gov to submit applications for the 2013 grant year is optional but strongly encouraged.
- ▶ **A Qualified Tax Expert (QTE) Must be Qualified Representative** – Currently, an individual who can demonstrate tax expertise because of a related academic degree, documented experience, or Continuing Professional Education credits may be a QTE. Beginning in the 2014 grant year, a QTE must be an attorney, CPA, or enrolled agent currently authorized to practice before the IRS.

E LITC Program Overview

i History of the LITC Program

As part of the Internal Revenue Service (IRS) Restructuring and Reform Act of 1998, Congress authorized funding for the LITC grant program. The program is designed to provide access to representation for low income taxpayers, so that achieving a correct outcome in an IRS dispute does not depend on the taxpayer's ability to pay for representation, and to encourage the creation of programs to inform individuals for whom English is a second language about their rights and responsibilities as taxpayers.

The IRS created the LITC Program Office in 1999 to provide oversight, guidance, and assistance to LITC grantees and prospective applicants. In 2003, the LITC Program Office was transferred from the IRS Wage and Investment (W&I) operating division to the Taxpayer Advocate Service (TAS). The Director of the LITC Program Office reports directly to the National Taxpayer Advocate.

The IRS is authorized to award grants to provide matching funds for the development, expansion, or continuation of qualified LITCs. In 1999, grants were awarded to 34 clinics. As of 2012, there are 155 clinics funded through the LITC Program, with at least one in each of the 50 states, the District of Columbia and Puerto Rico.

ii Overview of IRC § 7526

IRC Section 7526 authorizes the Secretary of the Treasury to award matching

grants of up to \$100,000 per year to qualifying organizations that represent low income taxpayers involved in controversies with the IRS or conduct outreach and education to ESL taxpayers. Educating low income individuals about their rights and responsibilities as taxpayers is an integral part of these activities.

Low income status is determined by reference to the Federal Poverty Guidelines, which are updated annually (usually in late January) by the Department of Health and Human Services (HHS). The current LITC Income Guidelines can be found in section II.D.ii.a, *Poverty Guidelines*, of this publication.

Grant awards may cover periods of up to three years duration. Funding is provided for one-year periods, subject to the availability of annually appropriated funds. The grant year begins on January 1 and ends on December 31. With respect to multi-year grant awards, the second and third years will be funded subject to satisfactory performance, compliance with grant terms, and availability of appropriated funds. All grant funds awarded to a grantee must be used for the LITC program specifically authorized in the notice of grant award.

The text of IRC § 7526 is reprinted in full below:

§ 7526. Low-income taxpayer clinics.

(a) In general. The Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of qualified low-income taxpayer clinics.

(b) Definitions. For purposes of this section—

(1) Qualified low-income taxpayer clinic.

(A) In general. The term “qualified low-income taxpayer clinic” means a clinic that—

(i) does not charge more than a nominal fee for its services (except for reimbursement of actual costs incurred); and

(ii) (I) represents low-income taxpayers in controversies with the Internal Revenue Service; or

(II) operates programs to inform individuals for whom English is a second language about their rights and responsibilities under this title.

(B) Representation of low-income taxpayers. A clinic meets the requirements of subparagraph (A)(ii)(I) if—

(i) at least 90 percent of the taxpayers represented by the clinic have incomes which do not exceed 250 percent of the poverty level, as determined in accordance with criteria established by the Director of the Office of Management and Budget; and

(ii) the amount in controversy for any taxable year generally does not exceed the amount specified in section 7463

(2) Clinic. The term “clinic” includes—

(A) a clinical program at an accredited law, business, or accounting school in which students represent low-income taxpayers in controversies arising under this title; and

(B) an organization described in section 501(c) and exempt from tax under section 501(a) which satisfies the requirements of paragraph (1) through representation of taxpayers or referral of taxpayers to qualified representatives.

(3) Qualified representative. The term “qualified representative” means any individual (whether or not an attorney) who is authorized to practice before the Internal Revenue Service or the applicable court.

(c) Special rules and limitations.

(1) Aggregate limitation. Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than \$ 6,000,000 per year (exclusive of costs of administering the program) to grants under this section.

(2) Limitation on annual grants to a clinic. The aggregate amount of grants which may be made under this section to a clinic for a year shall not exceed \$ 100,000.

(3) Multi-year grants. Upon application of a qualified low-income taxpayer clinic, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

(4) Criteria for awards. In determining whether to make a grant under this section, the Secretary shall consider—

(A) the numbers of taxpayers who will be served by the clinic, including the number of taxpayers in the geographical area for whom English is a second language;

(B) the existence of other low-income taxpayer clinics serving the same population;

(C) the quality of the program offered by the low-income taxpayer clinic, including the qualifications of its administrators and qualified representatives, and its record, if any, in providing service to low-income taxpayers; and

(D) alternative funding sources available to the clinic, including amounts received from other grants and contributions, and the endowment and resources of the institution sponsoring the clinic.

(5) Requirement of matching funds. A low-income taxpayer clinic must provide matching funds on a dollar-for-dollar basis for all grants provided under this section. Matching funds may include—

(A) the salary (including fringe benefits) of individuals performing services for the clinic; and

(B) the cost of equipment used in the clinic.

Indirect expenses, including general overhead of the institution sponsoring the clinic, shall not be counted as matching funds.

II APPLYING FOR A GRANT

A Administrative / Eligibility Requirements

To receive an LITC grant, an organization must be a qualified clinic that represents low income individual taxpayers in controversies with the IRS or operates programs to inform ESL taxpayers about their rights and responsibilities as U.S. taxpayers. Additionally, qualified clinics must offer services for free or for no more than a nominal fee.

A clinic may provide qualifying LITC services within a broader spectrum of activity. A clinic may provide representation in nontax matters as well as representation in tax matters as long as LITC grant funds are used only to support the representation in tax matters.

A clinic may not make a subgrant of LITC grant funds to another organization. A subgrant is a payment to carry out a controversy or ESL program as compared to a payment for providing goods and services to the grantee. For example, a clinic may not pay another organization to prepare and conduct its ESL educational activities, although the clinic could pay a firm to translate its educational materials into another language.

NOTE: *At the time this publication is being issued, federal law prohibits the award of grant funds to the Association of Community Organizations for Reform Now (ACORN) or any of its affiliates, subsidiaries, or allied organizations. This prohibition may be lifted by fiscal year 2013 appropriations. Contact the Program Office for up-to-date information about this prohibition.*

i Core Term Definitions

The term **“clinic”** includes, but is not limited to:

- ▶ A clinical program at an accredited law, business or accounting school in which students represent low income taxpayers in controversies with the IRS;
- ▶ An organization that operates programs to inform ESL taxpayers about their rights and responsibilities as U.S. taxpayers; and
- ▶ An organization described in IRC § 501(c) and exempt from tax under IRC § 501(a) that either directly represents taxpayers or refers taxpayers to qualified representatives.

A **“taxpayer”** eligible for assistance from a clinic is an individual rather than an entity. However, if the individual is a sole proprietor and the sole proprietorship has a tax controversy (e.g., employment tax, excise tax), a clinic may provide assistance with the tax controversy, as the individual is the taxpayer responsible for the tax liability. Similarly, if an individual is the sole shareholder in an S corporation or a

limited liability company and the entity has a tax controversy which impacts the individual's income tax liability, the clinic may provide assistance.

A **"controversy"** is a dispute between a taxpayer and the IRS concerning the determination, collection, or refund of any tax, additions to tax, additional amounts, penalties, or interest.

To **"represent"** a taxpayer in a controversy means to act as an agent of the taxpayer in an advocacy capacity in a matter before the IRS, the United States Tax Court, another federal court, or before a state or local tax authority when the clinic is representing the taxpayer in a related federal controversy.

A **"consultation"** is a discussion with a taxpayer designed to provide advice or counsel about a specific tax matter that does not result in representation of the taxpayer.

A **"program to inform"** is one in which the clinic educates ESL taxpayers about their rights and responsibilities as U.S. taxpayers. Education activities may be conducted to a group of taxpayers or through an individual consultation.

The **"referral"** activity for which grant funds may be spent is the referral of low income taxpayers to a *pro bono* panel.

A **"pro bono panel"** consists of qualified representatives who do not charge for representing low income taxpayers.

A **"qualified representative"** is an individual who is authorized to practice before the IRS (e.g., attorney, certified public accountant, enrolled agent) or applicable court. All controversy programs must have a staff member who is authorized to represent taxpayers before the IRS. In addition, all controversy programs must have a staff member or a *pro bono* panel member who is admitted to practice before the United States Tax Court to handle litigation matters. All ESL programs must maintain a *pro bono* panel or have an arrangement with an LITC that provides representation services to which taxpayers with controversy matters can be referred. See Tax Court Rule 200, available at www.ustaxcourt.gov for information about gaining admission to practice before the Tax Court.

ii Matching Funds

The LITC Program is a matching grant program. All grantees must provide matching funds on a dollar-for-dollar basis for all federal funds received from the LITC Program. Only funds that are used in support of the LITC Program qualify as matching funds.

The Uniform Administrative Requirement for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-profit Organizations, 2 CFR Part 215 (formerly OMB Circular A-110), provides 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 grantee's records;
- ▶ Are not included as contributions for any other federally assisted project or program;
- ▶ Are necessary and reasonable for proper and efficient accomplishment of project or program objectives;
- ▶ Are allowable under the applicable cost principles;
- ▶ Are not paid by the federal government under another award, except where authorized by the federal statute to be used for cost sharing or matching;
- ▶ Are provided for in the approved budget when required by the federal awarding agency; and
- ▶ Conform to other provisions of 2 CFR Part 215, when applicable.

NOTE: *Grant funds received from the Legal Services Corporation are not considered funds from a federally assisted project or program.*

For more detailed information regarding the matching funds requirement, see section II.G, *Matching Funds Requirement*.

iii Start-up Expenses

Start-up operations qualify for grant funding. A clinic may be awarded an LTC grant although it anticipates that it will not begin serving taxpayers until after the close of the grant year for which the grant is awarded. Such applicants still must satisfy the statutory matching funds requirement during the year covered by the grant and must meet all reporting requirements to provide information on the status of the start-up. In addition, LTC grants to these applicants will be conditioned on the conduct of qualifying activities during the immediately succeeding grant year; however, grant funds for the immediately succeeding grant year are not guaranteed to be awarded.

iv Fees

IRC § 7526 provides that a clinic must not charge more than a nominal fee for clinic services, in addition to reimbursement of actual costs incurred (e.g., photocopying and court costs). If a clinic is charging a fee, the clinic must charge that same fee to everyone, regardless of the services being sought. **Remember: The goal of the LTC Program is to enhance access to legal services for low income taxpayers. If the amount that a clinic charges results in fewer**

taxpayers served, the goal of the Program is not being achieved and that amount is not nominal.

NOTE: *A clinic may not charge a separate or additional fee (even if it is nominal) for the preparation of a tax return (except for reimbursement of actual costs incurred, e.g., photocopying).*

B Notice of Grant Award

The LITC Program Office will issue a notice to each applicant selected to receive a grant award. The notice of grant award states the amount of funding awarded, the term of the grant, and incorporates by reference the requirements specified in this publication. **All funding will be based on the availability of annually appropriated funds.**

NOTE: *Any clinic currently receiving an LITC grant that does not expect to use all of its funds must contact the LITC Program Office immediately (but no later than September 10, 2013). The LITC Program Office must reobligate the funds on or before September 30, the end of the federal government's fiscal year.*

i Single-year Grants

All applicants may apply for a single-year grant. New clinics are only eligible for a single year of grant funding; experienced clinics are encouraged to apply for multi-year grants.

ii Multi-year Grants

The LITC Program may award grants for up to a three-year period to clinics evaluated under the award process. Awarding of multi-year grants is at the discretion of the LITC Program Office. Thus, applicants that apply for a multi-year grant may be awarded a single-year grant. Clinics awarded multi-year grant based on acceptance of their program performance plans will be permitted to submit an abbreviated application for the second and third year selection and award process. However, multi-year awardees will be reviewed annually for satisfactory performance and progress in meeting goals and objectives as well as compliance with grant terms. The funding level for subsequent years will be reviewed annually and may be increased or decreased at the discretion of the LITC Program Office, and is subject to the availability of funds annually appropriated for the LITC Program.

iii Termination of a Grant

IRC § 7526 does not require the IRS to provide grant recipients an opportunity for hearing or appeal. Although the LITC program generally adheres to 2 CFR Part 215 (formerly Circular A-110), the provision in 2 CFR § 215.62(b) regarding hearings

and appeals does not apply to LITC grant recipients. 2 CFR Part 215 requires only that an awarding agency provide grant recipients with an opportunity for a hearing, appeal, or other administrative proceeding if the statute or regulation authorizing the particular grant program provides for one.

Therefore, the necessity for renegotiation, suspension, or termination of a grant agreement will be determined solely by the IRS and will not be subject to appeal. Terminations of grant agreements shall be handled in accordance with 2 CFR Part 215.

C Standards of Operation for All Clinics

The LITC Program Office has developed baseline standards of operation for LITC grant recipients. The standards ensure that all LITCs provide consistent and quality service to low income and ESL taxpayers. Performance measures have been integrated throughout these standards. All LITCs are responsible for complying with the following requirements.

i Required Staff Positions

Qualified Tax Expert (QTE) – The QTE is an individual with sufficient tax law expertise to oversee technical substantive tax matters. In general, the QTE must be an attorney, CPA, or enrolled agent currently authorized to practice before the IRS. However, consideration may be given to an applicant who can demonstrate tax expertise because of a related academic degree, documented experience, or Continuing Professional Education credits. Controversy clinics are required to have a QTE on staff. ESL clinics are not required to have a QTE on staff; however the QTE must be identified in the grant application and available to review all educational materials for accuracy before distribution.

NOTE: *Beginning in the 2014 grant year, a QTE must be attorney, CPA, or enrolled agent currently authorized to practice before the IRS.*

Qualified Business Administrator (QBA) – The QBA is a staff member with sufficient business administration expertise to oversee the clinic's business operations. If a department, as opposed to a single individual, fulfills this requirement, please provide detail about the staff member who oversees the department. The QBA must demonstrate education or experience with business or program administration, such as, but not limited to, internal controls; management of federal, state or local grant funding; budget administration and procurement; or the equivalent.

Clinic Director – The Clinic Director is the staff member who has overall management responsibility for the clinic. The Clinic Director may also be the QTE or QBA, if qualified. The Clinic Director manages day-to-day clinic operations, prepares or reviews the required clinic reports, and signs reports as the clinic's authorized repre-

sentative. The Clinic Director serves as the primary contact person for both the LITC Program Office and the Local Taxpayer Advocate's office.

ii General Requirements

► Confidentiality

Tax professionals have ethical requirements to maintain client confidentiality. See, for example, American Bar Association Model Rule of Professional Responsibility 1.6 and IRC §7525. Subject to certain exceptions, a grantee shall not disclose information relating to the representation of a client unless the client gives informed consent. Only those who have a "need to know" to effect a resolution of the controversy should be allowed access to taxpayer information.

► Training Materials

Client information must be removed from materials before being used for training. This includes deletion of names, addresses, taxpayer identification numbers and any other information that could reasonably lead to identification of the client.

► Media Requests

If a news reporter approaches clinic personnel to prepare a story about a taxpayer served by the clinic, clinic personnel cannot provide details about any particular taxpayer's case; a newspaper or other media reporter does not have a "need to know" taxpayer information.

If a client approaches clinic personnel and asks the clinic to participate in a news article, the clinic must obtain a written waiver for the disclosure of the client's taxpayer information and be confident that the client fully understands the possible ramifications that could occur from disclosing taxpayer information.

In terms of a client discussing with the media the particulars of his or her case, there is nothing in the LITC Program Guidelines that would prohibit such an interview. However, this is an area in which clinics should proceed cautiously. Although a publicized interview may be an effective way to advertise the clinic's services, this goal cannot outweigh the best interests of the client.

By suggesting a potential interview to a client, the client may misunderstand and think the clinic is encouraging him or her to participate in the interview or that he or she is under an obligation to participate as a way of recompensing the clinic for the services provided. Clinic staff should communicate to the client explicitly that he or she is under no obligation to be interviewed. Make sure the client fully understands the possible ramifications that could occur from disclosing personal information to a reporter. The client may be dealing with other non-tax issues (e.g., custody or support battles, other creditors, immigration) that could be brought to light as a result of the media coverage.

In summary, any time a clinic receives a request from the media for an article about a client, **clinic staff must act, first and foremost, in the best interests of the client.** If the client chooses to participate in the interview, suggest to the client that he or she make it a condition of the interview that the story be produced without photos and names.

► **Restrictions on Disclosure or Use of Taxpayer Information**

While generally a grantee, its employees, and volunteers are not treated as tax return preparers for purposes of preparer penalties, the Treasury Regulations under IRC § 7216 define “tax return preparer” more broadly and generally prohibit a grantee, its employees, and volunteers from disclosing or using a taxpayer’s return information except when the tax return preparer has obtained prior written consent from the taxpayer in a manner that complies with the procedures set forth in the regulations and other guidance issued by the IRS. See generally 26 CFR § 301.7216-2. The regulations authorize disclosure or use without consent only in very limited situations. These situations include disclosures made pursuant to an order of a court or a federal or state agency, and uses for purposes of preparation or audit of state or local tax returns. For unauthorized disclosure or use, IRC § 7216 imposes a sanction of up to one year in prison or a \$1,000 fine, or both. In addition, IRC § 6713 imposes a civil penalty of \$250 for each disclosure or use, up to \$10,000 per calendar year.

► **Files and Records Security**

Clinics must keep taxpayer information in a secure location. Before clinic employees or volunteers leave the office each day, they must make sure that taxpayer information is stored in a locked area. If it is necessary to take taxpayer information out of the office, it should be safeguarded at all times.

► **Outreach**

Grantees are responsible for developing an outreach plan to effectively publicize the LITC Program to low income taxpayers and ESL taxpayers. Outreach activities are efforts designed to provide information about the clinic and its services directly to targeted taxpayers or indirectly through other organizations or groups that serve the targeted taxpayers. ESL programs should identify targeted linguistic populations; controversy programs may target low income taxpayers in a geographic area or a specific segment of the low income taxpayer community. Outreach plans should be completed in advance of the start of the period during which representation and other assistance will be offered. To help ensure taxpayers have convenient access to low-cost representation, clinics are strongly encouraged to provide a toll-free number.

Brochures, flyers, or other clinic information distributed in IRS offices must contain language to indicate the following two key principles: (1) Although the clinic receives funding from the IRS, the clinic, its employees, and volunteers are not af-

filiated with the IRS, and (2) A taxpayer's decision to utilize services from an LITC will not affect the taxpayer's rights before the IRS.

NOTE: *Such disclaimers need not be worded exactly as above, but must convey these principles.*

Publicity materials and announcements to advertise the services provided by an LITC must focus on core services: representation in controversy cases or education of ESL or low income taxpayers. Although LITCs may prepare tax returns and claims for refund in two limited contexts (if related to a controversy or an ancillary part of an ESL program discussed in sections II.D.iv and II.E.iii, *Preparing Tax Returns and ITIN Applications*, of this publication, respectively), publicity materials and announcements to advertise the services provided by an LITC *must state that the clinic does not generally provide tax return preparation services.*

LITCs should also implement a process that tracks how taxpayers seeking services learn about the program and the services offered. For example this information could be obtained on the intake or screening form completed by low income taxpayers requesting controversy representation. For ESL education activities, the clinic could request that attendees indicate on a sign-in sheet how they learned about the seminar. The sign-in sheet also allows the clinic to keep track of the number of attendees served, without requiring individual names or signatures.

► **Networking**

LITCs should develop and maintain relationships with other community-based organizations that serve low income and ESL individuals and families. In the application, the LITC must identify networks within the community or organizations with which it can work to reach its target audience.

► **Mentoring**

Mentors and other sources of technical assistance should be available for clinic staff and volunteers. The LITC Program Office may ask experienced LITCs to informally assist less experienced clinics with operational inquiries and technical matters or issues. All clinics are encouraged to identify best practices and submit them to the LITC Program Office for sharing with other clinics to improve the overall quality of the LITC Program. We encourage clinics to make contact with other clinics to discuss common issues and strategies for providing services to low income taxpayers and ESL taxpayers. In addition, clinics will report technical assistance consultations provided. A technical assistance consultation is a discussion with a tax practitioner or other service provider designed to give brief advice about a tax issue.

► **Systemic Advocacy**

One of the stated purposes of the LITC mission is to identify and advocate for issues that impact low income taxpayers. LITCs may achieve this goal through a variety of methods, including but not limited to: participating in advocacy projects with professional organizations, commenting on proposed IRS regulations and guidance, authoring articles or publications, appearing on television or radio, producing public service announcements, or submitting suggestions to the Systemic Advocacy Management System (SAMS), available at www.irs.gov/advocate/article/0,,id=117703,00.html. The use of grant funds to perform certain lobbying efforts may be limited in regard to legislation or potential legislation. See section II.J.iv, *Assurance of Compliance with Lobbying Restrictions*.

► **Qualified Volunteers**

Each LITC will develop a written application process or volunteer position description to determine qualifications of volunteers, such as training, educational background, and other qualifications relevant to the services offered by the clinic.

► **Referral Services**

To expand clinic coverage, LITCs may refer taxpayers with tax controversies to a *pro bono* panel of qualified representatives who have agreed to provide free representation or other assistance to taxpayers. Clinics may refer taxpayers only to individuals authorized to practice before the IRS. ESL programs must maintain a *pro bono* panel to refer taxpayers for controversy representation. Clinics may have their own referral panel, a relationship with an existing referral panel, or both.

LITCs are expected to have adequate procedures and a monitoring system in place to ensure such referrals are handled expeditiously and that the actual representation by individuals is, in fact, *pro bono*. *Pro bono* representatives may not charge *any* fees for services (other than reimbursement of expenses such as photocopying and court filing fees).

An LITC may only refer cases to other *pro bono* organizations, including a panel maintained by a state bar association or a state or local society of accountants. Even if a taxpayer does not meet the LITC's eligibility requirements, an LITC cannot refer the taxpayer to a representative who charges a fee; instead, an LITC should refer such a taxpayer to a state bar association; a state or local society of accountants or enrolled agents; or another tax professional association that provides *pro bono* or nominal fee referrals. If that *pro bono* organization ends up referring the taxpayer to a representative who charges more than a nominal fee, the LITC has still made an appropriate referral.

Generally, no person associated with the clinic should provide representation in a declined case. Additionally, no one employed by the clinic or who serves as a volunteer should continue providing representation for a fee in an accepted case

or represent a clinic client in a subsequent, separate matter on a fee-for-service basis. For example, an LITC holds an ESL educational activity where an accountant who is the QTE for the clinic serves as a speaker. An ESL taxpayer who attended the outreach session later seeks to engage the accountant on a fee-for-service basis. Although the ESL taxpayer did not approach the LITC for representation, the accountant must decline to represent the ESL taxpayer unless the accountant is willing to represent the ESL taxpayer on a *pro bono* basis.

► **Pro Bono Panel**

Controversy clinics are encouraged to maintain a *pro bono* referral panel to which they may refer individuals with federal tax controversies. A clinic can also refer taxpayers to another LITC; however, controversy funding will not be awarded to an organization that is solely making referrals to another LITC.

ESL clinics are required to maintain a *pro bono* referral panel to which they may refer individuals with federal tax controversies. An ESL clinic can also refer taxpayers to a controversy clinic.

Examples of *pro bono* panels to which taxpayers may be referred include:

- A panel of qualified representatives maintained by the clinic to whom the clinic refers matters and who agrees to provide *pro bono* representation to low income taxpayers;
- A panel maintained by a state bar association that makes referrals, for free or for a nominal fee, to qualified representatives who have agreed to provide *pro bono* representation; and
- A panel maintained by a state or local society of accountants that makes referrals, for free or for a nominal fee, to qualified representatives who have agreed to provide *pro bono* assistance to taxpayers.

► **Continuing Professional Education (CPE)**

Each clinic must provide quality training to the clinic staff, volunteers, and other program participants to increase knowledge and skills necessary to effectively deliver the services for which the clinic is funded. The QTE will be required to ensure and document that the LITC staff, volunteers, and other program participants receive appropriate training to enhance skills. The QTE, QBA, and Clinic Director are encouraged to attend CPE programs run by the IRS and professional organizations.

► **Tax Library**

LITCs must have access to an adequate tax library and research materials including the current version of the Internal Revenue Code and related Treasury Regulations in hard copy or electronic format.

► **Annual LITC Conference**

All clinics must attend the annual LITC conference. The cost of attending the LITC Conference (e.g., transportation, hotel) is an allowable expense under the grant and should be included in an applicant's budget.

The Clinic Director is required to attend the annual LITC conference in its entirety. If the Clinic Director is not the QTE, we encourage both to attend the annual conference. If a clinic wishes to send more than two staff members to the conference, the clinic must submit a written request to the Director of the LITC Program Office no later than two weeks in advance of the conference. Please note, however, that clinics cannot use LITC grant funds or matching funds for more than two attendees, except with respect to new clinics described below.

A request by a Clinic Director to be excused from attending all or part of the annual LITC conference must be submitted in writing to the Director of the LITC Program Office no later than two weeks prior to the first day of the conference. The request should identify the critical reason for the exception request, and the name, title, and duties of any other clinic staff member who will attend the annual conference in place of the Director.

▪ **For New Clinics**

In addition to the Clinic Director, the QBA must attend a mandatory conference call that will be held prior to the annual LITC Conference. That individual is not required to attend the conference (unless he or she is also the Clinic Director), but may choose to attend.

► **Internal Controls**

LITCs must create written procedures explaining the process for approving expenditures from grant funds to ensure compliance with the applicable cost rules and to safeguard assets. The procedures should address which individuals have approval authority, when written approval is required, and what documentation must be submitted for an expense to be approved by the approving official. The approval process may differ based on size and type of expense.

LITCs must have written procedures to track the clinic's fixed assets and tangible personal property.

► **Recordkeeping**

LITCs must maintain both adequate client records and adequate financial records. **Client records must be kept in a secure location (e.g., a locking file cabinet or password-protected electronic files).** Retention policies for client records must comply with all applicable IRS and state record retention requirements. State bars and other professional licensing organizations may apply additional recordkeeping requirements for case files.

Clinic records should be sufficiently detailed to substantiate a claim for an attorneys' fee award. In certain situations, attorneys' fees (including fees for *pro bono* services) may be awarded in a judgment or settlement of an administrative or judicial proceeding concerning the determination, collection, or refund of tax, interest, or penalty. See IRC § 7430. Thus, a clinic doing controversy work should keep detailed contemporaneous records so that if the situation arises, the clinic has adequate records to support an award for attorneys' fees. Records should include all time spent by employees, volunteers, and students of the clinic. The records should describe what work was performed by each individual, the position of the individual (e.g., paralegal, attorney, volunteer, student), and the amount of time spent on each task. The services provided by the clinic should be described in sufficient detail to enable the IRS and the court to assess the reasonableness of the amount of time expended in relation to the service performed and to identify duplicated efforts by multiple clinic personnel. The services can be identified using classifications such as initial client interview; research (issue described); pertinent facts gathering (describe information sought); preparation of court document; preparation of letter (identify recipient and subject matter); analysis of records (identify records); consultation with third-party (describe relevance to case); and telephone conversations (identify the parties and the subject matter).

Federal award recipients must maintain financial records and supporting documents to substantiate compliance with grant requirements. Generally, such records must be maintained for a period of three years from the date of submission of the Year-End Report. See 2 CFR § 215.53(b).

► **Case Management Systems**

A case management system can be used to capture intake information, calculate client financial eligibility, track case status and outcomes, input case notes, maintain timekeeping records, record outreach and educational activities, and generate data for Interim and Year-End reports. Clinics are strongly encouraged to use professional case management software to maintain client files. A clinic may use grant funds to acquire case management software to efficiently track and report its program activities.

► **Recommended Back-up File System**

A clinic should have an offsite back-up file system in place for information stored on its computers. This is good business practice and enables resumption of business in case of disaster or other work stoppage. LTC funds may be used to purchase and develop a back-up file system.

► Tax Compliance

A clinic must be in full compliance with its federal tax responsibilities when applying for an LITC grant and also throughout the grant year. To facilitate the resolution of any potential tax compliance issues, we strongly encourage each clinic that is part of a larger organization (e.g., a university) to submit with its application package a completed *Tax Information Authorization Form* (Form 13424-I) so that the LITC Program Office may contact the Clinic Director directly without violating IRC § 6103. For those clinics that are part of a larger organization, the absence of a completed form may require additional time to resolve any potential tax compliance issues and could result in a delay in the receipt of grant funds.

iii Name or Organizational Status Changes

Requests to approve name or organizational status changes must be submitted in writing to the LITC Program Office in advance of the effective dates of proposed changes with sufficient time to afford program evaluation and legal review.

D Standards of Operation for Controversy Clinics

i Controversy Representation

Controversy clinics represent low income taxpayers in tax controversies with the IRS or state and local tax authorities when the clinic is representing the taxpayer in a related federal matter. The representation may take place at any stage, including, but not limited to:

- Accounts Management;
- Exam;
- Collection;
- Appeals; or
- Litigation.

NOTE: *Controversy clinics are required to have a QTE on staff. Funding will not be released until the QTE has been designated and is on staff.*

ii 90/250 Requirement

A low income taxpayer is an individual whose income does not exceed 250 percent of the Federal Poverty Guidelines published annually by the Department of Health and Human Services (HHS). At least 90 percent of taxpayers represented must have incomes, as defined below, that do not exceed 250 percent of the Federal Poverty Guidelines.

A clinic must use the LITC Program's poverty guidelines to determine whether an individual seeking representation is a low income taxpayer for purposes of LITC Program funding. A clinic must determine whether a taxpayer satisfies the income requirement based on current income information. The taxpayer must provide this information on an intake form (or similar form) at the time the taxpayer seeks the clinic's assistance. Changes in financial status during representation do not disqualify clients from continuing to receive clinic representation.

The 90/250 income requirement applies only to taxpayers represented in controversy cases and does not apply to consultations or other LITC activities. Representation of a taxpayer in a controversy means to act as an agent of the taxpayer in an advocacy capacity in a matter before the IRS, the United States Tax Court, another federal court, or before a state or local tax authority when the clinic is representing the taxpayer in a related federal controversy.

A clinic must maintain records of the total number of taxpayers represented in controversies with the IRS and the number of taxpayers represented in controversies with the IRS who have incomes that do not exceed 250 percent of the Federal Poverty Guidelines. To determine the total number of taxpayers represented in controversies with the IRS, include both those who do and do not meet the income requirements. Representation of two taxpayers with respect to a joint liability – i.e., arising from a married-filing-jointly return – counts as two taxpayers assisted. If only one spouse on a joint return is represented or referred, the represented spouse counts as one taxpayer assisted.

Satisfaction of the 90/250 income requirement is determined based on the income of family units, not on the average income of the taxpayers represented. For example, suppose a clinic has the following clients: 97 unrelated individuals (i.e., 97 family units) and one family unit of three related taxpayers. For purposes of determining whether the 90/250 income requirement is satisfied, at least 90 percent of the 98 family units must have incomes that do not exceed 250 percent of the Federal Poverty Guidelines.

a Poverty Guidelines

The LITC Program Office updates the income guidelines for the LITC Program annually after HHS publishes the Federal Poverty Guidelines each year. Clinics must adopt the new income guidelines for determining LITC low income representation eligibility within 30 days from the date of publication of the HHS Federal Poverty Guidelines in the *Federal Register* (generally in late January).

Based on the Federal Poverty Guidelines published at 77 F.R. 4034 on January 26, 2012, the current LITC income ceilings for controversy representation are as follows:

LITC Income Guidelines (250% of Federal Poverty Guidelines)			
Size of Family Unit	48 Contiguous States, D.C., and Puerto Rico	Alaska	Hawaii
1	\$27,925	\$34,925	\$32,150
2	37,825	47,300	43,525
3	47,725	59,625	54,900
4	57,625	72,050	66,275
5	67,525	84,425	77,650
6	77,425	96,800	89,025
7	87,325	109,175	100,400
8	97,225	121,550	111,775
For each additional person, add	9,900	12,375	11,375

b Definition of Income for Purposes of the 90/250 Requirement

“Income” is defined in accordance with the definition used by the U.S. Bureau of the Census. See <http://www.census.gov/population/www/cps/cpsdef.html> for the complete list of items included in the definition of income.

Income includes total annual cash receipts before taxes, subject to the exceptions provided below. For example, income includes gross salaries before payroll deductions, net earnings from self-employment (gross receipts less business expenses), alimony, child support, federally funded and other public assistance, social security, pensions and retirement income, unemployment benefits, workers compensation, rents, royalties, scholarships, dividends, interest, net gambling winnings, and survivor benefits or annuity payments.

Income does not include proceeds received from the sale of property (including stocks, bonds, a house, a car), withdrawals from a bank account, tax refunds, gifts, loans, lump sum inheritances, insurance payments, or noncash benefits (e.g., employer-paid or union-paid portion(s) of employee fringe benefits).

NOTE: *The definition of income for purposes of the 90/250 test is not the same as the definition of gross income under IRC § 61.*

Grantees should generally determine program eligibility based on the client’s current annual income. In the case of seasonal workers or taxpayers whose financial situation has recently changed, grantees may use a reasonable method to estimate the client’s current income, and then annualize that amount.

Example 1: A taxpayer seeking representation was unemployed for a year but began working again three months ago at a full time job. The clinic may count a taxpayer's income for the immediately preceding three month period and multiply by four to determine if the taxpayer meets the LITC income guidelines.

Example 2: A taxpayer seeking assistance works seasonally for eight months each year, and cares for family members during the remainder of the year. The taxpayer earns no other income. The clinic may use the amount earned over the eight month period as the taxpayer's annual income to determine if the taxpayer meets the LITC income guidelines.

c Definition of Family Unit

For purposes of this grant program, a family unit is generally defined as an unrelated individual or a family. An unrelated individual is a person 15 years old or over not living with persons related by birth, marriage, or adoption. A family is a group of two or more persons related by birth, marriage, or adoption who live together. However, if related individuals live together, but the person seeking assistance from the clinic is financially independent, then that person may be treated as a family unit. If two unrelated individuals live together, they constitute two family units.

Subject to the general rules outlined above, clinics have discretion on a case-by-case basis to include an unrelated individual as part of a given family unit if that individual could be claimed as a dependent for federal tax purposes in the current year by the taxpayer or another member of the family unit. Income of any dependents included in a family unit must be included in the computation of the taxpayer's income for purposes of determining eligibility. Example: A husband and wife seeking LITC controversy services care for two foster children who can be claimed as their dependents. The clinic may determine whether or not to treat the foster children as part of the family unit or as a separate family unit. However, if the foster children are treated as part of a single family unit with the husband and wife, any state support payments received on behalf of the foster children must be included in the taxpayer's income for purposes of determining LITC income eligibility. If the foster children are treated as a separate family unit, those support payments would be excluded from the taxpayer's income computation.

iii Amount in Controversy Limit

The amount in controversy for any taxable year *generally* should not exceed the amount specified in IRC § 7463 (currently \$50,000). The amount in controversy includes additions to tax, additional amounts, and penalties, but does not include interest unless the amount of the interest is in dispute. A clinic may represent a taxpayer in a case in which the amount in controversy for a given taxable year exceeds \$50,000. However, the clinic must disclose the number of such cases and an explanation of why each case was accepted for representation in its Interim and Year-End reports.

iv Preparing Tax Returns and ITIN Applications

Generally, if low income taxpayers require assistance with tax return preparation or an application for Individual Taxpayer Identification Number (ITIN), they should be referred to a Volunteer Income Tax Assistance (VITA) program or a Tax Counseling for the Elderly (TCE) site (including a co-located independently funded program), or an IRS Taxpayer Assistance Center, where available. Grant funds awarded to an LITC must be used for the LITC activities authorized in the grant agreement and cannot be used to fund VITA or TCE activities or staff.

A controversy clinic can provide assistance with a federal tax return, a claim for refund, or an ITIN application if such assistance is necessary to resolve a dispute with the IRS (e.g., amended return or a nonfiler). The clinic may not charge a fee (even if it is a nominal fee) for the preparation of a tax return.

v Registration With the United States Tax Court *Pro Bono* Program

Controversy clinics are strongly encouraged to participate in the United States Tax Court *Pro Bono* Program. The Court recognizes that low income taxpayer clinics provide important advice and assistance to many otherwise unrepresented taxpayers who have disputes with the IRS. The Court permits approved registered clinics to submit a letter containing the clinic's contact information which will be included in Tax Court mailings. More information on registering with the Court can be found at <http://ustaxcourt.gov/clinics.htm>.

vi Education

Controversy clinics may also choose to offer education to low income taxpayers about their rights and responsibilities as federal taxpayers and also on issues of particular significance to the intended audience. Clinics may address a wide range of substantive tax issues in their educational programs and materials (e.g., when to file, what forms to file, eligibility for filing status, dependency exemptions, the Earned Income Tax Credit (EITC), information about the audit and appeals process, collection alternatives, or employee versus independent contractor status). Whenever possible, clinics are urged to use face-to-face contact (whether in consultations or in a group workshop), as it is an excellent method for educating taxpayers.

Controversy clinics are also encouraged to provide education to staff and fellow practitioners on issues impacting low income taxpayers. Offering presentations that award Continuing Professional Education (CPE) or Continuing Legal Education (CLE) credits can be a valuable tool for recruiting clinic volunteers.

E Standards of Operation for ESL Clinics

i Identifying a Target Audience

ESL clinics must identify a target audience to whom outreach and education activities will be directed. LITCs receiving funding for qualifying ESL activities must advertise and promote themselves as providing information and education to help ESL individuals understand the federal tax system. For example, an LTC could advertise and conduct a community meeting to acquaint ESL individuals with their rights and responsibilities under the federal tax system.

ii Education

ESL clinics must identify targeted linguistic populations and develop an education strategy to reach that audience. Educational activities are designed to instruct ESL taxpayers about their federal taxpayer rights and responsibilities. Clinics are encouraged to address a wide range of substantive tax issues in their educational programs and materials (e.g., when to file, what forms to file, eligibility for filing status, dependency exemptions, the Earned Income Tax Credit (EITC), information about the audit and appeals process, collection alternatives, or employee versus independent contractor status). Materials should be prepared in languages appropriate for the target audience of ESL taxpayers.

Examples of educational programs include but are not limited to:

- ▶ Making a presentation about federal taxpayer rights and responsibilities to an ESL class at a local community college;
- ▶ Presenting a workshop for ESL taxpayers on collection alternatives or employee versus independent contractor status;
- ▶ Conducting consultations to provide brief advice directly to an ESL taxpayer about his or her specific tax matter;
- ▶ Setting up a booth or staffing a table at a community event and handing out clinic brochures and educational materials about various tax issues, and then answering questions and scheduling appointments for interested taxpayers; and
- ▶ Holding a weekly discussion series at a community center during the filing season to educate ESL taxpayers about tax return preparer choices, family and education credits, refund anticipation loans, Individual Taxpayer Identification Numbers (ITINs), and other related issues.

Whenever possible, clinics are encouraged to use face-to-face contact (whether in consultations or in a group workshop), as it is an excellent method for educating taxpayers.

iii Preparing Tax Returns and ITIN Applications

Generally, if ESL taxpayers require assistance with tax return preparation or an application for an ITIN, they should be referred to a VITA program or a TCE site (including a co-located independently funded program), or an IRS Taxpayer Assistance Center, where available. Grant funds awarded to an LITC must be used for the LITC activities authorized in the grant agreement and cannot be used to fund VITA or TCE activities or staff.

An ESL clinic can provide assistance with a federal tax return or a claim for refund and not be considered a tax return preparer only if such assistance is an ancillary part of the clinic's program. The term "ancillary" means incidental. That is, the LITC's program must focus on outreach and education and not tax return preparation. If, for example, an ESL taxpayer requests help with a tax return or ITIN application in the course of an LITC conducting outreach or education activities and a clinic staff member conducting the outreach or education is able to provide such assistance, he may do so. Clinics that engage in ancillary tax return preparation or ITIN application preparation cannot charge a separate fee (even if it is a nominal fee) for this service. For more information on the definition of "tax return preparer," see 26 CFR § 301.7701-15(f). While circumstances may dictate that ancillary return preparation is appropriate on occasion, ESL clinics are prohibited from including tax return or ITIN application preparation among a list of services provided in any advertising materials.

F Office of Management and Budget (OMB) Requirements

Grant award administrative requirements are set forth in OMB Circulars. The basic administrative requirements applicable to individual Grant Agreements are contained in:

- ▶ 2 CFR Part 215 (formerly OMB Circular No. A-110), *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*;
- ▶ OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*;
- ▶ 2 CFR Part 220 (formerly OMB Circular A-21), *Cost Principles for Educational Institutions*; and
- ▶ 2 CFR Part 230 (formerly OMB Circular A-122), *Cost Principles for Non-Profit Organizations*.

All applicable provisions of these circulars, as revised, and any existing and further supplements and revisions are incorporated into these program requirements and into all LITC grant awards made by the IRS to clinics. With the exception of Circular A-133, each of the Circulars has been incorporated into Title 2 of the Code of Federal

Regulations (CFR). The electronic CFR is updated regularly and is located at <http://ecfr.gpoaccess.gov>. In addition, the Circulars can be found at http://www.whitehouse.gov/omb/circulars_index-ffm.

Which Circular Should I Follow?				
	Administrative Requirements	Cost Principles		Audits
Source of Rules	2 CFR Part 215	2 CFR Part 220	2 CFR Part 230	A-133
Educational Institutions	X	X		X
Non-Profit Organizations	X		X	X

G Matching Funds Requirement

All grantees must provide matching funds on a dollar-for-dollar basis for all LITC Program grant funds received. In general, 2 CFR Part 215 (formerly OMB Circular A-110), provides that all contributions, including cash and third-party in-kind, can be accepted as matching funds when such contributions are:

- ▶ Verifiable from the grantee's records;
- ▶ Not used as a match for any other federally-assisted project or program;
- ▶ Necessary and reasonable for proper and efficient accomplishment of the program;
- ▶ Allowable under the applicable cost principles;
- ▶ Not paid by the federal government under another award, except when authorized by federal statute;
- ▶ Provided for in the grantee's approved budget; and
- ▶ In conformity with other provisions of 2 CFR Part 215.

NOTE: *Grant funds received from the Legal Services Corporation are not considered funds from a federally assisted project or program.*

i Valuation of Matching Funds

Contributions of goods and services provided by a grantee must be valued in accordance with applicable cost principles. These principles generally limit values to the amount a prudent person would pay for the goods or services in an arm's length transaction under the circumstances prevailing at the time the cost was

incurred or fair market value. Third-party in-kind contributions, which represent the value of non-cash contributions provided by parties other than the recipient or federal government, must be valued in accordance with the principles stated in 2 CFR §215.23. Third-party in-kind contributions include the value of goods, space, or volunteer services donated to the LITC by third parties.

NOTE: *If an individual on the clinic staff receives an award or fellowship from a nonfederal source (e.g., the American Bar Association Section of Taxation Public Service Fellowship), the amount of the award may be included as matching funds to the extent the award proceeds are used to support clinic activities.*

ii Volunteer Services Generally

The rates for volunteer in-kind services, other than certain volunteer services provided by a qualified representative as explained in iii. below, shall be determined consistent with the principles stated in 2 CFR §215.23. In general, the rates used to value volunteer in-kind services must be consistent with those paid for similar work in the applicant's organization and may include a reasonable amount for fringe benefits.

When the applicant does not have staff performing similar work, the rates used must be consistent with those paid for similar work in the labor market in which the applicant competes for the kind of services involved. One source of wage rates by geographic area can be found on the Bureau of Labor Statistics (BLS) website (<http://www.bls.gov/bls/blswage.htm>). However, note that the BLS data represents a wage rate only and can be adjusted upward by a reasonable fringe benefits amount in determining a volunteer in-kind valuation rate.

If a third-party employer provides one of its employees to work for the applicant at no cost, those services are valued at the employee's regular rate of pay (plus benefits but excluding overhead costs), provided the services are in the same skill set for which the employee is normally paid. We encourage clinics with questions about how to value volunteer services to contact the Program Office for assistance.

iii Volunteer Services of a Qualified Representative

LITC grantees receiving controversy funding may use the rate found in IRC § 7430 to value certain donated services from qualified representatives. Section 7430 provides for an award of costs and fees in suits against the United States under certain situations for services provided by qualified representatives. The rate at which to value those services is adjusted periodically for inflation. Presently, the applicable rate is \$180 per hour, as prescribed in Revenue Procedure 2011-52, 2011-45 I.R.B. 701.

OMB has permitted LITC grantees to use the rate found in IRC § 7430 only if the following factors are met:

- ▶ The grantee is funded for a **controversy** program;
- ▶ The services are provided by a **qualified representative**, which includes any individual whether or not an attorney, who is authorized to represent taxpayers before the Internal Revenue Service or an applicable court;
- ▶ The qualified representative is not a student; and
- ▶ The qualified representative is acting in a representative capacity and is **advocating** for a taxpayer.

Unless all of the above criteria are met, grantees should apply the standard cost principles from the relevant OMB Circulars as described above in section ii.

Grantees should keep careful records of the services provided by volunteers. Such record keeping is required for LITC reporting purposes, and is also necessary should a grantee wish to pursue a claim for attorneys' fees under IRC § 7430. Grantees should also be mindful that a volunteer may meet the definition of a qualified representative, yet may be providing services to the clinic in a non-representative capacity. For example, if a volunteer is an attorney providing advice to taxpayers at an outreach event, or during an intake consultation that does not result in representation, then the work done by the volunteer has not advocated for the taxpayer. Even though the volunteer is an attorney and meets the definition of qualified representative, the volunteer was not acting in a representative capacity. Therefore the clinic should value the volunteer's services under the standard OMB cost principles rather than the § 7430 rate.

Therefore the grantee cannot value the time devoted to nonrepresentation activities at the IRC § 7430 rate, but must instead use the principles in the OMB Circulars.

For example, if a volunteer attorney comes in periodically to assist in representation on a client's tax controversy case and also helps the LITC with outreach and education activities, the volunteer's time would need to be tracked separately for each activity. Although the volunteer meets the definition of a qualified representative, only the work being done on the tax controversy may be valued at the rate under IRC § 7430. The time the volunteer spends on bookkeeping activities must be tracked separately and valued according to the cost principles outlined in OMB Circular A-110 Part 23.

iv Documentation of Matching Funds Sources

LITCs must maintain adequate records to substantiate the source of all matching funds. For example, if the clinic is counting services provided by a volunteer as matching funds, the clinic must track the amount of time the volunteer spends working on LITC activities (e.g., a clinic can use sign-in sheets, timesheets, or a similar method to track the time). Form 13424-F, *Volunteer/ Pro Bono Time Reporting* is available in Appendix C.

While grant awards may be made based on good faith estimates of matching funds, including verifiable pledge commitments or likely sources of funding, clin-

ics must provide adequate documentation regarding the committed sources of matching funds. For a clinic to obtain a grant payment in advance of actual disbursement or receipt of the required nonfederal match, the clinic generally must have firm commitments for the required matching funds. A firm commitment consists of a binding written agreement between the grantee and the source of the matching funds that is conditioned solely upon the availability of federal assistance (and such other conditions as approved in advance by the IRS).

NOTE: See Section II.H, *Managing Grant Funds* for additional examples of qualifying and ineligible matching funds.

Qualified Matching Funds include (but are not limited to):

- ▶ Cash contributions;
- ▶ Grantee contributions, including payments for:
 - Salaries, including fringe benefits, paid to clinic staff;
 - Equipment and supplies used in the clinic;
 - Rent and utilities costs; and
 - Other costs necessary to the operation of the program;
- ▶ Third-party in-kind contributions, including the value of:
 - Volunteer services furnished by professional and technical personnel; consultants and other skilled and unskilled labor;
 - The fair market value of donated equipment and supplies; and
 - The fair rental value of donated space.
- ▶ Program income, including nominal fees charged, from activities that are directly related to the clinic's objectives.

NOTE: The LITC Program Office permits grantees to use Legal Services Corporation funds to meet the matching funds requirement under IRC § 7526(c)(5).

Ineligible Matching Funds include (but are not limited to):

- ▶ Expenses incurred for the purchase, construction, repair, or rehabilitation of any building or any portion thereof;
- ▶ Expenses incurred that do not support or benefit the program;
- ▶ Services provided by students in exchange for academic credit;
- ▶ Federal work-study funds;
- ▶ Funds from other federal grants unless specifically authorized by statute (See OMB Circular A-110, 2 CFR § 215.23(a)(5)); and

- ▶ Indirect costs, including general overhead of the institution sponsoring the clinic.

H Managing Grant Funds

i Accessing Grant Funds

Grant funds are paid through the Payment Management System (PMS) maintained by the Department of Health and Human Services Division of Payment Management (DPM). Grantees must obtain a username and password to use the system. PMS allows a grantee to make an online request for payment of federal funds. After a request is processed and approved, funds are directly deposited into the grantee's bank account through a process called Electronic Funds Transfer (EFT). Funds are generally available within one business day of the request. Grantees may request funds to reimburse for allowable expenses already paid or that will be paid within three business days of receipt.

The DPM has an online tutorial for those who are not familiar with the system. Grantees are encouraged to visit the DPM website (www.dpm.psc.gov) to view the tutorial and training. Grantees who have received a username and password to request funds, but who are experiencing problems accessing funds should contact the help desk at 1-877-614-5533 or send an e-mail to PMSSupport@psc.hhs.gov.

ii Maintaining Funds in an FDIC Insured Bank

Grantees must maintain advances of federal grant funds in interest-bearing accounts at a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. The balance exceeding the FDIC coverage must be collaterally secured unless:

- ▶ The grantee receives less than \$120,000 in federal awards per year;
- ▶ The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balances; or
- ▶ The depository would require an average or minimum balance so high that an interest-bearing account would not be feasible, given the grantee's expected federal and nonfederal cash resources.

iii Interest on Advances of Grant Funds

Grantees must annually remit to the federal government any interest in excess of \$250 per year earned on advances of federal grant funds. A grantee may keep up to \$250 of interest earned per year. Interest remittances should be made via EFT to PMS, which acts as the governmentwide agent for collection.

iv Adjustments to Program Expenses

Clinics wishing to shift expenses among spending categories within a program (e.g., shifting funds from travel to supplies within a controversy program) are not required to request approval unless the shift would substantially change the program plan. The movement of funds between ESL and Controversy programs is considered to be a major change and requires written approval from the LITC Program Office. A request to shift funds between programs must be made no later than September 10, 2013. To request approval to move funds between programs, clinics must submit an e-mail to LITCProgramOffice@irs.gov with the following information:

- ▶ The amount to be moved and from which program the funds are to be moved;
- ▶ The reason for the request to move funds between programs; and
- ▶ The impact, if any, on future operations (e.g., this is a one-time situation, or the clinic anticipates a permanent change in its ESL or Controversy programs).

v Non-Use of Grant Funds

The LITC Program Office will monitor clinics' use of funds throughout the year to ensure all grant funds will be expended. If a clinic determines that it will not spend its entire grant award, the clinic should immediately notify the LITC Program Office by sending an e-mail to LITCProgramOffice@irs.gov. The e-mail should contain the following information:

- ▶ The amount of grant funds being returned;
- ▶ The reason for the return of funds; and
- ▶ The impact the return of funds will have on future operations (e.g., this is a one-time situation, or the grantee anticipates that its future funding needs will be permanently reduced).

The notification to the LITC Program Office should be as soon as the issue arises but no later than September 10, 2013 to ensure that the grant funds can be reobligated to another clinic by the end of the federal government's fiscal year (September 30).

vi Allowable/Unallowable Expenses

Grant funds must be used for expenses in accordance with 2 CFR Part 230 (formerly OMB Circular A-122), and 2 CFR Part 220 (formerly OMB Circular A-21). Generally, for an expense to be allowable, the expense must be:

- ▶ Reasonable;
- ▶ Incurred to benefit the program; and
- ▶ Consistent with market prices.

Grantees should refer to 2 CFR Part 220, and 2 CFR Part 230 for detailed rules regarding allowable and unallowable expenses or contact the clinic's assigned analyst with questions regarding expenses. Below is a table that lists examples of some common expenses:

Allowable Expenses	Unallowable Expenses
Salaries, wages, and personnel benefits	Purchase, construction, repair, or rehabilitation of any building or any portion thereof
Reasonable office supplies and equipment costs	Expenses incurred that do not support or benefit the program or which are unnecessary in carrying out the program
Rent, utilities, and custodial services	Certain advertising and public relations costs as described in the OMB Circulars
Printing, postage, insurance	Alcoholic beverages
Indirect costs	Lobbyist registration fees
Audit services	Costs of goods or services for personal use (as opposed to business use) of the clinic staff
Publicity and training costs directly associated with the program	Costs incurred outside the performance period of the award, unless specifically excepted by the Program Office*
Installation of telephone lines necessary to provide Clinic services to taxpayers	Application fee to become an Attorney, CPA, or enrolled agent
Travel performed by program staff to conduct clinic business	Professional dues for attorneys and CPAs
Costs incurred for two individuals to attend the annual LITC Conference	Enrolled agents' license renewal fee
Interpreter services for hearing-impaired or non-English speaking taxpayers	Entertainment costs
Legal research and reference materials including the IRC and Treasury Regulations	Fines and penalties
Non-alcoholic refreshments for community outreach events or one-on-one consultations	

* The LITC Program Office permits returning clinics to use grant funds awarded for the current grant year to attend the following year's grantee conference (e.g., a clinic may use funds awarded for the 2012 grant year to attend the 2013 annual LITC conference, which will be held in December 2012).

Tips on Determining Allowable versus Unallowable Expenses

Refreshments

- ▶ A clinic may use grant funds for providing refreshments to volunteers so long as the costs are reasonable. However, a clinic generally may not use grant funds to buy refreshments for its employees, unless their workload requires those employees to work outside the normal hours of clinic operation.

Continuing Professional Education

- ▶ While maintaining professional credentials is generally a personal expense and therefore unallowable, a clinic may nonetheless use grant funds to pay for continuing education courses if such courses will increase the vocational effectiveness of employees. See 2 CFR § 220, J.51 and 2 CFR § 230, Appendix B.49.

Pens, Mugs, and Other Promotional Items

- ▶ A grantee cannot spend grant funds on pens, t-shirts, mugs, or other memorabilia to promote its services to taxpayers or for the personal use of employees. Grantees can purchase pens and other office supplies for the business use of clinic staff.
- ▶ However, grantees may use federal funds to acquire pens, mugs, and other small items of memorabilia for *pro bono* representatives working with the clinic, provided the cost is reasonable and consistent with market prices.

Tips for Treatment of Indirect Expenses

- ▶ A grantee must include a copy of its indirect cost rate agreement with its budget. See Section II.K.v.5.
- ▶ Unallowable expenses may not be included in the indirect cost rate.
- ▶ Inquiries about obtaining an indirect cost agreement should be directed to the LITC Program Office.
- ▶ While indirect expenses are an allowable expenditure of grant funds, **IRC § 7526(c)(5) prohibits clinics from counting indirect costs as matching funds.**

I Grant Reporting Requirements

The LITC Program requires the timely submission of two reports for each grant year – an Interim report and a Year-End report. The LITC Program Office will measure the effectiveness of LITC operations by the quality of service provided to low income tax-

payers and ESL taxpayers. Detailed instructions for reporting are found in section III.B, Reporting Requirements.

J Assurances & Certifications

i OMB Circular A-133 Audit Requirement

OMB Circular A-133 describes the audit requirements applicable to grantees. **If a grantee expends less than \$500,000 a year in total federal awards, no OMB audit requirements are applicable.** Total federal awards include all sources of federal funding, not just the funds received from the IRS in support of the LTC. See OMB Circular A-133, Subpart B, § .200(a). The IRS, however, has the right to audit expenditures of LTC funds regardless of the dollar amount of federal funding received by the grantee.

A grantee that expends \$500,000 or more a year in federal awards **must** provide the IRS with a copy of the results of an audit performed in compliance with OMB Circular A-133. Such grantees 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. A portion of the costs of an audit performed in compliance with OMB Circular A-133 is an allowable LTC grant expense. The cost charged against the LTC grant should be allocable based upon the amount of LTC funds received in proportion to the total federal awards the organization receives.

An audit under OMB Circular A-133 is organization-wide. The auditor must determine whether:

- ▶ The grantee's financial statements present fairly its financial position and the results of its operations in accordance with generally accepted accounting principles;
- ▶ An internal control structure exists to provide reasonable assurance that the grantee is managing federal awards in compliance with applicable laws and regulations and to ensure compliance with the laws and regulations that could have a material impact on the financial statements; and
- ▶ The grantee has complied with laws and regulations that may have a direct and material effect on its 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 Year-End report for the grant year, subject to certain exceptions set forth in 2 CFR Part 215

Requesting Payment History Information for an A-133 Audit

A-133 audits often require historical grant payment information. **This information is not available from the LITC Program Office.** Those seeking information pertaining to payment or transaction history from the Payment Management System should visit the HHS Division of Payment Management Services (PMS) website at http://www.dpm.psc.gov/grant_recipient/audit_confirmation_procedures.aspx.

For recipients unable to access PMS inquiries online, payment history requests may be faxed to 301-443-3586, Attention: Sheila Swedenburg. You may also e-mail requests to: Sheila.Swedenburg@PSC.HHS.gov.

ii Civil Rights Reporting Requirements

Applicants must provide information necessary to enforce Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, or national origin in any program or activity receiving federal funds; Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in any education program or activity receiving federal funds; Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of disability in any program or activity receiving federal funds; and the Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age in any program or activity receiving federal funds.

This section describes the data collection and reporting requirements required of LITC grant applicants by the IRS to meet its responsibilities under these laws. This information is required pursuant to the civil rights statutes and the regulations of the Department of Justice and the Department of the Treasury.

This information is mandatory and required of every applicant annually. As a condition of eligibility under the LITC Program, the applicant must provide the following information in its grant application package:

1. A list of active lawsuits or complaints naming the applicant which allege discrimination on the basis of race, color, national origin, age, sex, or disability with respect to service or benefits being provided. The list should include the date the lawsuit or complaint was filed; a summary of the allegation; and the status of the lawsuit or complaint, including whether the parties to a lawsuit have entered into a consent decree.
2. A description of all pending applications for financial assistance and all financial assistance currently provided by other federal agencies.
3. A summary of all civil rights compliance review activities conducted in the last three years. The summary shall include the purpose or reason for the review; a

summary of the findings and recommendations of the review; and a report on the status or disposition of such findings and recommendations.

4. A signed and dated Standard Form 424, with box 21 checked (see Appendix A) agreeing to the statement of assurance concerning civil rights compliance, including posting of the Civil Rights Poster, Publication 4025.

NOTE: *Responses to these civil rights questions must be directly related to the clinic and not the sponsoring organization. If the clinic does not have any information to report on these questions, a negative response is required.*

iii Civil Rights Review

The External Civil Rights Team of the IRS may request additional data only to the extent that it is readily available or can be compiled with reasonable effort, and is found to be necessary to make a civil rights compliance determination. Examples of data and information which to the extent necessary and appropriate for determining compliance with applicable civil rights statutes and implementing regulations may be requested include, but are not limited to:

- ▶ The manner in which services are or will be provided by the program and related data necessary for determining whether any persons are or will be denied such services on the basis of prohibited discrimination;
- ▶ The population eligible to be served by race, color, national origin, age, sex, or disability;
- ▶ Data regarding covered employment, including use or planned use of bilingual public contact employees serving beneficiaries of the program where necessary to permit effective participation by beneficiaries unable to speak or understand English;
- ▶ The location of existing or proposed facilities connected with the program and related information adequate for determining whether the location has or will have the effect of unnecessarily denying access to any persons on the basis of prohibited discrimination;
- ▶ The present or proposed membership, by race, color, national origin, sex, age, or disability, in any planning or advisory body which is an integral part of the program; and
- ▶ Data, such as demographic maps of the racial composition of affected neighborhoods or census data.

Each multi-year applicant shall update the civil rights reporting requirement information annually. Each application for financial assistance shall be reviewed for its civil rights reporting requirements by an External Civil Rights Team staff member. Upon completion,

the reviewer shall forward a letter of compliance to the applicant indicating the civil rights determination. Financial assistance shall not be awarded to the applicant until the civil rights reviewer has issued a finding of compliance or conditional compliance. Department of Justice regulations state that all federal agency staff determinations of Title VI compliance shall be made by or be subject to review by the agency's civil rights office.

NOTE: *Each Low Income Taxpayer Clinic is required to display the Civil Rights Poster, Publication 4025.*

If an applicant needs additional information on Civil Rights requirements, it should contact the Director, Civil Rights Division (External Civil Rights Team):

Director, Equity, Diversity, and Inclusion, Civil Rights Division
1111 Constitution Avenue NW, Room 2422
Washington, DC 20224
(202) 927-0180

iv Assurance of Compliance with Lobbying Restrictions

Lobbying activities: There are two types of lobbying activities – direct lobbying and grassroots lobbying.

Direct lobbying includes contacting a member of Congress, a state or local legislator, or any of their staff members to influence the legislator to take a position or action on a specific piece of legislation or potential legislation.

Grassroots lobbying includes activities that encourage third parties, members of special interest groups or the general public to contact federal, state, or local government officials in support of or in opposition to a legislative policy or appropriations matter. This applies to activities both before and after introduction of the legislation.

General rule: No federal grant funds or matching grant funds may be used, either directly or indirectly, to support the enactment, modification, or adoption of any law, regulation, or policy at any level of government. Some exceptions to this general rule may exist pursuant to an express authorization by Congress.

NOTE: *Any entity receiving grant funds from another federal source, either directly or indirectly, may be subject to additional restrictions on lobbying.*

Grantees are prohibited from using federal grant funds and matching funds to:

- a. Visit or send letters to members of Congress or state or local legislators, urging them to favor or oppose specific legislation pending under their jurisdiction;

- b. Develop materials designed to advocate for the enactment or repeal of any legislation or provide such materials to anyone;
- c. Draft or assist in the drafting of legislation or provide comments on draft legislation;
- d. Pay, directly or indirectly, for any efforts intended to or designed to influence a Member of Congress or a state legislature to favor or oppose any legislation or appropriation, whether before or after introduction; or
- e. Engage in any legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, or analyzing the effect of legislation, when such activities are carried out in support of or in knowing preparation for an effort to engage in unallowable lobbying.

NOTE: *Employees are prohibited from engaging in any lobbying activities during the portion of time that their salaries are paid from federal grant funds or matching funds.*

Grantees are permitted to use federal grant funds and matching funds to:

- a. Educate the public or constituents on legislative issues, so long as the education is not part of a broader effort to directly or indirectly (grassroots lobbying) influence legislators on a specific piece of legislation or legislative issue;
- b. Expend **non-federal funds** (i.e., neither federal grant nor matching grant funds) on lobbying activities. However, under the Byrd Amendment (31 USC § 1352), grantees may still be required to disclose lobbying activities conducted with non-federal funds if the activities relate to lobbying regarding the making or awarding of a grant and the organization receives more than \$100,000 in federal grant funds;
- c. Respond to documented requests from members of Congress, state legislatures or other officials;
- d. Interact with agency liaisons, such as the National Taxpayer Advocate or Local Taxpayer Advocates, regarding program-related issues;
- e. Respond to a personal or public invitation from the IRS for comments on proposed tax regulations or guidance that impact low income and ESL taxpayers;
- f. Partner with professional organizations in efforts to identify and propose solutions for issues impacting low income and ESL taxpayers (however, such effort may not attempt to influence the introduction, enactment, or modification or any federal or state legislation);

- g. Contact government officials regarding broad social, economic, or other issues, so long as the contact is not part of an effort to influence Congress or the state legislature on an actual or potential specific piece of legislation; or
- h. Discuss broad social, economic, or other issues on listservs or blogs, so long as the contact is not part of an effort to influence Congress or the state legislature on an actual or potential specific piece of legislation.

Sources of guidance on lobbying activities: The table below details the main sources of authority that regulate lobbying by LITCs:

Source of Restriction	2 CFR Part 230/ 2 CFR Part 220	Byrd Amendment - 31 USC § 1352	Publicity and Propaganda/ Appropriations Laws Restrictions
Type of Funds Affected by Restriction	Federal Grant Funds and Matching Funds	Restriction applies to Federal Grant Funds and Matching Grant Funds. Although the restriction does not apply to non-federal grant funds, contacts with members of Congress may need to be disclosed.	Federal Grant Funds and Matching Funds
Lobbying topics covered by Restriction?	All subject matters	Limited to lobbying regarding the making or awarding of a grant; it does not appear to apply to lobbying on general program legislation (i.e., to expand the subject matter of the program, as opposed to the amount of money awarded for program purposes which may increase the award to the grantee).	All subject matters
Stage of legislation covered by restriction	All stages, including before introduction	All stages, including before introduction.	Legislation pending before Congress
Applies to Grassroots Lobbying?	Yes, it is prohibited	No, it is not prohibited, so long as no federal funds are used for the grassroots lobbying effort.	Yes, it is prohibited

Applies to advocating at the state level?	Yes, prohibition applies to state level activities	No, prohibition does not apply to state level activities.	No, prohibition does not apply to state level activities
Exception for when information is specifically requested by member of Congress?	Yes, there is an exception which permits a response to a documented request	Yes, there is an exception which permits a response to a documented request.	Not applicable

NOTE: *This chart describes restrictions on the use of federal grant funds and matching grant funds for lobbying. In addition, IRC § 501(c)(3) organizations are subject to lobbying limits under the Internal Revenue Code. In general, an IRC § 501(c)(3) organization may conduct an insubstantial amount of lobbying and still maintain its tax-exempt status. For additional information, see Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities: <http://www.irs.gov/pub/irs-pdf/p4221pc.pdf>.*

Examples of activities with possible lobbying implications:

A grantee may send an e-mail to the independently sponsored LITC listserv to gather support or opposition for legislation. Although such an e-mail is an attempt to influence legislation, so long as appropriated grant funds are not used, the grantee has not violated Title 31 or Title 18. If the grantee has a requirement under Title 31 to report lobbying activities, the e-mail activity would need to be disclosed, including any research or background work performed in connection with the e-mail to the listserv.

For purposes of IRC § 501(c), sending a single e-mail to the listserv would likely constitute an “insubstantial” amount of lobbying. Because the use of a listserv is free, the grantee should not have substantial expenditures in connection with the sending of the e-mail. Keep in mind that if a grantee anticipates devoting a large amount of time to the endeavor (e.g., researching the issue, drafting proposed legislation, responding to comments on the listserv about the proposal), the activity could rise to the level of being more than insubstantial, in which case the grantee may choose to make a lobbying election under IRC § 501(h).

For more information about making a lobbying election, refer to:

- ▶ IRC § 501(h) and IRC § 4911;
- ▶ Treas. Reg. §§ 1.501(h)-1 through 1.501(h)-3;
- ▶ Treas. Reg. §§ 56.4911-1 through 56.4911-10; and
- ▶ Publication 557, *Tax-Exempt Status for Your Organization*

NOTE: *LITCs receiving Legal Services Corporation (LSC) funds should not confuse the above rules on lobbying with LSC restrictions. There may be some lobbying activities that are acceptable under LTC guidance that are prohibited under LSC requirements and vice versa.*

Additional information: The LTC Program recognizes that this list of prohibited and permitted activities will not answer every situation that arises. Accordingly, if a grantee has any question as to whether an anticipated activity could be implicated under these rules, it should contact the LTC Program Office **prior to engaging in such activity.**

v Trafficking Victims Protection Act of 2000

The Trafficking Victims Protection Act of 2000, (22 U.S.C. § 7104) as amended, requires any agency that awards grants to include a condition authorizing the agency to terminate the grant if the grantee 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 C.F.R. § 175.15 (2007). Thus, grantees under this program and their employees may not:

- a. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
- b. Procure a commercial sex act during the period of time that the award is in effect; or
- c. Use forced labor in the performance of the award or sub-awards under the award.

The IRS, as the federal awarding agency may unilaterally terminate an award, without penalty, if a grantee is a private entity:

- ▶ Is determined to have violated a prohibition in items (a) – (c) 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) – (c) above through conduct that is either:
 - Associated with performance under this award; or
 - Imputed to the grantee 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 Governmentwide Debarment and Suspension (Non-Procurement)*, as implemented by the Department of the Treasury at 31 CFR Part 19.

vi Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Part 170)

The Federal Funding Accountability and Transparency Act (FFATA) of 2006, as amended, is intended 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 has issued guidance to establish requirements for grantees to report information about executive compensation in certain circumstances. See 2 CFR Part 170.

vii Central Contractor Registration and Universal Identifier Requirements

Applicants are required to register with the Central Contractor Registration (CCR) prior to submitting a grant application and are required to maintain an active CCR registration with current information at all times during which it has an active federal award or an application under consideration. To remain registered in the CCR database after the initial registration, the applicant is required to review and update on an annual basis from the date of the initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate, and complete.

Applicants are also required to provide a Data Universal Numbering System (DUNS) number with each application. For more information, see 2 CFR Part 25.

NOTE: *Data Universal Numbering System (DUNS) is a unique nine-digit identification number provided by Dun & Bradstreet, Inc. The federal government requires that all applicants for federal grants and cooperative agreements with the exception of individuals other than sole proprietors have a DUNS number. The federal government will use the DUNS number to better identify related organizations that are receiving funding under grants and cooperative agreements, and to provide consistent name and address data for electronic grant application systems. A DUNS number may be obtained by calling (866) 705-5711 (for applicants in Alaska and Puerto Rico, (800) 234-3867) or applying online at <http://fedgov.dnb.com/webform>.*

viii Other Applicable Laws and Regulations

Programs involving use of federal funds are governed by a wide variety of federal laws and regulations. These include:

- ▶ Restrictions on political activities at 18 U.S.C. §§ 595, 598, 600-603;
- ▶ The preservation requirements in the National Historic Preservation Act (16 U.S.C. § 470 et seq.) and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. § 469a-1 et seq.);
- ▶ Environmental requirements of the Clean Air Act (42 U.S.C. § 7401 et seq.); and
- ▶ The non-pollution requirement of the Federal Water Pollution Control Provisions (33 U.S.C. § 1251 et seq.).

Assurances of compliance are required for LITC funding, according to the “common rule” on non-procurement, debarment, and suspension adopted by Department of Treasury at 31 CFR Part 19, Subpart C. An applicant must certify that its organization and Clinic Director are not presently debarred or suspended from covered transactions by any federal agency. In addition, an applicant must indicate that within the three-year period before applying for a grant, its organization and Clinic Director have not been convicted of or had a civil judgment rendered against them for fraud, theft or certain other offenses, and have not had one or more public transactions terminated for cause or default. An applicant must also indicate that its organization and Clinic Director are not presently criminally or civilly charged with certain offenses.

Additional assurances are required according to the governmentwide requirements for a drug-free workplace (41 U.S.C. §§ 702-707), adopted by the Department of the Treasury at 31 CFR, Part 20, Subpart B and C, and assurance of civil rights compliance, as specified above.

A signature is no longer required on individual Certification forms. An applicant certifies by signing the Standard Form 424 and checking the box on line 21 marked “I agree” to indicate acceptance of the assurances provisions. The assurance provisions that accompany Standard Form 424 appear in Appendix A.

K Completion of the LITC Program Grant Application Package

To be considered for 2013 LITC Program grant funding, all applications must be submitted by **June 15, 2012**. Applications may be submitted either electronically via www.grants.gov or in hard copy by U.S.P.S. mail, private delivery service, or hand delivery. See section II.L, *LITC Program Grant Application Assembly and Submission*, for details about electronic submission and procedures for assembling paper applications.

An application may be withdrawn at any time during the application process or prior to the time grant money is awarded. All withdrawals must be made in writing to the following address:

Internal Revenue Service
Taxpayer Advocate Service
LITC Program Office
TA:LITC
Room 1034
1111 Constitution Ave., NW
Washington, DC 20224

Tips for preparing the LITC Program Grant Application Package

NOTE: *A complete new application for grant year 2013 must be submitted by any current grantee whose single-year or multi-year period will end on December 31, 2012.*

NOTE: *A complete new application must be submitted by an applicant that has previously been awarded a multi-year LITC grant and wishes to operate another program during the multi-year period (e.g., in 2012 the clinic is providing only controversy services, but in 2013 the clinic wishes to provide controversy and ESL services).*

NOTE: *All pages in the application must be consecutively numbered.*

NOTE: *Grant applications may be released in response to Freedom of Information Act (FOIA) requests. Do not include any individual taxpayer information in the grant application.*

i LITC Program Grant Application Contents

It is very important that the LITC Program Grant Application Package be assembled correctly. Copies of all required application forms and certifications are included in Appendix A of this publication.

List of Required Components (paper applications should be compiled in the following order):

- a. Completed Form 13424, *IRS Low Income Taxpayer Clinic (LITC) Application Information Sheet*.
- b. Standard Form 424, *Application for Federal Assistance*, prepared according to instructions (section II.K.ii, *Application for Federal Assistance, Standard Form 424*).
- c. Applicant Information:
 1. Background Information, prepared according to instructions (section II.K.iii, *Background Information*);
 2. Copy of the determination letter issued by IRS recognizing organization as exempt under IRC § 501(c), if applicable; and
 3. Copy of letter of academic accreditation for affiliated college, university or other institution of higher learning, if applicable.

NOTE: *Applicants requesting funding for the second or third year of a multi-year grant are not required to submit item c.*

- d. Program Performance Plan prepared according to instructions (section II.K.iv, *Program Performance Plan*).

NOTE: Applicants requesting funding for the second or third year of a multi-year grant are not required to submit item d. However if the applicant intends to modify the Plan submitted with the year one application, a letter indicating any proposed program modifications must be included.

- e. Budget/Financial Information prepared according to instructions (section II.K.v, *Budget/Financial Information*).
 - 1. Standard Form 424A, *Budget Information – Non-Construction Programs*, prepared according to instructions (section II.K.vi, *Completing the Standard Form 424A, Budget Information – Non-Construction Programs*);
 - 2. *Detailed Budget Worksheet* (Form 13424-J) and Narrative, prepared according to instructions (section II.K.vii, *Completing the Detailed Budget Worksheet and Narrative*). This budget worksheet should explain the expenses stated on Standard Form 424A;
 - 3. Copy of most recent audited or unaudited financial statement;
 - 4. Copy of the applicant's most recent *Single Audit Data Collection Form* (Form SF-SAC), or a statement that the applicant is exempt from the A-133 Audit requirement because it expends less than \$500,000 a year in federal awards; and
 - 5. A copy of the applicant's indirect cost rate agreement, if applicable.
- f. Additional Required Forms
 - 1. Civil Rights Statement as described in section II.J.ii, *Civil Rights Reporting Requirements*;
 - 2. Standard Form LLL, *Disclosure of Lobbying Activities* (required by 31 CFR § 21.100(c)); and
 - 3. *Tax Information Authorization Form*, (Form 13424-I) if applicable. Inclusion of Form 13424-I is encouraged, but not required.

NOTE: An original and three copies of the entire application (all forms and attachments) must be included if the application is not submitted through www.grants.gov. **The original must be signed in blue ink.**

ii Low Income Taxpayer Clinic (LITC) Application Information Sheet, IRS Form 13424

This form is required for all grant applications. Applicants must indicate the duration of the grant period and provide the amount of controversy and ESL funding requested for grant year 2013. Grant funds may be awarded at the amount requested or a lesser amount, based on the availability of funds and an evaluation of the application. Contact information for the sponsoring organization, the low income taxpayer clinic, the Clinic Director, the QTE, and the QBA must be provided.

This information will be used by the Program Office for future correspondence. Accordingly, address information entered on this form should follow United States Postal Service standards.

iii Application for Federal Assistance, Standard Form 424

WHO MUST COMPLETE THIS SECTION?

All applicants

Things to note:

- ▶ The EIN and DUNS number should be reviewed for accuracy.
- ▶ The contact information should be reviewed for accuracy.
- ▶ For information that will not fit into the space allowed on the SF-424, a blank sheet may be attached with the additional information. Indicate the block number from the SF-424 to which the information relates. Multiple blocks may be addressed continuously on the same page.

This form is required for all grant applications. Applicants must provide a DUNS number and EIN. Although a DUNS number and EIN may both be obtained fairly quickly when applying online or by phone, applying for an EIN with the IRS by fax or by mail will take longer.

NOTE: *Central Contractor Registration (CCR) is the primary registrant database for the U.S. federal government. The purpose of the CCR is to facilitate paperless payment through electronic funds transfer. CCR also provides basic information relevant to procurement and financial transactions. All applicants are required to register and maintain an active account with the CCR at the time of their application. To complete the CCR process, a DUNS number is required. The complete resource for CCR registration is located at www.ccr.gov.*

Please complete the SF-424 as shown in the instructions below. Additional information may be found in the instructions for the SF-424. It is important to use the correct version of the SF-424 because it includes all required fields. The current version of the form can be found on the grants.gov forms repository, available at www.grants.gov/agencies/aforms_repository_information.jsp. Use of earlier versions could result in non-consideration if key fields are not present. Items missing from some of the earlier versions include the DUNS number, the certification and assurances section, etc.

The following instructions are provided to assist in the completion of the SF-424 for the LITC Grant.

Block	Title	Comments
1.	Type of Submission	For LITC purposes check the Application box.
2.	Type of Application	Check New when applying for a single-year grant or year one of a multi-year grant. Check Continuation when applying for years 2 or 3 of a multi-year grant.
3.	Date Received	Leave blank for LITC purposes.
4.	Applicant Identifier	Leave blank for LITC purposes.
5a.	Federal Entity Identifier	Leave blank for LITC purposes.
5b.	Federal Award Identifier	Leave blank for LITC purposes.
6.	Date Received by State	Leave blank for LITC purposes.
7.	State Application Number	Leave blank for LITC purposes.
8a.	Legal Name	Enter Legal Name of the Organization. Do not use an acronym unless it is the legal name. This should be the name used on the CCR registration.
8b.	Employer Identification Number	Enter EIN assigned by the IRS. This is not a Social Security number. This number will be used to conduct a tax compliance check.
8c.	Organizational DUNS	Enter the identification number assigned by the Dunn & Bradstreet organization. This information is required for all organizations that receive federal grant funds. The link to the website to apply for a DUNS number is: http://fedgov.dnb.com/webform .
8d.	Address	Enter Address of Organization. This should be the address for the organization's physical location.
8e.	Organizational Unit	Mark as N/A .

(Continued)

Block	Title	Comments
8f.	Name and Contact Information	When completing the contact information, please remember that if the Program Office needs to contact the applicant for information there will be tight deadlines. Therefore, it is important to provide a phone number at which the contact person is accessible. It can be a cell phone, home phone, or office phone.
9.	Type of Applicant	Refer to the general instructions provided with SF-424 in Appendix A for the appropriate code.
10.	Name of Federal Agency	Enter Internal Revenue Service .
11	Catalog of Federal Domestic Assistance Number	Enter 21.008 in the CFDA Number box and Low Income Taxpayer Clinic in the CFDA Title box.
12	Funding Opportunity Number	Enter TREAS-GRANTS-052013-001 in the Funding Opportunity Number box and Low Income Taxpayer Clinic in the Title box.
13	Competition Identification Number	Mark as N/A .
14	Areas Affected by Project	Provide county where services will be provided. If multiple counties, enter each. If an entire state, enter the state name and note All Counties . If more space is required, attach an additional sheet.
15	Descriptive Title of Applicant's Project	Enter Low Income Taxpayer Clinic .
16	Congressional Districts	Enter the congressional district of the applicant on line 16a, and the congressional districts to be served by the clinic on line 16B. Enter in the following format: two-character state abbreviation – two-character district number, e.g., CA-05 for California's fifth district or NC-10 for North Carolina's tenth district. If all congressional districts in a state are affected, enter All for the district number, e.g., MD-All for all congressional districts in Maryland. If more space is required, continue on an additional sheet and attach.

(Continued)

Block	Title	Comments
17	Proposed Project	For all applicants, enter 1/1/2013 as the start date. The end date should be entered as 12/31/2013 or the end of the multi-year grant period, if later (i.e., 12/31/2014 or 12/31/2015 as applicable).
18a-f	Estimated Funding	18a. Enter the amount of federal grant funds requested for 2013 (if the applicant is a multi-year grantee, remember to only list the amount requested for 2013). This amount cannot exceed \$100,000. 18b-e. Enter the amount of matching funds by source. These are all funds offered as match. The amount needs to be equal or exceed the amount on line 18a. Remember a dollar-for-dollar match is required for this grant. 18f. Enter any program income the organization expects to receive.
18g	Total	Add the amounts in 18a through 18f.
19	Is Applicant Subject to Review by State Under Executive Order 12372 Process?	Mark as N/A .
20	Is the Applicant Delinquent on any Federal Debt?	Check Yes or No . If Yes, provide an explanation.
21	Certification and Assurance and Authorized Representative	This section covers agreement to the certifications and assurances required as part of this package. Check I Agree after reviewing the certification section of the application notice. Complete this section with the name, title, contact information, and signature of the individual authorized to submit a federal grant application on behalf of the applicant.

iv Background Information

WHO MUST COMPLETE THIS SECTION?

Applicants applying for a single-year grant or year one of a multi-year grant must submit background information. Applicants requesting funding for the second or third year of a multi-year grant are not required to submit background information.

Things to note:

- ▶ The application may contain internal references. There is no need to reprint text printed elsewhere in the application.
- ▶ This section is limited to 12 pages, double-spaced, Arial font, size 12. The page limitation does not include attachments.
- ▶ Begin each response by annotating the number that corresponds to the appropriate plan section.
- ▶ If a section is not applicable, please indicate N/A.
- ▶ Clearly label all attachments.

This section is designed to solicit information concerning an applicant's qualifications. The information will be used to determine whether the organization has sufficient experience in delivering services to low income and ESL individuals and the infrastructure to properly manage federal funds. Provide specific responses for each of the following requirements and keep comments concise and relevant. Begin each response by annotating the letter that corresponds to the appropriate requirement.

Experience

- a. Describe the applicant's experience in operating an LTC program. **Do not** include information about the experience of specific individuals here. If the applicant has no experience operating an LTC program, describe the applicant's experience in delivering services (e.g., representation, outreach, and education) to low income and ESL individuals and families. Include types of services provided, languages served, number of individuals reached, and geographic area covered.
- b. Describe the applicant's existing affiliations with other organizations, such as schools, governmental bodies, or other charitable organizations.
- c. Describe the applicant's experience in supervising staff, students, and volunteers and providing technical assistance to other organizations.
- d. Describe the applicant's experience networking with other community-based

organizations with which it can work to reach its target audience.

Financial Responsibility

- e. Describe the applicant's ability to properly spend and account for program funds. Include examples of experience in managing federal grants, if any, and a description of the organization's existing accounting system and accounting support staff. Include copies of relevant internal accounting procedures, and other pertinent information. Specifically describe the following:
 - i Accounting procedures;
 - ii The method for ensuring that LITC grant funds and matching funds are used solely for qualifying LITC activities. If the applicant also operates a VITA or TCE program, specifically identify how LITC funds are kept separate from those activities;
 - iii The plans for audits and controls;
 - iv The qualifications and relevant expertise of the Qualified Business Administrator (QBA) with business administration and managing federal grants.

v Program Performance Plan

WHO MUST COMPLETE THIS SECTION?

Applicants applying for a single-year grant or year one of a multi-year grant must submit a Program Performance Plan. Applicants requesting funding for the second or third year of a multi-year grant are not required to submit a Program Performance Plan. However if the applicant intends to modify the Plan submitted with the year one application, a statement indicating any proposed program modifications must be included.

Things to note:

- ▶ The application may contain internal cross-references. There is no need to reprint text printed elsewhere in the application.
- ▶ This section is not limited in length.
- ▶ Begin each response by annotating the number that corresponds to the appropriate plan section.
- ▶ If a section is not applicable, please indicate N/A.
- ▶ Clearly label all attachments.

This section of the application is designed to solicit information concerning the ability of an applicant to operate a quality LITC. Provide specific responses for each of the following requirements and keep comments concise and relevant. Begin each response by annotating the letter that corresponds to the appropriate requirement.

Program Staff

- a. Describe the qualifications and specific tax expertise of the:
 - 1. The Qualified Tax Expert (QTE); and
 - 2. The Clinic Director.
- b. List the titles, responsibilities, and qualifications of clinic staff other than the QTE, QBA, or Clinic Director.
- c. If students will be used to provide clinic services, indicate the number and type of students (law students, graduate accounting students, etc.), and
 - 1. Whether the clinic will obtain authorization from the Office of Professional Responsibility for a special appearance to allow students to represent taxpayers before the IRS; and
 - 2. Whether the clinic will obtain authorization from the United States Tax Court for students to practice before the Court.
- d. Identify clinic staff authorized to represent taxpayers before the IRS.
- e. Identify clinic staff admitted to practice before the U.S. Tax Court.
- f. Indicate the amount of time that clinic staff and students devote to clinic activities. Detail the method used to track staff and student time.

Volunteers

- g. Describe the applicant's *pro bono* panel and how panel members will be identified and recruited.
- h. Describe the procedures used to assign cases to volunteers, monitor case progress, and evaluate services to ensure that taxpayers receive quality assistance.
- i. Detail the method used to track volunteer time.

Training and Resources

- j. Describe the training to be provided to clinic staff, students, and volunteers.
- k. Identify the continuing professional education (CPE) activities of the clinic staff and volunteers.
- l. Describe the clinic's tax library and any plans to provide access to other research resources.

Clinic Operations

- m. Describe the clinic's publicity plan, including potential venues for outreach to low income taxpayers. Identify the methods and media that the clinic will use to reach taxpayers.

- n. Describe plans to protect taxpayer privacy and to maintain confidentiality of taxpayer information and any tax return information. Describe the procedures used to safeguard client records. Is there a private office or conference room to meet with clients?
- o. Indicate the dates, days, and hours of clinic operation. State whether the clinic will be open full-time and year-round. Describe plans for staffing the clinic during periods of student absences if the LITC is part of an academic institution. Specifically state whether the clinic will accept and work new cases during periods of student absences or merely refer taxpayers to other organizations.
- p. Describe the clinic's plans for charging nominal fees, if any, and the amount.

NOTE: *Year-round, full-time access is preferable to part-time or partial-year access for clients. In making grant awards, consideration will be given to whether clinics are open full-time and year-round. If the clinic is awarded a grant premised on operating full-time and year-round and later changes the operating schedule, the LITC Program Office may make a reduction in funding during the year.*

Program Plan

- q. Describe the proposed program plan for the period for which the grant is requested. **If the clinic will be providing both Controversy and ESL services, submit a separate program plan and goals for each.** If the program goals extend beyond one year, state goals in annual increments of up to three years.

Controversy Plan

- 1. Describe the type of controversy services to be provided.
- 2. Briefly describe the procedure for intake, assignment, and monitoring of controversy cases.
- 3. Describe the method used to track the 90/250 income requirement. Include an explanation of any alternative methods used to measure income for purposes of determining eligibility for controversy services (e.g., seasonal workers).
- 4. Describe the method used to track the amount in controversy for any taxable year and state the policy that will be used to accept cases when the amount in controversy exceeds the amount specified in IRC § 7463 (currently \$50,000).
- 5. Project numerical goals for:
 - i. New representation cases; and
 - ii. Consultations.

ESL Plan

6. Describe the type of ESL outreach and educational activities to be provided, including educational topics to be addressed.
7. Describe the target population for ESL outreach and education.
8. Describe the plans for tracking the number of ESL taxpayers served.
9. Project numerical goals for:
 - iii. Educational activities to be conducted;
 - iv. ESL taxpayers to be reached; and
 - v. Consultations.

Program Monitoring and Evaluation

- r. Describe the strategy for monitoring and evaluating program results (in short and long-term), including how success will be defined and measured.
- s. Indicate how the clinic intends to measure client satisfaction.

Geographic and Demographic Information

- t. Identify geographic area(s) the clinic will serve. Provide demographic information including the total population, number of low income residents, and number of ESL residents. Identify languages in which the clinic provides services. Specify if interpreters are available.

vi Budget/Financial Information

This section is designed to solicit information concerning the applicant's budget request for the grant year. All applicants must submit the following budget and financial information:

- a. *Standard Form 424A, Budget Information – Non-Construction Programs*. This form is used to provide a budget for the grant year. An applicant that is applying for both Controversy and ESL funding should submit only one Standard Form 424A, which will include budget information for both programs. The applicant will identify the Controversy and ESL program requests separately on the form. Detailed instructions for completing the form are provided in section II.K.vii.
- b. *Detailed Budget Worksheet* (Form 13424-J) and Narrative. This worksheet and accompanying narrative provides a breakdown of budgeted expense items in accordance with the budget categories listed in section B of Standard Form 424A. A single worksheet should include information related to both Controversy and ESL programs, if applicable, as well as information related to the proposed use of federal funds and matching funds. Detailed instructions for completing the worksheet and narrative are provided in section II.K.viii. An example of a properly prepared worksheet and narrative is provided in Appendix B.

- c. Copy of the applicant's most recent audited or unaudited financial statement. If an unaudited financial statement is submitted, please explain why an audited financial statement is not available. If a financial statement is not available, please include a profit and loss statement.
- d. Copy of the applicant's most recent *Single Audit Data Collection Form* (Form SF-SAC), or a statement that the applicant is exempt from the A-133 audit requirement because it expends less than \$500,000 a year in federal awards.
- e. A copy of the applicant's indirect cost rate agreement, if applicable.

Failure to provide this information will result in non-consideration of the application.

THINGS TO NOTE:

- ▶ Each budget item does not require a dollar-for-dollar match, but the total matching funds for each program must equal or exceed the total federal funds requested for that program.
- ▶ Federal funds are those funds the applicant is requesting from the IRS in support of the LTC Program.
- ▶ Non-federal funds are funds from other sources that the applicant has or will have available to spend on the LTC Program. These are considered matching funds.
- ▶ 2 CFR Part 220 (formerly OMB Circular A-21) and 2 CFR Part 230 (formerly OMB Circular A-122) provide guidance about allowable and unallowable expenses. Also, see section II.H.vi, Allowable/Unallowable Program Expenses, for a list of common expenses that are allowable or unallowable.
- ▶ 2 CFR Part 215 (formerly OMB Circular A-110) provides guidance about matching funds requirements.
- ▶ Please round figures to whole dollars only and no cents.

vii Completing the Standard Form 424A, Budget Information – Non-Construction Programs

A Standard Form 424A, *Budget Information – Non-Construction Programs*, is required for this application. The term “non-federal funds” is used interchangeably with “matching funds.” The following table provides information on how to complete the SF 424A. Applicants should also review the instructions provided with SF 424A in Appendix A.

Section A – Budget Summary	
SF 424A Title	Explanation
Grant Program Function or Activity (a): Line 1	Enter the word “Controversy” on line 1 of the form. Include all requests for Controversy resources on this line.
Grant Program Function or Activity (a): Line 2	Enter the word “ESL” on line 2 of the form. Include all requests for ESL resources on this line.
<i>NOTE: An applicant seeking to operate only an ESL program may enter “ESL” and the corresponding funding request on line 1 of the SF 424A, and leave line 2 blank. An applicant seeking to operate only a Controversy program may leave line 2 blank. These instructions are applicable throughout the rest of this application.</i>	
Lines 3(a) – (g) and 4(a) – (g)	No entry required or may contain all zeroes.
Catalog of Federal Domestic Assistance Number (b)	Enter 21.008 on lines 1 and 2 as appropriate.
Estimated Unobligated Funds: Federal (c) and Non-Federal (d)	No entry required or may contain all zeroes.
New or Revised Budget: Federal (e)	This section is used to capture the amount of federal funds requested from IRS for performance of this grant in grant year 2013. On line 1(e) enter the total amount of money requested from the IRS for Controversy. On line 2(e), enter the total amount of money requested from the IRS for ESL.
New or Revised Budget: Non-Federal (f)	This section is used to capture the amount of non-federal funds proposed for matching. This grant requires a dollar-for-dollar match. Enter on line 1(f) the total amount of matching funds for Controversy. The amount in this column must be equal to or greater than the amount on line 1(e). Enter on line 2(f) the total amount of matching funds for ESL. The amount in this column must be equal to or greater than the amount on line 2(e).
New or Revised Budget: Total (g)	This is the sum of columns (e) and (f).
Grant Program Function or Activity (a): Line 5 – Totals	Enter the totals for each column (c) – (g).
TIP: The amounts on line 5(e) – (g) of the SF 424A should agree with amounts in section 18 on the SF 424, as follows: The amount on SF 424A, line 5(e) should equal the amount on SF 424, block 18(a); The amount on SF 424A, line 5(f) should equal the sum of SF 424, blocks 18(b)-(e); and The amount on SF 424A, line 5(g) should equal the amount on SF 424, block 18(g).	

Section B – Budget Categories	
SF 424A Title	Explanation
The amounts entered in section B, columns (1) and (2), must correspond with the totals shown by program in the <i>Detailed Budget Worksheet</i> (Form 13424-J). NOTE: The data captured in this section also corresponds to lines (1) and (2) entered in section A, <i>Budget Summary</i>. <i>The data that is entered in column (1) in section B corresponds to the total amount entered on line (1) of section A (e.g., section B, column (1), item 6(k) should equal section A, item 1(g)).</i> <i>The data that is entered in column (2) in section B corresponds to the total amount entered on line (2) of section A (e.g., section B, column (2), item 6(k) should equal section A, item 2(g)).</i>	
6. Object Class Categories	Enter the combined federal and non-federal funds from section A by object class category in columns (1) and (2). Columns (1) and (2) will correspond to the specific program – Controversy or ESL – noted in lines (1) and (2) of section A. Columns (3) and (4) should be blank. The total of columns (1) and (2) is captured in column (5). Reminder: Review the allowable and unallowable expenses in this publication and applicable OMB Circulars before completing this application.
a. Personnel	This category represents wages and salaries paid to LITC staff. Do not include fringe benefits on this line. This number will reflect both federal and non-federal dollars.
b. Fringe Benefits	This category includes the fringe benefits for the personnel listed in the personnel section and includes both federal and non-federal dollars.
c. Travel	This category covers travel costs for the LITC program. Travel for unrelated seminars, meetings, etc. is not allowed.
d. Equipment	This category covers all equipment for the program, including the value of any donated equipment.
e. Supplies	This category covers all supplies for the program, including the value of donated supplies.
f. Contractual	This category covers the cost of rent, utilities, and other contracted items or services that will be used in the program, including the value of donated space.
g. Construction	This line must be blank or all zeroes. Construction costs are not covered by the grant.
h. Other	This category covers all other direct expenses that do not fit in the above categories. The value of volunteer in-kind services is included in this category.

Section B – Budget Categories	
SF 424A Title	Explanation
i. Total Direct Charges (sum of 6(a)-6(h))	Total direct charges from line 6(a) through 6(h).
j. Indirect Charges	Enter indirect charges allocable to the plan or all zeroes.
k. TOTALS (sum of 6(i) and 6(j))	Total both direct and indirect charges.
7. Program Income	If the clinic charges a nominal fee for services, program income would be included in the appropriate column. Program income may be used to finance the non-federal share of the program (<i>i.e.</i> , it may be used as part of the clinic's matching funds).

Section C – Non-Federal Resources	
SF 424A Title	Explanation
8(a) Grant Program	The information entered here should be identical to that entered in section A line 1(a) on the SF 424A. For Controversy programs, enter "Controversy" on this line. For ESL only programs, enter "ESL" on this line. Columns (b) through (e) will contain the corresponding data for the applicant's Controversy or ESL only program.
8(b) Applicant	This is the amount of matching funds that will come directly from the applicant. Enter the amount on line 8(b).
8(c) State	Enter the amount of the state's cash and in-kind contribution if the applicant is not a state or state agency.
8(d) Other Sources	Enter the amount of cash and in-kind contributions to be made from all other sources.
8(e) TOTALS	Total the amount on line 8, columns (b) – (d). This amount must match the amount on line 1(f) Non-Federal in section A.
Line 9(a) through (d)	For applicants applying for Controversy and ESL funding, use the instructions above and enter data for the ESL program on line 9(a) through (d).
9(e) TOTALS	Total the amount on line 9, columns (b) – (d). This amount must match the amount on line 2(f) Non-Federal in section A.
Lines 10-11	No entries required (or enter all zeroes).
Line 12 TOTAL (sum of lines 8-11)	Total columns (b) – (e).
TIP: All cash and in-kind contributions must be addressed in the Detailed Budget Worksheet and Narrative. An explanation of the sources and amounts of matching funds to be provided, as well as an explanation of the methods used to value in-kind contributions, must be included in the narrative.	

Section D – Forecasted Cash Needs	
Line 13 Federal	Enter the amount of federal funds needed by quarter during grant year 2013. Total should equal section A line 5(e).
Line 14 Non-Federal	Enter the amount of cash funds from all other sources needed by quarter during grant year 2013. Enter cash needs only. Do not include the value of any in-kind matching funds.
Line 15 TOTAL (sum of lines 13 and 14)	Enter the total of lines 13 and 14.

Section E – Budget Estimates of Federal Funds Needed for Balance of the Project <i>The section is only required if the applicant organization has applied for a multi-year grant.</i>	
SF 424A Title	Explanation
Lines 16(a) Grant Program	Enter in column (a) the same grant program titles shown in section A column 1(a).
Lines 17(a) Grant Program	Enter in column (a) the same grant program titles shown in section A column 2(a), if applicable.
Lines 18(a) – (e) and 19(a) – (e)	Leave blank.
16(b) First Future Funding Period	Estimate the amount of federal funds needed for Controversy or ESL programs for 2014.
16(c) Second Funding Period	Estimate the amount of federal funds needed for Controversy or ESL programs for 2015.
16(d) Third and (e) Fourth	Leave blank.
17(b) First Future Funding Period	For clinics that have both Controversy and ESL programs, estimate the amount of federal funds needed for ESL programs for 2014.
17(c) Second Future Funding Period	For clinics that have both Controversy and ESL programs, estimate the amount of federal funds needed for ESL programs for 2015.
Line 20 TOTAL (sum of lines 16-19)	Enter the total amounts for the First (b) and Second (c) future funding periods.

Section F – Other Budget Information	
SF 424A Title	Explanation
Line 21. Direct Charges	Leave blank.
Line 22. Indirect Charges	Leave blank.
Line 23. Remarks	Leave blank.
NOTE: <i>The Detailed Budget Worksheet (Form 13424-J) and Narrative that is required to be submitted with the grant application will include all explanations of direct and indirect charges. The requirements of the Detailed Budget Worksheet and Narrative follow.</i>	

viii Completing the Detailed Budget Worksheet and Narrative

In addition to the SF 424A, a *Detailed Budget Worksheet* (Form 13424-J) with accompanying Narrative Explanation must be submitted to explain how federal grant funds and matching funds will be spent by the program. A sample Detailed Budget Worksheet has been provided in Appendix B. A narrative explanation of all expense categories from section B, Budget Categories of the SF 424A must be included to explain how the expenses are calculated; how the expenses are allocated between Controversy and ESL programs, if applicable; and the amount and sources of matching funds. All expenses must be reasonable, necessary, and allocable to this grant. Each line item does not require a dollar-for-dollar match, but the total matching funds for each program must equal or exceed the total federal funds requested for that program. Grant applicants should refer to 2 CFR Part 220 or 2 CFR Part 230 (formerly OMB Circulars A-21 and A-122, respectively) as appropriate, for further guidance on each expense category and 2 CFR Part 215 (formerly OMB Circular A-110) and Part II.G of this Publication for guidance on matching funds.

A. Personnel

This budget category is used to report salaries and wages that will be paid to LITC staff. Do not include fringe benefits in this category (fringe benefits should be accounted for in category B).

List each staff member's position, rate of pay (hourly wage or annual salary), and time devoted to clinic activities (hours of service or percentage of annual salary).

In the narrative, indicate the amount of full-time (40 hour) equivalents (FTEs) for each position. If a staff member works in both the Controversy and ESL programs, state the percentage of time devoted to each program. Also, state the portion of each staff member's salary or wages to be paid from federal and matching funds, as well as the source of the matching funds.

Volunteer in-kind services should not be included under the Personnel category. They should be included under category H, Other.

The Personnel Total (for Controversy and ESL) should equal that on the Standard Form 424A, line 6(a).

B. Fringe Benefits

This budget category is used to report fringe benefits that will be paid on behalf of LITC staff whose wages and salaries are reported in personnel costs (category A above).

In the narrative, state the fringe benefits rate (or rates, if different percentages are used for different staff positions), the items that constitute the fringe benefits, what portion will be paid by federal funds and matching funds, and the source of matching funds. Identify the rate applicable to each staff position if varying rates apply by position.

The Fringe Benefits Total should equal that on the Standard Form 424A, line 6(b).

C. Travel

This budget category covers travel costs, including costs associated with attendance at the annual LITC conference and other travel expenses directly related to conducting LITC business or activities.

In the budget narrative, identify the travel costs being requested, whether the costs will be paid with federal or matching funds, the source of the matching funds, and how costs will be allocated between the Controversy and ESL programs, if applicable.

The Travel Total should equal that on the Standard Form 424A, line 6(c).

D. Equipment

This budget category covers the cost of equipment that will be purchased or leased by the applicant and used in operating a Controversy or ESL program. Equipment donated or loaned may be included as matching funds. Donated equipment is valued at the fair market value of the property at the time of the donation. Loaned equipment is valued at its fair rental value.

In the budget narrative, identify the equipment to be purchased, leased, donated, or loaned, whether the associated costs will be paid using federal or matching funds, the source of the matching funds, and how costs will be allocated between the Controversy and ESL programs. If there are third-party in-kind contributions of equipment or the use of equipment, identify the equipment, the donor, and how the valuation was determined.

Any clinic that does not have case management software should include a line item for its purchase.

The Equipment Total should equal that on the Standard Form 424A, line 6(d).

E. Supplies

This budget category includes the cost of supplies that will be used in operating the LITC. Donated supplies may be included as matching funds and are valued at the fair market value of the property at the time of the donation.

In the budget narrative, identify the supplies to be used, whether the associated costs will be paid using federal or matching funds, the source of the matching funds, and how costs will be allocated between the Controversy and ESL programs. If there are third-party in-kind contributions of supplies, explain the type and amount of the supplies contributed and how the valuation was determined, as well as the source of the donation.

The Supplies Total should equal that on the Standard Form 424A, line 6(e).

F. Contractual

This budget category includes the cost of rent, utilities, and other contracted items or services that will be used in operating a Controversy or ESL program. Donated space may be included as matching funds and the value assigned may not exceed the fair rental value of comparable space.

The narrative explanation should identify the nature of the expense, whether the associated costs will be paid using federal or matching funds, the source of the matching funds, and how costs will be allocated between the Controversy and ESL programs.

If a contracted item or service pertains to other programs in addition to LITC activities, only the portion directly attributable to the LITC activities may be included in the budget, and the narrative must explain the methodology used to apportion costs between the LITC activities and other programs.

The Contractual Total should equal that on the Standard Form 424A, line 6(f).

G. Construction

This category is not applicable to this grant. No expenses are allowed.

H. Other

This budget category includes all other direct costs that will be incurred in operating the LITC program that are not properly included in categories A through G. The value of volunteer in-kind services is included in this category as matching funds.

The narrative should identify the type of cost, whether the cost will be paid using federal or matching funds, the source of the matching funds, and how the cost will be allocated between the Controversy and ESL programs. The narrative must also disclose the types of volunteer in-kind services donated, the rate or rates that will be used to value volunteer services, and the number of volunteer hours estimated to be provided by type of service or volunteer, as appropriate.

In general, rules for valuing volunteer in-kind services are found in 2 CFR § 215.23. Bear in mind, however, that the rate for attorneys fees under IRC § 7430 (as adjusted for inflation) may be used in certain situations. See also section II.G, *Matching Funds Requirement*, for more information.

The Other Total should equal that on the Standard Form 424A, line 6(h).

I. Total Direct Charges

The total of the direct charges is the sum of lines 6(a) through 6(h) on Standard Form 424A.

J. Indirect Charges

Indirect charges are costs not directly related to the LITC program, but incurred as part of the general overhead and administration of the applicant. Indirect charges may be budgeted as a use of federal funds based upon an approved Indirect Cost Rate Agreement. However, indirect costs are not allowable as a source of matching funds.

The budget narrative should identify the indirect cost rate and the base that will be used to allocate indirect costs. A copy of the applicant's Indirect Cost Rate Agreement should be attached, if available.

The Indirect Charges Total should equal that on the Standard Form 424A, line 6(j).

Matching Funds

The narrative must include an explanation of the sources and amounts of matching funds. If the sponsoring organization plans to provide matching funds, the applicant must state explicitly that such funds (1) are not used as matching funds for any other federal program and (2) are not funds received from any other federal grant unless specifically authorized by statute to be used as matching funds.

Detailed Budget Worksheet and Narrative Example

An example of a properly prepared Detailed Budget Worksheet and Narrative is provided in Appendix B. In the example, ABC Low Income Taxpayer Clinic is requesting a grant in the amount of \$90,000 for calendar year 2012; \$80,000 of federal funds is budgeted to operate a Controversy program and \$10,000 of federal funds is budgeted to operate an ESL program. The applicant plans to provide \$122,750 in matching funds (which exceeds the \$90,000 dollar-for-dollar match required under the terms of the grant). Matching funds will be provided using Legal Services Corporation funds and the value of volunteer in-kind services.

L LITC Program Grant Application Assembly and Submission

Applicants are encouraged to submit applications via www.grants.gov. Use of grants.gov provides assurance that required entries are not left blank on the standard forms and provides receipt acknowledgement when the application is downloaded by the LITC Program Office. To submit an electronic application, go to www.grants.gov to apply through the Federal Grants website. For applicants applying through the Federal Grants website, the Funding Number is TREAS-GRANTS-052013-001.

Applications submitted through www.grants.gov constitute submission as electronically signed applications. Applicants must register the individual who is able to make legally binding commitments for the applicant organization as the authorized organization representative. When an application is submitted through www.grants.gov, the name of your authorized organization representative on file will be inserted into the signature line of the application.

NOTE: *The LITC Program Office strongly encourages all applicants to submit their 2013 grant applications through www.grants.gov. The Program Office plans to make use of www.grants.gov mandatory beginning with the 2014 grant year applications.*

If the application is not submitted electronically, the Application Package must be assembled in the order prescribed in the section II.K, Completion of the LITC Program Grant Application Package, and submitted as an original and three copies (*i.e.*, four sets). **All application documents must be typed and consecutively numbered at the bottom of the page. The original must be signed in blue ink.** Paper applications **may be submitted by U.S.P.S. mail, sent by private delivery service, or hand-delivery to the LITC Program Office in Washington, D.C.**

Applications submitted in hard copy should be sent to the following address:

Internal Revenue Service
Taxpayer Advocate Service
LITC Program Office
Attention: LITC Applications
TA:LITC
Room 1034
1111 Constitution Ave., NW
Washington, DC 20224

All applications **must be postmarked, sent by private delivery service, hand-delivered to the LITC Program Office in Washington, D.C., or electronically submitted by June 15, 2012**, to be considered for 2013 LITC Program grant funding.

M Selection of Grant Recipients and Award Notification

In making grant award decisions, the IRS seeks to fund qualified organizations, including academic institutions and non-profit organizations throughout the United States, to provide tax representation on behalf of low income individuals and education and outreach to ESL taxpayers. The IRS may, at its discretion, award grant funds based on controversy, ESL, or a combination of program plans to achieve the goals of the LITC Program.

An overriding goal of the LITC Program is to provide both types of services in each state, the District of Columbia and Puerto Rico. To that end, the IRS encourages applications from clinics in underserved states that currently lack either controversy or ESL services. The chart below lists the states in need of services and the type of service needed:

Underserved States for Applications to Provide ESL Services (New or Existing Clinics)

Colorado, Connecticut, Kentucky, Louisiana, Montana, New Mexico, South Dakota

In addition, the LITC Program has identified the following areas as underserved areas in need of LITC services. The IRS encourages applications from new clinics within these locales or from existing grantees wishing to expand their coverage to service these areas.

Underserved Metropolitan Areas for Applications to Provide ESL or Controversy Services (New or Existing Clinics)

Los Angeles, California including the following counties:
Los Angeles, Kern, Riverside, Ventura

Sacramento, California including the following counties: El Dorado, Placer, Sacramento,
San Joaquin, Stanislaus

Philadelphia, Pennsylvania, including the following counties:
Berks, Delaware, Philadelphia

St. Louis, Missouri including the following counties: Cape Girardeau, Jefferson,
St. Francois, St. Louis

Underserved States for Applications to Provide ESL or Controversy Services (New Clinics Only)

Alabama, Georgia, Montana, Nebraska

Notwithstanding the criteria detailed above, all applications for clinics from all areas will receive serious consideration.

The IRS may award grants with one-year to three-year project periods to qualified applicants. Organizations awarded a multi-year grant based on the 2013 selection and award process will not undergo formal evaluation of their program plans during the second or third year selection and award process. However, multi-year recipients will be reviewed annually for satisfactory performance and progress in meeting goals and objectives as well as compliance with grant terms. The funding level for subsequent years will be reviewed annually and may be increased or decreased at the discretion of the LITC Program Office. **All funding will be based on the availability of annually appropriated funds.** Awarding of multi-year grants is at the discretion of the LITC Program Office.

All applications will undergo a preliminary eligibility screening. Applications that do not meet all eligibility screening criteria will be eliminated from the award process. Applications that pass the eligibility screening will then be evaluated based on their technical merit, the amount of funding requested, and other considerations.

i Eligibility Screening

Applications will be reviewed to determine the following information:

- ▶ Length of Grant Requested (one year to three years);
- ▶ Type of Program Proposed (Controversy, ESL, or both); and
- ▶ Status of Organization (prior LITC grant recipient or new applicant).

Applications will be reviewed further to determine if all required items are included in the application package and to ensure that the grantee has an active CCR registration.

ii Evaluation Process

Applications that pass the eligibility screening process will undergo a two-tiered evaluation process. Applications will be subject to both a technical evaluation and a Program Office evaluation.

a Technical Evaluation

During the technical evaluation, each application will be reviewed using the criteria listed below and awarded points based on the information provided in the application. If an applicant seeks funds to operate both a controversy and ESL program, each program plan will be evaluated separately. Applicants can receive a maximum of 100 points per program. In scoring applications, the IRS will evaluate each program plan based on how it will assist in accomplishment of the LITC Program goals as stated elsewhere in the application package.

NOTE: *Only information contained in the application will be considered during the technical evaluation process. Therefore, it is extremely important that a submission contain all required information in order to achieve the maximum scoring*

Points will be assigned as follows:

Experience

- ▶ Experience in operating a low income taxpayer clinic or delivering services to low income and ESL taxpayers. (Maximum 10 points).

Financial Responsibility

- ▶ Quality of grant administration and internal accounting procedures. (Maximum 10 points).

Program Plan

- ▶ Quality of programs offered to assist low income taxpayers or ESL taxpayers. Evaluation criteria include the qualifications, training, and supervision of the clinic staff, students, and volunteers; amount of time devoted to the program by clinic staff; comprehensiveness of services to be provided; procedures for ensuring the confidentiality of taxpayer information; procedures for monitoring and evaluating program results; publicity and outreach plans; and the dates and days and hours of clinic operation. (Maximum 75 points).

Program Coverage

- ▶ Number of low income or ESL taxpayers in geographic area(s) and proposed efforts to reach these taxpayers. (Maximum 5 points).

b Program Office Evaluation

After the completion of the technical evaluation, applications will undergo a secondary review by the LITC Program Office. This evaluation will be based on the information contained in the program plan, as well as the clinic's performance history in the LITC Program, if applicable.

- ▶ New Applicants. The LITC Program Office will perform a general review of the application and proposed program plan. The review will consider the quality of the proposed program, the soundness of the proposed budget, and any significant concerns identified during the technical evaluation.
- ▶ Prior Grantees. The LITC Program Office will perform a general review of the application and program plan, as well as a more detailed review of the clinic's performance history in the LITC Program. The review will consider:
 1. Timeliness, accuracy, and completeness of Interim and Year-End reports;
 2. Any significant concerns identified by site assistance visits and how the grantee addressed those concerns;
 3. Whether the grantee's activities match its program plan;
 4. Grantee's involvement with other tax clinics, community groups, the Taxpayer Advocate Service (TAS), and the LITC Program Office;
 5. Whether the grantee has a history of not drawing down funds in a timely manner; and
 6. Whether the grantee has failed to use all funds awarded in prior years.

Before an award is made to any applicant, it will undergo a civil rights review by the External Civil Rights Team of the IRS. The LITC Program Office will also conduct a review of the organization's federal tax compliance status and the suspension and debarment status of the applicant. Grant funds may be withheld or denied based on an applicant's failure to be in full compliance with all civil rights requirements or federal tax obligations, or a determination that the applicant is currently suspended or debarred from receiving a federal grant award.

The decision of whether or not to award grant funds will be based on the technical evaluation, Program Office evaluation, and the following additional considerations:

- ▶ To foster parity regarding clinic availability and accessibility for low income and ESL taxpayers nationwide, the LITC Program Office will consider an applicant's geographic coverage area, the number of low income and ESL taxpayers served, and the languages in which assistance will be provided to taxpayers.
- ▶ If applications are submitted by more than one clinic sponsored by the same institution or organization, the LITC Program Office will consider all factors surrounding the operation of the clinics, including the geographic area(s) served by the clinics and the comprehensiveness of the services to be provided, in determining whether and in what amount grants will be made to one or more such clinics.
- ▶ For academic clinics, which may serve fewer taxpayers than non-academic clinics because of the time involved in teaching and mentoring students, the LITC Program Office will consider additional ways in which academic clinics can accomplish LITC Program goals (e.g., providing technical assistance, training, and mentoring to other LITC programs, publishing articles about the LITC Program, commenting on proposed Treasury regulations that affect low income or ESL taxpayers, and monitoring graduates to determine whether they perform *pro bono* work on behalf of or otherwise assist low income taxpayers).
- ▶ The existence of other clinics serving the same population.
- ▶ Appropriateness of funds sought for the quantity and quality of services to be offered.
- ▶ Other sources of funding available to the clinic.

Final funding decisions are made by the National Taxpayer Advocate, unless recused. In recusal situations, final funding decisions are made by the Deputy National Taxpayer Advocate.

iii Notification of Award Decisions

The LITC Program Office will notify all applicants no later than November 2012 whether or not they have been selected to receive a 2013 grant award. However, no specific award amount information will be available until after Congress appropriates funding for fiscal year 2013. The Program Office will issue a written notice of grant award to each grantee after final award amounts are determined. If an applicant incurs expenses and a grant is not awarded, all costs incurred will be the responsibility of the applicant. The LITC Program Office may, at its discretion, conduct a site inspection visit to a prospective grantee prior to awarding grant funds.

N Payments To LITC Program Grantees

LITC Program grant payments will be disbursed through Electronic Funds Transfer (EFT). Information regarding the EFT procedure is available on the Division of Payment Management segment of the HHS website at www.dpm.psc.gov. Questions regarding upcoming disbursements should be directed to the clinic's assigned analyst. For information about seeking historical payment information, see section II.J.i, *OMB Circular A-133 Audit Requirement*.

EFT payments shall be timed in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of EFT payments shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

Advances of federal grant funds must be maintained in insured accounts. In addition, the grantee is required to remit to the U.S. Treasury, at least annually, interest in excess of \$250 earned on advances of federal grant funds. Grantees may keep \$250 of interest earned per calendar year. See section II.H.iii, *Interest on Advances of Grant Funds*, for more information.

The LITC Program Office will monitor clinics' use of funds throughout the year. If a clinic determines that it will not use all of the funds awarded for the grant year, the clinic should notify the LITC Program Office **immediately** in writing, by sending an e-mail to the clinic's assigned analyst, and then following up with a letter. The letter should state the amount being released and the reason that the funds are not required. **Clinics are advised to provide notice by September 10, 2013 to allow the LITC Program Office time to reobligate those funds to other clinics prior the end of the federal government's fiscal year.**

III POST AWARD REQUIREMENTS

A Grantee Responsibilities

Grantees are responsible for providing administrative support for the clinic by acting as managers or program leaders for students, volunteers, and LITC employees. Grantees must comply with all applicable Standards of Operation outlined in sections II.C-E.

i Student Representation

Clinics intending to use students to represent taxpayers before the IRS must obtain authorization for a special appearance for those students. The IRS Office of Professional Responsibility (OPR) handles requests for special appearances. If the clinic needs information about how to request an authorization for a special appearance, please contact OPR at (202) 927-3397. The OPR authorization is limited to practice before the IRS. With respect to practice before any court, the court itself handles requests to authorize student representation. If clinic students encounter difficulty with getting Forms 2848 processed or with getting IRS personnel to recognize students operating under a special appearance authorized by OPR, please contact the LITC Program Office at (202) 622-4711. LITCs should withdraw any existing Forms 2848 on file with the IRS that authorizes a student to represent when that student leaves the clinic program.

NOTE: *The term “special order” has sometimes been used in the past; however, “special appearance” is the correct terminology being used by the Office of Professional Responsibility.*

ii Changes in LITC Program Award-Supported Activities

Organizations should immediately notify the LITC Program Office of developments that have a significant impact on the award-supported activities. Grantees must notify the LITC Program Office in the case of problems, delays, or adverse conditions that materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation. Failure to notify the LITC Program Office may result in freezing of funds or termination of the grant.

iii LITC Contact Information

Clinics are required to immediately notify the LITC Program Office about proposed changes in key personnel, including the Clinic Director, QTE, or QBA, as well as any changes in their contact information (telephone number and e-mail address);

the clinic address (both the physical address and the mailing address) telephone number, and fax number; the days and hours of operation; and the beginning and ending dates clinic services will be provided. These notifications ensure that the Program Office has the most up-to-date information on each clinic.

Notification should be made by submitting a revised Form 13424, *Low Income Taxpayer Clinic (LITC) Application Information*, preferably by e-mail to the assigned analyst or fax at (877) 477-3520. If the Program Office is unable to locate the clinic or contact the clinic, it may be necessary to freeze the clinic's funds or terminate the grant.

iv LITC Program Materials

Grantees are responsible for creating, printing, and distributing the educational program materials used to inform individuals of their taxpayer rights and responsibilities. If the LITC is part of a larger parent organization, the LITC must be prominently featured and referenced in the parent organization's phone menu, website, and promotional brochures.

v Withdrawal from LITC Program or Termination of Grant

A clinic must notify the LITC Program in writing before it withdraws from the Program or ceases to exist. All unused funds must be returned to the IRS within two weeks of the date of withdrawal or the date of termination.

NOTE: *The federal government is generally obligated to charge interest on any amount that is not repaid in a timely fashion. See 31 C.F.R. § 901.9. Thus, for any funds the LITC Program Office requests to be returned to the IRS, failure to repay those funds on time may result in the clinic having to pay interest on those funds.*

If clinic activity is terminated prior to the expiration of the period of the grant agreement or if a clinic withdraws from the LITC Program, a final financial report and program narrative must be submitted within 90 days of final clinic activity or withdrawal from the program. Similarly, if the LITC Program Office terminates a grant because of a clinic's failure to comply with the LITC Program requirements, the clinic must submit a final financial report and program narrative within 90 days of the termination.

Employees and volunteers of the clinic who are lawyers must adhere to their responsibilities as attorneys, not just the responsibilities within the parameters of the LITC Program. The American Bar Association (ABA) has model rules of professional conduct that are applicable when a lawyer is terminating representation. In this regard, ABA Model Rule 1.16 provides that upon terminating representation of a client, a lawyer must take reasonable steps to protect a client's

interests, which includes giving notice to the client, allowing the client time to find other representation, and returning papers/property to the client. The state bar may have a similar rule of professional responsibility that provides guidance for terminating representation. In addition, if the clinic has an agreement with the U.S. Tax Court, the clinic must notify the Tax Court that the clinic will not be continuing in the LITC Program so that the Tax Court does not refer taxpayers to that clinic.

vi Client Satisfaction

Clinics should solicit client comments regarding services provided and use such observations to improve clinic services. Clinics should create a method of soliciting these assessments that is appropriate, depending on the services provided to the client. Clients should be advised that their participation in surveys is voluntary.

B Reporting Requirements

The LITC Program requires the **timely** submission of two reports for each grant year – an Interim Report and a Year-End Report. The LITC Program Office uses the reports to assess the grantee’s progress in meeting its goals and objectives and to measure the quality of clinic operations, including the services provided to low income and ESL taxpayers. Quality of operations is measured by determining how well grantees fulfill the prongs of the LITC mission statement and the related performance measures. The IRS also compiles and analyzes data from the reports to assess the overall success of the LITC Program. Thus, it is important that grantees provide accurate and complete reports.

A report should be submitted as a single, complete package. If a grantee uses multiple preparers when completing a report, the grantee should assemble all necessary parts before submitting the report to the Program Office.

In certain instances, clinics may request an extension of time to submit the Interim or Year-End report. However, a report will still be considered late if submitted after the due date, notwithstanding any extensions that may be granted. The request must be submitted in writing to the LITC Program Office prior to the due date of the report, and must include an explanation justifying the extension. Please submit an extension request to the LITC Program Office via e-mail at LITCProgramOffice@irs.gov.

Failure to timely submit required reports to the LITC Program Office may result in any or all of the following:

- ▶ Restricted access to grant funds;
- ▶ Reduction of future award amount; or
- ▶ Termination of grant.

NOTE: *Interim and Year-End reports may be released under the Freedom of Information Act (FOIA). In response to a FOIA request, the LITC Program Office may release these reports after appropriate redactions to ensure confidentiality of taxpayer information.*

i Interim Reports

Interim reports must be submitted to the LITC Program Office by **July 31, 2013**. The Interim report covers the first half of the grant year (January 1 through June 30) and consists of an Interim financial report and an Interim program narrative. If a reporting due date falls on a Saturday, Sunday, or legal holiday, the report is due on the next business day.

a Interim Financial Report

The interim financial report must contain the following information:

1. Form 425

A completed Standard Form 425 for the period from January 1, 2013 through June 30, 2013 is required. Only one Form 425 is required, even if a clinic has been funded for both ESL and Controversy programs.

2. Statement of Grant Expenditures and Explanations

The *Statement of Grant Expenditures* (Form 13424-L) and Explanations are used to report how grant funds were expended during the period beginning January 1, 2013 through June 30, 2013. Form 13424-L follows the same format as the Detailed Budget Worksheet that the clinic submitted with its application. A single statement should include expenditures made for both Controversy and ESL programs, if applicable, as well as information for both federal and matching funds. The total amount shown on this form is the amount spent as of June 30, 2013, not the amount drawn down from DPM. Explanations for expenditures made using grant funds and matching funds should be provided in the same format as used in the Narrative that accompanied the Detailed Budget Worksheet.

3. Matching Funds

An explanation of the sources and amounts of matching funds spent during the period January 1, 2013 through June 30, 2013 is required. In addition, the clinic must state whether it anticipates any difficulties in securing sufficient matching funds for the grant year. The LITC Program Office recognizes that some clinics may receive some of their matching funds later in the year, so that grant funds and matching funds may not be evenly spent as of June 30. Thus, if the clinic's Standard Form 425 for the Interim Report reflects that the clinic has spent less in matching funds than grant funds, include sufficient details for the Program

Office to ascertain whether the clinic will have adequate matching funds for the entire grant year.

4. Unused Grant Funds

The clinic must state whether it intends to spend its entire 2013 grant award before the end of the grant year. In the event the clinic anticipates that it will not spend its entire award, the clinic must report the amount it plans to deobligate from each program. If the amount is over \$500, include the reason(s) for the deobligation and whether this was due to a one-time occurrence or an ongoing issue. In the event that the clinic will be unable to use its entire grant award, it must contact the LITC Program Office as soon as possible (but no later than September 10, 2013) to arrange for a formal release of LITC grant funds so that the LITC Program Office may distribute the funds to other clinics prior to the end of the federal government's fiscal year.

NOTE: *All users of the Department of Payment Management's (DPM) web-based Payment Management System (which includes all LITC grantees) are required on a quarterly basis to complete Standard Form 425 in the Payment Management System. This requirement applies whether or not the user has actually drawn down any funds. Failure to complete the form could result in DPM restricting access to grant funds until the delinquent form(s) are completed. This requirement is separate and distinct from the LITC Program Office requirement to submit Standard Form 425 with the Interim and Year-End reports.*

5. Additional Funding Request

If a clinic wishes to request additional funding for grant year 2013, indicate the amount of additional funds being requested for each program and how these funds will be spent. The clinic's initial grant award and the amount of additional funding requested for the grant year may not exceed \$100,000. See IRC § 7526(c)(2).

b Instructions for Completing Standard Form 425, Federal Financial Report

A Standard Form 425, Federal Financial Report is required to be submitted with the Interim Report. For detailed instructions on completing Form 425, see section III.B.iii, *infra*.

c Interim Program Narrative

The Interim program narrative must contain the following information, numbered in accordance with the information requested below. A response is required for each narrative item. If not applicable, state "N/A." Please limit responses to activities conducted between January 1 and June 30, 2013.

1. Program Plan Progress

Provide a detailed explanation of the progress made in implementing the 2013 program plan(s). The explanation must address the following:

- i. the progress in meeting the proposed goals (including numeric goals) and objectives and the efforts taken to achieve those results; and
- ii. a description of any impediments to meeting established goals and objectives, and efforts made to overcome them.

2. Grant Requirements

Provide information about the following items:

- i. changes in LITC staff or how staff is deployed, if applicable;
- ii. a description of the training provided to clinic staff, students, and volunteers;
- iii. a description of any mentoring or networking activities conducted;
- iv. a description of the outreach activities reported on Form 13424-A, line 1d;
- v. a description of the types of issues addressed in the technical assistance consultations reported on Form 13424-A, line 7;
- vi. a description of the types of cases referred to the Taxpayer Advocate Service reported on Form 13424-A, line 9;
- vii. an explanation of the circumstances surrounding the representation of taxpayers whose amount in controversy exceeds \$50,000 as reported on Form 13424-K, line 3;
- viii. any changes in days or hours of operation, if applicable; and
- ix. a description of any other activities, not described previously, through which the clinic contributed to ensuring the fairness and integrity of the tax system with regard to low income or ESL taxpayers.

3. Emerging Issues

Briefly describe any emerging tax issues or trends identified through the clinic's work on behalf of low income or ESL taxpayers during the reporting period. Do not include specific taxpayer identifying information.

4. Success Stories

Briefly describe any relevant success stories. These may include stories about a particular case or activity; however, do not include specific taxpayer identifying information.

5. Required Forms

The LITC reporting forms for grant year 2013 listed below must be completed and submitted with the Program Narrative:

- ▶ Form 13424-A, General Information;
- ▶ Form 13424-K, Controversy Case Information (if applicable);

- ▶ Form 13424-B, Controversy Issues (if applicable); and
- ▶ Form 13424-C, Systemic Advocacy Information.

NOTE: *The Program Office has created Form 13424-F to assist grantees with tracking of volunteer hours. The form is for internal clinic use only and is not required to be submitted with either the Interim or Year-End Report. The form is provided in Appendix C.*

The Interim Report must be submitted by July 31, 2013 in one of the following ways:

- ▶ Fax: (877) 477-3520;
- ▶ E-mail: LITCProgramOffice@irs.gov; or
- ▶ Mail: Internal Revenue Service
Taxpayer Advocate Service
LITC Program Office
Attention: Interim Report
TA:LITC, Room 1034
1111 Constitution Ave., NW
Washington, DC 20224

ii Year-End Reports

Year-End reports must be submitted to the LITC Program Office by **April 1, 2014**. The Year-End report covers the entire grant year (January 1, 2013 through December 31, 2013) and consists of a Year-End financial report and a Year-End program narrative. If a reporting due date falls on a Saturday, Sunday, or Federal Holiday, the report is due on the next business day.

a Year-End Financial Report

The Year-End financial report must contain the following information:

1. Form 425

A completed Standard Form 425 for the period from January 1, 2013 through December 31, 2013 is required. Only one Form 425 is required even if a clinic has been funded for both ESL and Controversy programs.

2. Statement of Grant Expenditures and Related Explanation

The Statement of Grant Expenditures (Form 13424-L) and Explanations are used to report how grant funds were expended during the period beginning January 1, 2013 through December 31, 2013. Form 13424-L follows the same format as the Detailed Budget Worksheet that the clinic submitted with its application. A single statement should include expenditures made for both Controversy and ESL programs, if applicable, as well as information for both federal and matching funds.

The total amount shown on this form is the amount spent for the entire grant year, not the amount drawn down from DPM. Explanations for expenditures made using grant funds and matching funds should be provided in the same format as used in the Narrative that accompanied the Detailed Budget Worksheet.

3. Matching Funds

An explanation of the sources and amounts of matching funds spent during the period January 1, 2013 through December 31, 2013 is required. If the clinic did not meet its dollar-for-dollar matching funds requirement for the grant year, an explanation of the reason why must be included. Failure to provide adequate matching funds will require a reduction in the grant award. If the clinic has drawn down funds in excess of the reduced award amount, the clinic must reimburse the LITC Program for the amount of excess funds taken.

4. Unused Grant Funds

In the event that the clinic did not spend its entire 2013 grant award during the grant year, the clinic must report the unused amount for each program. If more than \$500 was not spent, please provide an explanation of why the funds were not spent and whether this was due to a one-time occurrence or an ongoing issue. The LITC Program Office will deobligate all unspent amounts.

b Instructions for Completing Standard Form 425, Federal Financial Report

A Standard Form 425, Federal Financial Report is required to be submitted with the Interim Report. For detailed instructions on completing Form 425, see section III.B.iii, *infra*.

c Year-End Program Narrative

The Year-End program narrative must contain the following information numbered in accordance with the information requested below. A response is required for each narrative item. If not applicable, state "N/A."

1. Program Plan Accomplishments

Provide a detailed explanation of the results achieved in implementing the 2013 program plan(s). The explanation must address the following:

- i. the results in meeting the proposed goals (including numeric goals) and objectives and the efforts taken to achieve those results; and
- ii. a description of any impediments to meeting established goals and objectives, and efforts made to overcome them.

2. Grant Requirements

Provide information about the following items:

- i. changes in LITC staff or how staff is deployed, if applicable;

- ii. a description of the training provided to clinic staff, students, and volunteers;
- iii. a description of any mentoring or networking activities conducted;
- iv. a description of the outreach activities reported on Form 13424-A, line 1d;
- v. a description of the types of issues addressed in the technical assistance consultations reported on Form 13424-A, line 7;
- vi. a description of the types of cases referred to the Taxpayer Advocate Service reported on Form 13424-A, line 9;
- vii. an explanation of the circumstances surrounding the representation of taxpayers whose amount in controversy exceeds \$50,000 as reported on Form 13424-J, line 3;
- viii. any changes in days or hours of operation, if applicable; and
- ix. a description of any other activities, not described previously, through which the clinic contributed to ensuring the fairness and integrity of the tax system with regard to low income or ESL taxpayers.

3. Emerging Issues

Briefly describe any emerging tax issues or trends identified through the clinic's work on behalf of low income or ESL taxpayers during the reporting period. Do not include specific taxpayer identifying information.

4. Success Stories

Briefly describe any relevant success stories. These may include stories about a particular case or activity; however, do not include specific taxpayer identifying information.

5. Last Year in LITC Program

If the grantee will not be continuing in the LITC Program for the 2014 grant year, please detail the steps taken to resolve any open cases or obtain new representation for current clients.

6. Required Forms

The LITC reporting forms for grant year 2013 listed below must be completed and submitted with the Program Narrative:

- ▶ Form 13424-A, General Information;
- ▶ Form 13424-K, Controversy Case Information (if applicable);
- ▶ Form 13424-B, Controversy Issues (if applicable); and
- ▶ Form 13424-C, Systemic Advocacy Information.

The Year-End Report must be submitted by April 1, 2014 in one of the following ways:

- ▶ Fax: (877) 477-3520;
- ▶ E-mail: LITCProgramOffice@irs.gov; or

- Mail: Internal Revenue Service
Taxpayer Advocate Service
LITC Program Office
Attention: Year-End Report
TA:LITC, Room 1034
1111 Constitution Ave., NW
Washington, DC 20224

NOTE: Subject to OMB approval, the LITC Program Office may require additional reporting information from LITC grantees. Please refer to www.irs.gov/advocate prior to submitting your application for updates to information reporting requirements.

iii Detailed instructions for completing Standard Form 425.

Detailed Instructions for Completing Standard Form 425, Federal Financial Report	
SF 425 Title	Explanation
NOTE: Only one Form 425 should be completed per reporting period. If a grantee has been funded for both ESL and Controversy programs, total the amounts in each category below and enter the result on the form.	
Line 1: Federal Agency and Organizational Element to Which Report is Submitted	Enter Internal Revenue Service.
Line 2: Federal Grant or Other Identifying Number Assigned by Federal Agency	Enter the grant award number found on your Notice of Grant Award for grant year 2013.
Line 3: Recipient Organization	Enter the name and address of the sponsoring organization.
Line 4a: DUNS Number	Enter the organization's DUNS number.
Line 4b: EIN	Enter the organization's Employer Identification Number.
Line 5: Recipient Account Number or Identifying Number	Leave blank for LITC purposes.
Line 6: Report Type	Select Semi-Annual for the Interim Report, Annual for the Year-End Report, or Quarterly for quarterly submissions of Form 425 to DPM (see note in section III.B.i.a.4, <i>supra</i>).
Line 7: Basis of Accounting	Select the option that describes the organization's basis of accounting.
Line 8: Project/Grant Period	Enter 01/01/2013 to 12/31/2013.
Line 9: Reporting Period End Date	Enter 06/30/2013 for the Interim Report or 12/31/2013 for the Year-End Report.

Detailed Instructions for Completing <i>Standard Form 425, Federal Financial Report</i>	
SF 425 Title	Explanation
Transactions: Line 10 Federal Cash: NOTE: All boxes on line 10 must be filled in.	
Line 10a: Cash Receipts	Enter the amount of federal cash that the grantee has drawn down from the 2013 grant award in the DPM account during the reporting period.
Line 10b: Cash Disbursements	Enter the amount of federal cash reported in line 10a that has been disbursed to pay or reimburse LTC expenses during the reporting period.
Line 10c: Cash on Hand	Subtract the amount on line 10b from the amount on line 10a. Note: line 10c cannot be a negative number because a grantee cannot have disbursed more federal cash than it has drawn down.
Federal Expenditures and Unobligated Balance:	
Line 10d: Total Federal funds authorized	Enter the total amount of the LTC grant awarded for grant year 2013.
Line 10e: Federal share of expenditures	Enter the amount of federal funds expended during the reporting period. Note: cash basis reporters generally expend funds when an expense is paid; accrual basis reporters generally expend funds when an expense is incurred.
Line 10f: Federal share of unliquidated obligations	Enter the amount of federal funds that represent expenses incurred but not yet paid as of the end of the reporting period, if not reported on line 10e. Note: for cash basis reporters there may be an amount on this line; for accrual basis reporters the amount on this line will likely be zero.
Line 10g: Total Federal share	Add the amounts on line 10e and line 10f.
Line 10h: Unobligated balance of Federal funds	Subtract the amount on line 10g from the amount on line 10d. Note: on the Year-End Report, the amount shown on this line represents unspent grant funds and must be explained in the financial narrative.
Recipient Share:	
Line 10i: Total recipient share required	Enter the total matching funds for grant year 2013. This amount must equal the amount on line 10d because the LTC grant requires a dollar-for-dollar match.
Line 10j: Recipient share of expenditures	Enter the amount of matching funds expended during the reporting period, including the value of third party in-kind contributions.
Line 10k: Remaining recipient share to be provided	Subtract the amount on line 10j from the amount on line 10i.

Detailed Instructions for Completing <i>Standard Form 425, Federal Financial Report</i>	
SF 425 Title	Explanation
Program Income:	
Line 10l: Total Federal program income earned	Enter the total amount of any nominal fees or other program income earned during the reporting period, unless the income has been included as matching funds on line 10l.
Line 10m: Program income expended in accordance with the deduction alternative	Enter zero.
Line 10 n: Program income expended in accordance with the addition alternative	Enter the amount of program income reported on line 10l that was expended to further program activities.
Line 10o: Unexpended program income	Subtract the amounts on lines 10m and 10n from the amount on line 10l. This amount represents program income earned but not expended for program activities.
Indirect Expenses: Line 11 Note: Only grantees using an indirect cost rate should complete this section. Otherwise, skip to line 12.	
Line 11a: Type	State whether the indirect cost rate used is <i>Provisional</i> , <i>Predetermined</i> , <i>Final</i> , or <i>Fixed</i> .
Line 11b: Rate	Enter the indirect cost rate in effect during the reporting period.
Line 11c: Period From/To	Enter the beginning and ending effective dates for the rate.
Line 11d: Base	Enter the amount of the base against which the rate was applied.
Line 11e: Amount Charged	Multiply the rate on line 11b times the amount on line 11d. This amount should represent the indirect costs charged during the reporting period.
Line 11f: Federal Share	Enter the amount of grant funds awarded for 2013 that were allocated to indirect costs during the reporting period.
Line 11g: Totals	Add the amounts in columns 11d, 11e, and 11f.
Remarks, Certification, and Agency Use Only	
Line 12: Remarks	If needed, enter "See attached statement" and attach additional pages containing explanations or additional information.
Line 13a-d: Certification	Enter the title, contact information, and signature of the authorized certifying official on line 13.

IV LITC PROGRAM OFFICE RESPONSIBILITIES

A General Responsibilities

The LITC Program Office will assist applicants and grantees in various ways, including:

1. Furthering the clinics' understanding of the LITC program and their roles within the program;
2. Answering questions from potential LITC applicants and current grantees;
3. Providing technical assistance, suggestions, recommendations, and guidance to LITCs regarding operation of their programs;
4. Maintaining the LITC Toolkit website which is used to disseminate program guidance to grantees and provide resources to assist clinics in serving low income and ESL taxpayers;
5. Maintaining Publication 4134, which lists all federally funded LITCs and ensuring that the publication is included in appropriate IRS mailings and mentioned in appropriate IRS publications;
6. Informing the public about the availability of LITCs, as appropriate, and to the extent permitted by law, including references on the IRS website at www.irs.gov;
7. Coordinating and making periodic site assistance visits;
8. Providing information on how to obtain authorization for a special appearance for student practice from the IRS Office of Professional Responsibility; and
9. Coordinating access to e-services products offered by the IRS.

B Site Assistance Visits

The LITC Program Office will periodically perform site assistance visits to selected clinics. Site assistance visits are a means of providing assistance to and oversight of grantees. These visits provide an opportunity for the Program Office to share information with grantees about program issues and identify areas where clinic services can be improved. Site assistance visits also provide an opportunity for clinic personnel to ask questions and share information about problems they may be encountering and to identify best practices that can be shared with all LITCs. In addition, site assistance visits are an integral part of the performance measures verification process and help to ensure that grant funds are being used appropriately and that the grantee is complying with the terms and conditions of the LITC grant award and Program guidelines.

Generally, there are three types of site assistance visits: an orientation visit, an operational review visit, and a Local Taxpayer Advocate (LTA) visit.

All new grantees will receive an orientation visit within the first 120 days of their initial funding year. An orientation visit provides an opportunity to familiarize a new grantee with LITC program requirements and to measure the progress of its start-up activities. Specifically, an orientation visit allows the LITC Program Office to assess the status of newly funded clinics and to identify potential areas where the organization may need to improve and or create processes or systems to meet the requirements of the LITC program. The LITC Program Office will issue a written report of the orientation visit within 30 days of the visit.

All clinics will receive periodic operational review visits. The purpose of an operational review visit is to evaluate a clinic's overall operations, including its internal and administrative controls. The LITC Program Office strives to conduct an operational review visit to each clinic at least once every three years. However, the LITC Program Office may conduct an operational review at any time.

During an operational review visit, an LITC program analyst will observe and evaluate a grantee's program activities and services, and discuss with clinic personnel the progress made in achieving program goals and objectives. The analyst may review a clinic's processes and procedures, including internal controls, personnel policies, training plans, privacy and confidentiality policies, and financial records. The analyst may examine intake procedures, systems for monitoring and tracking cases handled by clinic staff or referred to volunteers, outreach plans and materials, education curricula, fee policies, and client satisfaction instruments. In addition, the analyst may interview clinic staff, students, and volunteers who provide services to taxpayers. As part of monitoring and evaluating clinic activities, however, the LITC Program Office will be mindful of the clinic's duty to protect confidential information.

Prior to an operational review visit, the LITC program analyst will conduct a pre-visit assessment that will include a review of the grantee's application, program plan, budget, and prior period reports. Based on this assessment, the analyst will identify items to be reviewed and will provide the Clinic Director with a preliminary list of items and topics to be reviewed during the site visit. Additional items may be requested during or after the site visit. The grantee should have all requested documents, including adequate records to support the sources and uses of funds, available for review during the site visit. The grantee must be prepared to demonstrate compliance with all standards of operation.

The LITC Program Office will issue a written report of the operational review visit, including findings, recommendations, and required corrective actions, generally within 90 days of the visit.

In years when the LITC Program Office does not conduct an operational review visit, a grantee should expect to receive at least one visit from its LTA. The LTA visit is designed to help foster the relationship between the clinic and its local Taxpayer Advocate Office.

APPENDIX A

LITC PROGRAM GRANT APPLICATION GENERAL FORMS

**Low Income Taxpayer Clinic (LITC)
Application Information**

OMB Number
1545-1648

Grant Period Request (*Check one*)

- ☐ Single year request
- ☐ Multi-year request ☐ 1st of 3 years ☐ 2nd of 3 years ☐ 3rd of 3 years

Grant Amount Requested

Controversy	ESL	Total	Grant year
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Applicant Information

Legal name of sponsoring organization

Primary contact name		Title
Phone number	FAX number	Email address

Applicant's Mailing Address

Street

Street address line 2

City	State	ZIP + 4 code
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Clinic Information

Name of clinic

Public telephone number	Toll-Free telephone number (<i>if applicable</i>)	Website address (<i>if applicable</i>)
FAX number	Languages served in addition to English	

Clinic Street Address			Clinic Mailing Address		
Street			Street		
City	State	ZIP + 4 code	City	State	ZIP + 4 code

Clinic Director Information

Name	Telephone number	Email address
------	------------------	---------------

Licenses/Certifications (*Check all that apply*) ☐ Attorney ☐ CPA ☐ Enrolled Agent ☐ Other _____

Qualified Tax Expert (QTE)

Name	Telephone number	Email address
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Licenses/Certifications (*Check all that apply*) ☐ Attorney ☐ CPA ☐ Enrolled Agent ☐ Other _____

Qualified Business Administrator (QBA)

Name	Telephone number	Email address
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**Low Income Taxpayer Clinic (LITC)
LITC Tax Information Authorization**

OMB Number
1545-1648

As provided for in Publication 3319, all applicants for an LITC grant must be in compliance with Federal tax responsibilities. The LITC Program Office will conduct compliance checks on organizations applying for an LITC grant and will also conduct periodic checks throughout the grant period. Therefore, any LITC that is part of a larger organization (*e.g., university*) will need to have an authorized official from the larger organization complete the following authorization:

Name of academic institution or other parent organization

Name of Low Income Taxpayer Clinic (*LITC*)

I authorize the Internal Revenue Service to disclose the following return information, as that term is defined in Internal Revenue Code section 6103(b), of the Academic Institution or Parent Organization (*listed above*) to the Director of the Low Income Taxpayer Clinic (*listed above*) in connection with the clinic's application for a low income taxpayer clinic matching grant and continued entitlement to such grant. Specifically, I authorize the Internal Revenue Service to disclose that the Academic Institution or Parent Organization has an outstanding federal tax liability (*amount, type of tax, and periods*) that may affect the approval of the clinic's grant application by the Internal Revenue Service or the clinic's continued entitlement to such grant.

I am aware that without this authorization the return information of the Academic Institution or Parent Organization is confidential and is protected by law under the Internal Revenue Code. I certify that I am authorized by law to bind the Academic Institution or Parent Organization and that I have authority to execute this consent to disclose return information.

Taxpayer name

Street

City	State	ZIP + 4 code
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Employer Identification Number (*EIN*)

Name of authorized person

Title of authorized person	Telephone number
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Email address of authorized person

Signature of authorized person	Date signed
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Application for Federal Assistance SF-424

Version 02

*1. Type of Submission ☐ Preapplication ☐ Application ☐ Changed/Corrected Application		*2. Type of Application ☐ New ☐ Continuation ☐ Revision		*If Revision, select appropriate letter(s): * Other (Specify)	
*3. Date Received:		4. Application Identifier:			
5a. Federal Entity Identifier:			*5b. Federal Award Identifier:		
State Use Only:					
6. Date Received by State:			7. State Application Identifier:		
8. APPLICANT INFORMATION:					
* a. Legal Name:					
* b. Employer/Taxpayer Identification Number (EIN/TIN):			*c. Organizational DUNS:		
d. Address:					
*Street1: Street 2: *City: County: *State: Province: Country: *Zip/ Postal Code:					
e. Organizational Unit:					
Department Name:			Division Name:		
f. Name and contact information of person to be contacted on matters involving this application:					
Prefix:		First Name:			
Middle Name:					
*Last Name:					
Suffix:					
Title:					
Organizational Affiliation:					
*Telephone Number:			Fax Number:		
*Email:					

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type: - Select One -

Type of Applicant 2: Select Applicant Type:

- Select One -

Type of Applicant 3: Select Applicant Type:

- Select One -

*Other (specify):

*10. Name of Federal Agency:

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

*12. Funding Opportunity Number:

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

*15. Descriptive Title of Applicant's Project:

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant

*b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

*a. Start Date:

*b. End Date:

18. Estimated Funding (\$):

*a. Federal

*b. Applicant

*c. State

*d. Local

*e. Other

*f. Program Income

*g. TOTAL

\$0.00

*19. Is Application Subject to Review By State Under Executive Order 12372 Process?

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

☐ Yes

☐ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☐ **I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

*First Name:

Middle Name:

*Last Name:

Suffix:

*Title:

*Telephone Number:

Fax Number:

*Email:

*Signature of Authorized Representative:

Date Signed:

Application for Federal Assistance SF-424

Version 02

*Applicant Federal Debt Delinquency Explanation

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 60 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 (0348-0043), 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.

This is a standard form (including the continuation sheet) required for use as a cover sheet for submission of preapplications and applications and related information under discretionary programs. Some of the items are required and some are optional at the discretion of the applicant or the Federal agency (agency). Required items are identified with an asterisk on the form and are specified in the instructions below. In addition to the instructions provided below, applicants must consult agency instructions to determine specific requirements.

Item	Entry:	Item	Entry:
1.	Type of Submission: (Required): Select one type of submission in accordance with agency instructions. • Preapplication • Application • Changed/Corrected Application – If requested by the agency, check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this to submit changes after the closing date.	10.	Name Of Federal Agency: (Required) Enter the name of the Federal agency from which assistance is being requested with this application.
		11.	Catalog Of Federal Domestic Assistance Number/Title: Enter the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested, as found in the program announcement, if applicable.
2.	Type of Application: (Required) Select one type of application in accordance with agency instructions. • New – An application that is being submitted to an agency for the first time. • Continuation - An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals. • Revision - Any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected. If "Other" is selected, please specify in text box provided. A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration E. Other (specify)	12.	Funding Opportunity Number/Title: (Required) Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested, as found in the program announcement.
		13.	Competition Identification Number/Title: Enter the Competition Identification Number and title of the competition under which assistance is requested, if applicable.
		14.	Areas Affected By Project: List the areas or entities using the categories (e.g., cities, counties, states, etc.) specified in agency instructions. Use the continuation sheet to enter additional areas, if needed.
3.	Date Received: Leave this field blank. This date will be assigned by the Federal agency.	15.	Descriptive Title of Applicant's Project: (Required) Enter a brief descriptive title of the project. If appropriate, attach a map showing project location (e.g., construction or real property projects). For preapplications, attach a summary description of the project.
4.	Applicant Identifier: Enter the entity identifier assigned by the Federal agency, if any, or applicant's control number, if applicable.		
5a.	Federal Entity Identifier: Enter the number assigned to your organization by the Federal Agency, if any.	16.	Congressional Districts Of: (Required) 16a. Enter the applicant's Congressional District, and 16b. Enter all District(s) affected by the program or project. Enter in the format: 2 characters State Abbreviation – 3 characters District Number, e.g., CA-005 for California 5 th district, CA-012 for California 12 th district, NC-103 for North Carolina's 103 rd district. • If all congressional districts in a state are affected, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland. • If nationwide, i.e. all districts within all states are affected, enter US-all. • If the program/project is outside the US, enter 00-000.
5b.	Federal Award Identifier: For new applications leave blank. For a continuation or revision to an existing award, enter the previously assigned Federal award identifier number. If a changed/corrected application, enter the Federal Identifier in accordance with agency instructions.		
6.	Date Received by State: Leave this field blank. This date will be assigned by the State, if applicable.		
7.	State Application Identifier: Leave this field blank. This identifier will be assigned by the State, if applicable.		
8.	Applicant Information: Enter the following in accordance with agency instructions:		
	a. Legal Name: (Required): Enter the legal name of applicant that will undertake the assistance activity. This is the name that the organization has registered with the Central Contractor Registry. Information on registering with CCR may be obtained by visiting the Grants.gov website.	17.	Proposed Project Start and End Dates: (Required) Enter the proposed start date and end date of the project.
	b. Employer/Taxpayer Number (EIN/TIN): (Required): Enter the Employer or Taxpayer Identification Number (EIN or TIN) as assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444.		
	c. Organizational DUNS: (Required) Enter the organization's DUNS or DUNS+4 number received from Dun and Bradstreet. Information on obtaining a DUNS number may be obtained by visiting the Grants.gov website.	18.	Estimated Funding: (Required) Enter the amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines, as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses.
	d. Address: Enter the complete address as follows: Street address (Line 1 required), City (Required), County, State (Required, if country is US), Province, Country (Required), Zip/Postal Code (Required, if country is US).		
	e. Organizational Unit: Enter the name of the primary organizational unit (and department or division, if applicable) that will undertake the	19.	Is Application Subject to Review by State Under Executive Order 12372 Process? Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the

	assistance activity, if applicable. f. Name and contact information of person to be contacted on matters involving this application: Enter the name (First and last name required), organizational affiliation (if affiliated with an organization other than the applicant organization), telephone number (Required), fax number, and email address (Required) of the person to contact on matters related to this application.		State intergovernmental review process. Select the appropriate box. If "a." is selected, enter the date the application was submitted to the State		
			20. Is the Applicant Delinquent on any Federal Debt? (Required) Select the appropriate box. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes. If yes, include an explanation on the continuation sheet.		
9.	Type of Applicant: (Required) Select up to three applicant type(s) in accordance with agency instructions. <table border="1" data-bbox="162 472 844 1037"> <tr> <td data-bbox="162 472 511 1037"> A. State Government B. County Government C. City or Township Government D. Special District Government E. Regional Organization F. U.S. Territory or Possession G. Independent School District H. Public/State Controlled Institution of Higher Education I. Indian/Native American Tribal Government (Federally Recognized) J. Indian/Native American Tribal Government (Other than Federally Recognized) K. Indian/Native American Tribally Designated Organization L. Public/Indian Housing Authority </td> <td data-bbox="511 472 844 1037"> M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education) N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education) O. Private Institution of Higher Education P. Individual Q. For-Profit Organization (Other than Small Business) R. Small Business S. Hispanic-serving Institution T. Historically Black Colleges and Universities (HBCUs) U. Tribally Controlled Colleges and Universities (TCCUs) V. Alaska Native and Native Hawaiian Serving Institutions W. Non-domestic (non-US) Entity X. Other (specify) </td> </tr> </table>		A. State Government B. County Government C. City or Township Government D. Special District Government E. Regional Organization F. U.S. Territory or Possession G. Independent School District H. Public/State Controlled Institution of Higher Education I. Indian/Native American Tribal Government (Federally Recognized) J. Indian/Native American Tribal Government (Other than Federally Recognized) K. Indian/Native American Tribally Designated Organization L. Public/Indian Housing Authority	M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education) N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education) O. Private Institution of Higher Education P. Individual Q. For-Profit Organization (Other than Small Business) R. Small Business S. Hispanic-serving Institution T. Historically Black Colleges and Universities (HBCUs) U. Tribally Controlled Colleges and Universities (TCCUs) V. Alaska Native and Native Hawaiian Serving Institutions W. Non-domestic (non-US) Entity X. Other (specify)	21. Authorized Representative: (Required) To be signed and dated by the authorized representative of the applicant organization. Enter the name (First and last name required) title (Required), telephone number (Required), fax number, and email address (Required) of the person authorized to sign for the applicant. A copy of the governing body's authorization for you to sign this application as the official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)
A. State Government B. County Government C. City or Township Government D. Special District Government E. Regional Organization F. U.S. Territory or Possession G. Independent School District H. Public/State Controlled Institution of Higher Education I. Indian/Native American Tribal Government (Federally Recognized) J. Indian/Native American Tribal Government (Other than Federally Recognized) K. Indian/Native American Tribally Designated Organization L. Public/Indian Housing Authority	M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education) N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education) O. Private Institution of Higher Education P. Individual Q. For-Profit Organization (Other than Small Business) R. Small Business S. Hispanic-serving Institution T. Historically Black Colleges and Universities (HBCUs) U. Tribally Controlled Colleges and Universities (TCCUs) V. Alaska Native and Native Hawaiian Serving Institutions W. Non-domestic (non-US) Entity X. Other (specify)				

ASSURANCES AND CERTIFICATIONS

Signing the certification on SF 424 certifies that the Applicant will comply with the Assurances and Certifications listed below if an award is made. Certain of these Assurances and Certifications may not be applicable to the Applicant. An Applicant may not modify any of the Assurances and Certifications.

A. Standard Form 424B: Assurances – Non-Construction Programs

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 costs) 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 (activities in Application) 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 nineteen statutes or regulations specifies in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 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, 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) Sections 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 statutes 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 with the provisions of the Hatch Act (5 U.S.C.1501-1508 & 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
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 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. 1451et seq.); (f) conformity of Federal actions to State Implementation Plans under Section 176(c) of the Clear 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 of 1984.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

B. Additional Certifications

In addition to the assurances and certifications provided by the Applicant pursuant to OMB Standard Form 424B, the Applicant hereby assures and certifies that:

1. It is duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established, and is (or within 30 days will be) authorized to do business in any jurisdiction in which it proposes to undertake activities specified in this Application;
2. Its Board of Directors (or similar governing body) has by proper resolution or similar action authorized the filing of this Application, including all understandings and assurances contained herein, and directed and authorized the person identified as the authorized representative of the Applicant to act in connection with this Application and to provide such additional information as may be required;
3. It will comply, as applicable and appropriate, with the requirements of OMB Circulars (e.g., A-110 and A-133) and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability;
4. It has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of this Application or any related document, correspondence or communication. (The Applicant and its authorized representative should be aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both); and
5. The information in this Application, and in these assurances and certifications in support of the Application, is true and correct to the best of the Applicant's knowledge and belief and the filing of this Application has been duly authorized.

C. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions: Instructions for Certification

1. By signing and submitting this Application, the prospective primary participant (the Applicant) is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective Applicant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction (approval and funding of the Application). However, failure of the Applicant to

furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. This certification is a material representation of fact upon which reliance is placed when the Fund determines to enter into this transaction. If it is later determined that the Applicant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.
4. The Applicant shall provide immediate written notice to the Fund if at any time the Applicant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause (certification), have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).
6. The Applicant agrees by submitting this Application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.
7. The Applicant further agrees by submitting this Application that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

D. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions

1. The prospective primary participant (the Applicant) certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this Application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this Application had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the Applicant is unable to certify to any of the statements in this certification, such Applicant shall attach an explanation to this proposal.

E. Certification Regarding Drug-Free Workplace Requirements

1. The Applicant certifies that it will provide a drug-free workplace by:
 - (a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employee for violations of such prohibition;

- (b) establishing a drug-free awareness program to inform employees about:
 - (i) the dangers of drug abuse in the workplace;
 - (ii) the Applicant's policy of maintaining a drug-free workplace;
 - (iii) any available drug counseling, rehabilitation, and employee assistance program;
 - (iv) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
 - (c) making it a requirement that each employee to be engaged in the performance of the award be given a copy of the statement required by subparagraph (a);
 - (d) notifying the employee in the statement required by subparagraph (a) that, as a condition of employment in such grant, the employee will:
 - (i) abide by the terms of the statement; and
 - (ii) notify the employer of any criminal drug use statute conviction for a violation occurring in the workplace no later than five calendar days after such conviction;
 - (e) notifying the granting agency in writing, within ten calendar days after receiving notice of a conviction under subparagraph (d) (ii) from an employee or otherwise receiving actual notice of such conviction;
 - (f) taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
 - (i) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (ii) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - (g) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).
2. The Applicant may insert in the space provided below the site(s) for the performance of work (activities carried out by the Applicant) to be done in connection with the award (Place of Performance (Street Address, City, County, State and zip Code)):

Not Applicable

F. Certification Regarding Lobbying

1. The Applicant certifies, to the best of its knowledge and belief, that:
 - (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an 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;
 - (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Application, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 - (c) The Applicant shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
2. This certification is a material representation of fact upon which reliance is placed when this transaction is made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		\$	\$	\$	\$	0.00
2.						0.00
3.						0.00
4.						0.00
5.	Totals	\$	0.00	\$	0.00	\$ 0.00
SECTION B - BUDGET CATEGORIES						
Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY			Total (5)		
	(1)	(2)	(3)			
a. Personnel	\$	\$	\$	\$ 0.00		
b. Fringe Benefits				0.00		
c. Travel				0.00		
d. Equipment				0.00		
e. Supplies				0.00		
f. Contractual				0.00		
g. Construction				0.00		
h. Other				0.00		
i. Total Direct Charges (sum of 6a-6h)	0.00	0.00	0.00	0.00		
j. Indirect Charges				0.00		
k. TOTALS (sum of 6i and 6j)	\$	0.00	\$ 0.00	\$ 0.00		
7. Program Income	\$	\$	\$	\$	\$ 0.00	

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Standard Form 424A (Rev. 7-97)
Prescribed by OMB Circular A-102

SECTION C - NON-FEDERAL RESOURCES						
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS		
8.	\$	\$	\$	\$	0.00	0.00
9.					0.00	0.00
10.					0.00	0.00
11.					0.00	0.00
12. TOTAL (sum of lines 8-11)	\$	0.00 \$	0.00 \$	0.00 \$	0.00	0.00
SECTION D - FORECASTED CASH NEEDS						
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
	\$	\$	\$	\$	\$	
13. Federal	0.00					
14. Non-Federal	0.00					
15. TOTAL (sum of lines 13 and 14)	\$	0.00 \$	0.00 \$	0.00 \$	0.00 \$	0.00
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT						
(a) Grant Program	FUTURE FUNDING PERIODS (Years)					
	(b) First	(c) Second	(d) Third	(e) Fourth		
16.	\$	\$	\$	\$		
17.						
18.						
19.						
20. TOTAL (sum of lines 16-19)	\$	0.00 \$	0.00 \$	0.00 \$	0.00 \$	0.00
SECTION F - OTHER BUDGET INFORMATION						
21. Direct Charges:		22. Indirect Charges:				
23. Remarks:						

INSTRUCTIONS FOR THE SF-424A

Public reporting burden for this collection of information is estimated to average 180 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 (0348-0044), 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.

General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Sections A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a *single* Federal grant program (Federal Domestic Assistance Catalog number) and *not requiring* a functional or activity breakdown, enter on Line 1 under Column (a) the Catalog program title and the Catalog number in Column (b).

For applications pertaining to a *single* program *requiring* budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the Catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the Catalog program title on each line in Column (a) and the respective Catalog number on each line in Column (b).

For applications pertaining to *multiple* programs where one or more programs *require* a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

Lines 1-4, Columns (c) through (g)

For new applications, leave Column (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

Line 5 - Show the totals for all columns used.

Section B Budget Categories

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

Line 6a-i - Show the totals of Lines 6a to 6h in each column.

Line 6j - Show the amount of indirect cost.

Line 6k - Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

Line 7 - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount, Show under the program

INSTRUCTIONS FOR THE SF-424A (continued)

narrative statement the nature and source of income. The estimated amount of program income may be considered by the Federal grantor agency in determining the total amount of the grant.

Section C. Non-Federal Resources

Lines 8-11 Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

Column (a) - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

Column (b) - Enter the contribution to be made by the applicant.

Column (c) - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

Column (d) - Enter the amount of cash and in-kind contributions to be made from all other sources.

Column (e) - Enter totals of Columns (b), (c), and (d).

Line 12 - Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f), Section A.

Section D. Forecasted Cash Needs

Line 13 - Enter the amount of cash needed by quarter from the grantor agency during the first year.

Line 14 - Enter the amount of cash from all other sources needed by quarter during the first year.

Line 15 - Enter the totals of amounts on Lines 13 and 14.

Section E. Budget Estimates of Federal Funds Needed for Balance of the Project

Lines 16-19 - Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

Line 20 - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

Section F. Other Budget Information

Line 21 - Use this space to explain amounts for individual direct object class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

Line 22 - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

Line 23 - Provide any other explanations or comments deemed necessary.

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

0348-0046

1. Type of Federal Action: ☐ a. contract ☐ b. grant ☐ c. cooperative agreement ☐ d. loan ☐ e. loan guarantee ☐ f. loan insurance		2. Status of Federal Action: ☐ a. bid/offer/application ☐ b. initial award ☐ c. post-award		3. Report Type: ☐ a. initial filing ☐ b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: ☐ Prime ☐ Subawardee Tier _____, <i>if known</i> : Congressional District, if known : _____			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known : _____		
6. Federal Department/Agency:			7. Federal Program Name/Description: CFDA Number, <i>if applicable</i> : _____		
8. Federal Action Number, if known : _____			9. Award Amount, if known : \$ _____		
10. a. Name and Address of Lobbying Entity (<i>if individual, last name, first name, MI</i>): <i>(attach Continuation Sheet(s) SF-LLLA, if necessary)</i>			b. Individuals Performing Services (<i>including address if different from No. 10a</i>) (<i>last name, first name, MI</i>): <i>(attach Continuation Sheet(s) SF-LLLA, if necessary)</i>		
11. Amount of Payment (<i>check all that apply</i>): \$ _____ ☐ actual ☐ planned			13. Type of Payment (<i>check all that apply</i>): ☐ a. retainer ☐ b. one-time fee ☐ c. commission ☐ d. contingent fee ☐ e. deferred ☐ f. other; specify: _____		
12. Form of Payment (<i>check all that apply</i>): ☐ a. cash ☐ b. in-kind; specify: nature _____ value _____					
14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11: <i>(attach Continuation Sheet(s) SF-LLLA, if necessary)</i>					
15. Continuation Sheet(s) SF-LLLA attached: ☐ Yes ☐ No					
16. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____		
Federal Use Only:			Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)		

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLLA Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLLA Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 30 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 (0348-0046), Washington, DC 20503.

APPENDIX B

LITC PROGRAM GRANT APPLICATION
BUDGET FORMS

Detailed Budget Worksheet

Name of Low Income Taxpayer Clinic		Grant Period		From		To	
Expense Categories		Controversy Program		ESL Program		Totals	
		Federal	Match	Total	Federal	Match	Total
A. Personnel							
1.							
2.							
3.							
4.							
	Subtotals						
B. Fringe Benefits							
C. Travel							
D. Equipment							
E. Supplies							
F. Contractual							
1.							
2.							
3.							
	Subtotals						
G. Construction							
H. Other Expenses							
1.							
2.							
3.							
4.							
	Subtotals						
I. Total Direct Charges							
J. Indirect Charges							
K. Totals							

Detailed Budget Worksheet

Name of Low Income Taxpayer Clinic ABC Low Income Taxpayer Clinic		Grant Period From 01/01/2013 To 12/31/2013								
Expense Categories		Controversy Program			ESL Program			Totals		
		Federal	Match	Total	Federal	Match	Total	Federal	Match	Total
A. Personnel										
1.	QTE / Clinic Director - \$50/hr x 600 hrs	6,750	20,250	27,000	750	2,250	3,000	7,500	22,500	30,000
2.	LITC Staff Attorney - \$30/hr x 2000 hrs	27,000	27,000	54,000	3,000	3,000	6,000	30,000	30,000	60,000
3.	QBA - \$35/hr x 120 hrs	0	3,780	3,780	0	420	420	0	4,200	4,200
4.	Clerical - \$15/hr x 2000 hrs	13,500	13,500	27,000	1,500	1,500	3,000	15,000	15,000	30,000
	Subtotals	47,250	64,530	111,780	5,250	7,170	12,420	52,500	71,700	124,200
B.	Fringe Benefits Rate = 25% of Salaries	11,813	16,132	27,945	1,313	1,793	3,106	13,126	17,925	31,051
C.	Travel	2,704	0	2,704	320	0	320	3,024	0	3,024
D.	Equipment	0	1,800	1,800	0	200	200	0	2,000	2,000
E.	Supplies	2,650	1,800	4,450	1,200	200	1,400	3,850	2,000	5,850
F. Contractual										
1.	Rent	0	10,800	10,800	0	1,200	1,200	0	12,000	12,000
2.	Utilities	0	3,600	3,600	0	400	400	0	4,000	4,000
3.										
	Subtotals	0	14,400	14,400	0	1,600	1,600	0	16,000	16,000
G. Construction										
H. Other Expenses										
1.	Tax Library	2,250	0	2,250	250	0	250	2,500	0	2,500
2.	In-kind services (Attorneys) - \$37.50/hr x 250 hrs	0	9,375	9,375	0	0	0	0	9,375	9,375
3.	In-kind services (Clerical) - \$18.75/hr x 200 hrs	0	0	0	0	3,750	3,750	0	3,750	3,750
4.										
	Subtotals	2,250	9,375	11,625	250	3,750	4,000	2,500	13,125	15,625
I.	Total Direct Charges	66,667	108,037	174,704	8,333	14,713	23,046	75,000	122,750	197,750
J.	Indirect Charges Rate = 20% of Direct Charges	13,333		13,333	1,667		1,667	15,000		15,000
K.	Totals	80,000	108,037	188,037	10,000	14,713	24,713	90,000	122,750	212,750

Detailed Budget Narrative Explanations
ABC Low Income Taxpayer Clinic — 2013 Grant Cycle

A. Personnel:

Personnel costs represent the salaries paid to the following clinic staff:

- QTE/Clinic Director (0.30 FTE)—paid 25% from federal funds and 75% from State Legal Services funds.
- Staff Attorney (1.00 FTE)—paid 50% from federal funds and 50% from State Legal Services funds.
- QBA (0.06 FTE)—paid 100% from state Legal Services funds.
- Clerical Assistant (1.00 FTE)—paid 50% from federal funds and 50% from State Legal Services funds.

Clinic staff devotes 90% of their time to the Controversy Program and 10% of their time to the ESL Program.

B. Fringe Benefits:

The recipient's fringe benefit rate is 25% of salaries. Fringe benefits represent the cost of Social Security and Medicare taxes, federal and state unemployment taxes, health insurance premiums, and pension contributions paid by the recipient on behalf of clinic staff. Fringe benefits are paid using federal funds and state Legal Services funds in the same ratios as used for personnel costs.

C. Travel:

Travel expenses represent the cost of attending the Annual LITC Conference and the cost of traveling to and from sites to conduct ESL education and outreach activities. All travel costs are paid using federal funds.

D. Equipment:

Equipment expenses represent the purchase of two laptop computers that are used exclusively by the Staff Attorney and Clerical Assistant. The recipient used state Legal Services funds to purchase the computers.

E. Supplies:

Supplies represent the cost of paper, envelopes, postage, printing, and other office supplies used in the clinic. In general, the cost of supplies used in the clinic is allocated 90% to the Controversy Program and 10% to the ESL Program. However, certain costs, such as printing flyers and materials in Spanish and Vietnamese that are used exclusively in ESL outreach and education activities, are charged to the ESL Program. The recipient used \$3,850 of federal funds and \$2,000 of state Legal Services funds to purchase supplies.

F. Contractual:

Contractual expenses represent the share of rent and utilities paid for the portion of space occupied by the clinic within the recipient's facility. These costs are determined using a pro rated percentage based on square footage. The recipient used state Legal Services funds to pay all rent and utilities costs.

G. Construction:

Not applicable.

Detailed Budget Narrative Explanations
ABC Low Income Taxpayer Clinic — 2013 Grant Cycle

H. Other Expenses:

Other expenses represent the cost of maintaining a tax library and the value of volunteer in-kind services. The tax library costs include the purchase of a copy of the Internal Revenue Code and Regulations, as well as a subscription to an online tax research network. All tax library costs are paid with federal funds.

In-kind services represent the value of services provided by volunteer attorneys who provide *pro bono* representation on behalf of low income taxpayers in controversies with the IRS and clerical volunteers who assist in arranging ESL education and outreach activities. The rate used to value volunteer attorney hours is \$37.50/hour which represents the wage rate (\$30/hr) plus related fringe benefit rate (25%) paid to the clinic's Staff Attorney. The rate used to value clinical volunteer hours is \$18.75/hour which represents the wage rate (\$15/hr) plus the related fringe benefit rate (25%) paid to the clinic's Clerical Assistant.

J. Indirect Costs:

Indirect costs represent a charge for certain administrative expenses of the recipient based on a rate established by the Department of Health & Human Services. The rate of 20% of federal direct charges is the provisional rate in effect throughout this grant period.

Matching Funds:

Total matching funds for this period were \$122,750. The recipient provided \$109,625 from state Legal Services funds and \$13,125 represent the value of in-kind services provided by volunteers.

APPENDIX C

LITC PROGRAM REPORTING FORMS

Low Income Taxpayer Clinic (LITC)
Interim and Year-End Report
General Information

OMB Number
1545-1648

Name of clinic	Grant year
Reporting Period ☐ Interim Report - January 1 through June 30 ☐ Year-End Report - January 1 through December 31	
Clinic Type ☐ ESL only ☐ Controversy only ☐ Both	

Outreach Activities

For a definition of Outreach Activities, see form instructions.

1	A. Number of outreach activities conducted for ESL taxpayers	
	B. Number of outreach activities conducted for low income taxpayers (do not include activities reported on line A above)	
	C. Number of outreach activities conducted for other organizations that serve ESL or low income taxpayers (do not include activities reported on line A or B above)	
	D. Total outreach activities (add lines 1A through 1C)	

Educational Activities

For a definition of Educational Activities, see form instructions.

2	A. Number of educational activities conducted for ESL taxpayers	
	B. Number of educational activities conducted for low income taxpayers (do not include activities reported on line A above)	
	C. Number of educational activities conducted for other organizations that serve ESL or low income taxpayers (do not include activities reported on line A or B above)	
	D. Total number of educational activities (add lines 2A through 2C)	
3	A. For the educational activities reported on line 2A, enter the total number of attendees	
	B. For the educational activities reported on line 2B, enter the total number of attendees	
	C. For the educational activities reported on line 2C, enter the total number of attendees	
	D. Total number of attendees at educational activities (add lines 3A through 3C)	
4	List the topics that were covered during the educational activities reported on line 2. Attach additional pages as necessary.	
	A.	H.
	B.	I.
	C.	J.
	D.	K.
	E.	L.
	F.	M.
	G.	N.

5 List the languages, other than English, in which educational activities were conducted

**Low Income Taxpayer Clinic (LITC)
Interim and Year-End Report
General Information**

Name of clinic

Consultations

For a definition of Consultation, see form instructions.

6	A. Number of consultations conducted with ESL taxpayers	
	B. Number of consultations conducted with low income taxpayers	
	C. Total number of consultations (add lines 6A and 6B)	
7	Number of technical assistance consultations conducted	

Referrals

8	Number of ESL taxpayers referred for controversy representation (clinics operating a controversy program should leave line 8 blank and skip to line 9)	
9	Number of cases where Taxpayer Advocate Service (TAS) assistance was requested (this item should be completed only by clinics that operate a controversy program)	

Tax Returns and Other Documents

10	A. Number of tax returns prepared ancillary to ESL activities	
	B. Number of tax returns prepared to resolve a controversy	
	C. Total number of tax returns prepared (add lines 10A and 10B)	
11	Number of Individual Taxpayer Identification Number (ITIN) applications prepared	

Volunteer Activities

12	Does the organization have a <i>pro bono</i> panel ☐ Yes ☐ No	
13	Number of volunteers that provided service to the clinic during the reporting period who are:	
	A. Attorneys	
	B. Certified Public Accountants	
	C. Enrolled Agents	
	D. Interpreters / Translators	
	E. Students	
	F. Others	
	G. Total number of volunteers (add lines 13A through 13F)	
14	Total number of hours of service provided by volunteers	

Professional Education Activities

15	Number of professional education (CPE or CLE) credits available through presentations conducted during the reporting period	
16	List the topics covered during CPE or CLE presentations. Attach additional pages as necessary.	
	A.	F.
	B.	G.
	C.	H.
	D.	I.
	E.	J.

Instructions for Form 13424-A, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report General Information

Note: Form 13424-A, *General Information*, and Form 13424-C, *Advocacy Information*, must be completed by all clinics. Clinics that operate a controversy program must also complete Form 13424-K, *Controversy Case Information*, and Form 13424-B, *Controversy Issues*.

When submitting your Interim and Year-End Reports, include this form as part of the Program Narrative. Interim Report and Year-End Report requirements are described in Publication 3319, section III.B.i and III.B.ii, respectively.

Note: Interim and Year-End Reports (including this report form) may be released under the Freedom of Information Act (FOIA). In response to a FOIA request, the LITC Program Office will release these reports after appropriate redactions to ensure confidentiality of taxpayer information.

Purpose

This form is designed to capture information about certain work the clinic performed during the reporting period. This form is used to report all outreach activities, educational activities, consultations, referrals, tax return and other document preparation, volunteer activities, and professional education activities conducted during the reporting period.

The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers. Please be careful to follow the instructions for this form and to report all information completely and accurately. If additional room is necessary to provide details about the activities reported on this form, include such details in the program narrative.

Reporting Requirements

Regardless of the services for which your clinic has been funded (ESL, controversy, or both), every clinic must complete all parts of this form.

Clinic Type

Check the appropriate box to indicate if your clinic operates an ESL, a controversy program, or both.

Reporting Period

Clinics are required to report on clinic activities twice for each grant year. The *grant year* is January 1 through December 31 for the year in which a grant award is received. An Interim Report is required to report activities conducted for the period from January 1 through June 30; a Year-End Report is required to report activities conducted for the entire grant year, the period from January 1 through December 31.

Specific Instructions

Outreach Activities

Report all outreach activities in this section. Outreach activities are efforts designed to provide information to the public about the clinic and its services. The information may be provided directly to taxpayers or may be provided to taxpayers indirectly through other organizations or groups that serve ESL or low income taxpayers. Examples of outreach activities include a presentation about clinic services made to taxpayers, a campaign to distribute clinic flyers or other marketing materials to local social services organizations, or staffing a table at a community event such as a fair, forum, or meeting to inform the public about clinic services.

Determine whether to record an outreach activity on line 1A, 1B, or 1C by looking to the primary intended audience of the activity, rather than the actual attendees. Outreach activities primarily intended to reach ESL taxpayers should be reported on line 1A, activities primarily intended to reach low income taxpayers in general should be reported on line 1B, and those intended for other organizations that service ESL or low income taxpayers should be reported on line 1C. Report each outreach activity only once on line 1A, 1B, or 1C.

Note. A single outreach activity may span multiple days. For example, if a clinic staffs a booth for multiple days at a week long event, that should be counted as one outreach activity. Additional details about the extent of such efforts can be included in the program narrative.

Note: A campaign that involves sending the same or similar letters to multiple recipients should be counted as a single outreach activity.

Line 1A. Report on this line the number outreach activities conducted for ESL taxpayers.

Line 1B. Report on this line the number outreach activities conducted for low income taxpayers.

Line 1C. Report on this line the number outreach activities conducted for other organizations that serve ESL or low income taxpayers. For example, the clinic meets with board members of a local church in preparation for the church's upcoming clothing drive to benefit the homeless. The clinic requests that the church inform low income and ESL taxpayers about the clinic's services. The clinic would record those efforts as a single outreach activity on line 1C.

Line 1D. Report on this line the total number of outreach activities conducted during the reporting period. The number reported on this line should equal the total of lines 1A, 1B and 1C.

Instructions for Form 13424-A, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report General Information

Educational Activities

Report all educational activities in this section. Educational activities are activities designed to provide information to taxpayers about their rights and responsibilities as U.S. taxpayers, including technical tax topics. Educational activities may also be conducted for other organizations that serve low income or ESL taxpayers. In order to be considered an educational activity, information about a specific tax topic or topics must be conveyed to the audience. Examples of educational activities include a presentation about tax collection issues made to taxpayers, a workshop on how to properly complete a Form W-4 for withholding, or the distribution to taxpayers of written materials about earned income tax credit (EITC) eligibility rules.

Determine whether to record an educational activity as conducted for ESL taxpayers, low income taxpayers, or taxpayer service providers by looking to the primary intended audience of the activity, rather than the actual attendees. Educational activities primarily intended to reach ESL taxpayers should be reported on line 2A, activities primarily intended to reach low income taxpayers should be reported on line 2B, and those directed towards service providers should be reported on line 2C. Record each educational activity only once on line 2A, 2B, or 2C. Do not include any activities recorded as Outreach on lines 1A through 1D.

Line 2A. Report on this line the number of educational activities conducted for ESL taxpayers.

Line 2B. Report on this line the number of educational activities conducted for low income taxpayers.

Line 2C. Report on this line the number of educational activities conducted for other organizations that serve ESL or low income taxpayers.

Line 2D. Report on this line the total number of educational activities conducted during the reporting period. The number reported on this line should equal the total of lines 2A, 2B, and 2C.

Line 3A. Report on this line the total number of attendees at all educational activities conducted for ESL taxpayers during the reporting period.

Line 3B. Report on this line the total number of attendees at all educational activities conducted for low income taxpayers during the reporting period.

Line 3C. Report on this line the total number of attendees at all educational activities conducted for service providers during the reporting period.

Line 3D. Report on this line the total number of attendees at all educational activities conducted during the reporting period. The number reported on this line should equal the total of lines 3A through 3C.

Line 4. List the topics that were covered during the educational activities reported on line 2A through 2C. Do not repeat topics on multiple lines. If a topic was repeated throughout multiple events, you may list the number of times the topic was presented. For example, you may enter "EITC x 4" to indicate you held four presentations on the Earned Income Tax Credit during the reporting period.

Line 5. List the languages other than English in which any educational activities were conducted.

Consultations

Report all consultations in this section. A consultation is a discussion with a taxpayer designed to provide brief advice about a specific tax matter that does not result in representation of the taxpayer. If a clinic undertakes representation of a taxpayer before a court or the IRS, then that matter should not be reported on this form as a consultation, but rather reported as a case on Form 13424-K, *Controversy Case Information*.

A technical assistance consultation is a discussion with a practitioner or other taxpayer service provider designed to give brief advice about a tax issue. For example, if a clinic staff member addresses a tax-related question for a staff member of another legal services organization, that communication should be counted as a technical assistance consultation.

Line 6A. Report on this line the number of consultations conducted with ESL taxpayers.

Line 6B. Report on this line the number of consultations conducted with low income taxpayers.

Line 6C. Report on this line the total number of consultations conducted with taxpayers during the reporting period. The number reported on this line should equal the total of lines 6A and 6Bb.

Line 7. Report on this line the number of technical assistance consultations conducted with a tax practitioner or other service provider during the reporting period.

Instructions for Form 13424-A, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report General Information

Referrals

Line 8. Clinics that operate an ESL program should report on this line the number of ESL taxpayers referred to a *pro bono* panel or controversy program for representation services during the reporting period. Clinics that operate a controversy program should mark this line "N/A."

Line 9. Report on this line the number of taxpayers for whom Taxpayer Advocate Service (TAS) assistance was requested during the reporting period. Only clinics operating a controversy program should complete this line.

Tax Returns and Other Documents

Clinics may prepare tax returns in two limited situations: when ancillary to ESL outreach and educational activities, or to resolve a tax controversy. Taxpayers who need current year tax return preparation services should be referred to a Volunteer Income Tax Assistance (VITA) site, Tax Compliance for the Elderly (TCE) site, or an IRS Taxpayer Assistance Center.

Line 10A. Clinics that operate an ESL program should report on this line the number of tax returns prepared ancillary to ESL activities. Ancillary tax return preparation must be incidental to an ESL program's primary mission and the program may only provide such assistance if the request to do so arises from the clinic's primary outreach and educational activities.

Line 10B. Clinics that operate a controversy program should report on this line the number of tax returns prepared to resolve a controversy.

Line 10C. Report on this line the total number of tax returns prepared during the reporting period. The number reported on this line should equal the total of lines 10A and 10B.

Line 11. Report on this line the number of Individual Taxpayer Identification Number (ITIN) applications prepared during the reporting period.

Volunteer Activities

Line 12. Check the appropriate box to indicate whether the clinic maintains a *pro bono* panel to which taxpayers can be referred for controversy representation. ESL clinics are required to maintain a *pro bono* panel and controversy clinics are encouraged to maintain a *pro bono* panel to which they may refer tax controversy cases.

Lines 13A-F. In this section, report on the number of volunteers who provided service to the clinic during the reporting period. Count each volunteer only once, based on the category of services the volunteer typically provides to the clinic. If a tax practitioner is multilingual and also provides translation services, you may note that in the program narrative; however only count each volunteer once in this section.

Line 13G. Report on this line the total number of volunteers. The number reported on this line should equal the total of lines 13A through 13F and should be an accurate count of all individuals who volunteered at the clinic during the reporting period.

Line 14. Report on this line the total number of service hours provided by volunteers during the reporting period. Form 13424-F, *Volunteer/Pro Bono Time Reporting*, has been provided to assist you in tracking volunteer hours. Form 13424-F is for internal record keeping by the clinic only and is not required to be submitted to the LITC Program Office.

Professional Education Activities

Report on accredited continuing professional education (CPE) or Continuing Legal Education (CLE) presentations conducted during the reporting period in this section.

Note: Report only professional education activities dealing with issues affecting ESL or low income taxpayers.

Line 15. Report on this line the total number of CPE or CLE credits available through presentations held during the reporting period. For example, if during the reporting period the clinic held three lunchtime presentations offering one hour of CLE credit each, and one day-long presentation, offering eight hours of CLE credit, the clinic would enter "11" on line 15.

Line 16. Report the topics covered during CPE or CLE presentations. If more lines are required, attach additional pages as necessary. Do not repeat topics on multiple lines. If a topic was repeated throughout multiple presentations, you may list the number of times the topic was presented. For example, you may enter "EITC x 4" to indicate you held four CPE or CLE presentations on the Earned Income Tax Credit during the reporting period.

**Low Income Taxpayer Clinic (LITC)
Interim and Year-End Report
Controversy Case Information**

OMB Number
1545-1648

Name of clinic

Grant year

Reporting Period ☐ Interim Report - January 1 through June 30 ☐ Year-End Report - January 1 through December 31

Case Inventory

1	A. Beginning case inventory (<i>the number of controversy cases that were worked in the previous year that remained open as of the first day of the reporting period</i>)	
	B. New cases opened during the reporting period	
	C. Total number of controversy cases worked during the reporting period (<i>add lines 1A and 1B</i>)	
	D. Cases closed during the reporting period	
	E. Ending case inventory (<i>the number of controversy cases that remained open as of the last day of the reporting period (subtract line 1D from line 1C)</i>)	

Cases Worked

2	For the cases reported on line 1C, indicate the IRS function or U.S. court where the controversy is being addressed as of the last day of the reporting period. If the case was closed during the period, indicate the IRS function or U.S. court where the case was handled immediately before closing. Each case should be counted only once per reporting period.
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Accounts Management

	A. Return Processing	
	B. Penalty Abatement	
	C. Injured Spouse	
	D. Backup Withholding	

Exams

	E. Correspondence Exam	
	F. Office or Field Exam	
	G. Automated Underreporter (AUR)	
	H. Automated Substitute-for-Return (ASFR)	
	I. Audit Reconsideration	

Collection

	J. Automated Collection System (ACS)	
	K. Field Collection (RO)	
	L. Offer-In-Compromise (OIC)	
	M. Lien Unit	
	N. Bankruptcy	

Appeals

	O. Exam Appeals	
	P. Collection Due Process (CDP)	
	Q. Collection Appeals Process (CAP)	
	R. OIC Appeals	
	S. Penalty Abatement Appeals	
	T. Other Appeals	

Litigation

	U. U.S. Tax Court	
	V. Other Federal Courts	

Miscellaneous

	W. Identity Protection Specialized Unit (IPSU)	
	X. Innocent Spouse Unit	
	Y. SS-8 Unit	
	Z. ITIN Unit	
	AA. Trust Fund Recovery Penalty	

TOTAL (*add items 2A through 2AA*) (*Must equal value in line 1C*)

**Low Income Taxpayer Clinic (LITC)
Interim and Year-End Report
Controversy Case Information**

Name of clinic

Additional Case Information

For the cases reported on line 1B, indicate the number of cases where:

3	The amount in controversy exceeds \$50,000 per tax period. (for cases reported on line 3, include an explanation for each in the Program Narrative, Item 2.vii)	
4	The taxpayer's income exceeds 250% of the federal poverty guidelines	

For the cases reported on line 1C, indicate the number of cases involving:

5	Matters worked in more than one IRS function or U.S. court	
6	More than one tax year	
7	Representation of ESL taxpayers	
8	Joint representation of taxpayers	
9	Representation by volunteers	
10	State tax matters	

U.S. Tax Court Activities

11	Does the clinic participate in the U.S. Tax Court Clinical Program ☐ Yes ☐ No	
List the place(s) of trial location served:		

12	Number of U.S. Tax Court cases worked during the reporting period in which an appearance was entered pursuant to Tax Court Rule 24	
13	Number of U.S. Tax Court cases worked during the reporting period in which the clinic represented the taxpayer, but no appearance was entered	
14	Number of informal consultations in the U.S. Tax Court during the reporting period in which the clinic provided advice to a taxpayer, but not representation	

Closed Case Outcomes

15	For the cases reported on line 1D, indicate the:	
	A. Number of cases in which the taxpayer was brought into filing compliance	
	B. Number of cases in which the taxpayer was brought into collection compliance	
	C. Total amount of dollars refunded in cash to taxpayers	
	D. Total decrease in corrected tax liabilities, penalties, and interest (but not below zero for any taxpayer)	

Instructions for Form 13424-K, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Case Information

Note: Each controversy clinic must complete Form 13424-A, *General Information*, Form 13424-C, *Advocacy Information*, Form 13424-K, *Controversy Case Information*, and Form 13424-B, *Controversy Issues*.

When submitting your Interim and Year-End Reports, include this form (Form 13424-K) as part of the Program Narrative. Interim Report and Year-End Report requirements are described in Publication 3319, sections III.B.i and III.B.ii, respectively.

Note: Interim and Year-End Reports (including this report form) may be released under the Freedom of Information Act (FOIA). In response to a FOIA request, the LITC Program Office will release these reports after appropriate redactions to ensure confidentiality of taxpayer information.

Purpose

This form is used to report certain information about the work performed by a clinic while representing taxpayers in controversy cases.

The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided and the breadth of work done by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers. Please be careful to follow the instructions for this form and to report all information completely and accurately.

Reporting Requirements

Controversy. If your clinic has been funded to provide representation in controversy cases, complete all parts of this form.

Reporting Period. Clinics are required to report on clinic activities twice for each grant year. The *grant year* is January 1 through December 31 for the year in which a grant award is received. An Interim Report is required to report activities conducted for the period from January 1, through June 30; a Year-End Report is required to report activities conducted for the entire grant year, the period from January 1 through December 31. Check the appropriate box at the beginning of the form indicating for which period the report is being completed.

Definition of a controversy case

A controversy is a dispute between a taxpayer and the IRS concerning the determination, collection, or refund of any tax, additions to tax, additional amounts, penalties, or interest. In order for a client relationship to qualify as a controversy case, the services provided by the clinic must include advocacy and not merely fact finding or advice. Matters involving fact finding or advice only are properly counted and reported as consultations on Form 13424-A. If a taxpayer (or jointly filing taxpayers) has multiple years at issue and the different years are being handled by different IRS units, this would be counted as a single case. Multiple tax issues arising from a single case may be properly reported on Form 13424-B.

Specific Instructions

Case Inventory

Report on the volume of case inventory in this section.

Line 1A. Report on this line the number of controversy cases that were worked in the previous year that remained open as of January 1.

Line 1B. Report on this line the number of new controversy cases that were opened during the reporting period.

Line 1C. Report on this line the total number of controversy cases worked during the reporting period. The number reported on this line should equal the total of lines 1A and 1B.

Line 1D. Report on this line the number of cases closed during the reporting period.

Line 1E. Report on this line the number of controversy cases that remained open at the end of the reporting period. The number reported on this line is the result of line 1D subtracted from line 1C.

Instructions for Form 13424-K, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Case Information

Cases Worked

Report on controversy cases worked during the reporting period in this section. The information reported in this section should provide the Program Office with a snapshot of what types of controversy cases the clinic worked during the reporting period.

Lines 2A-AA. If the case was open at the end of the reporting period, then indicate the IRS function or U.S. court where the controversy is being addressed as of the end of the reporting period. If the case was closed during the reporting period, indicate the IRS function or U.S. court where the case was handled immediately before closing. Each case should be counted only once during a reporting period; however, a case that remains open beyond a single reporting period may be properly reported as being handled by a different function from one reporting period to the next. Thus, a case may be reported as being handled by a different function in the Year-End report than was reported in the Interim report. If a single case is being addressed by more than one IRS function at the end of a reporting period, report that case where the primary issue is being addressed. The total reported on lines 2A through 2AA should equal the total number of cases worked during the reporting period as reported on line 1C.

Example 1: Clinic A is representing a taxpayer in a dispute involving a proposed deficiency. On May 15, Clinic A submitted correspondence to the IRS's examination unit on behalf of the taxpayer. On August 1, the IRS issued a Notice of Deficiency. On November 20, Clinic A filed a petition in the United States Tax Court. On its Interim report, Clinic A would report the case on line 2E because the case was being addressed in the Correspondence Exam unit as of June 30. On its Year-End report, Clinic A would report the case on line 2U because the case was being addressed in Tax Court as of December 31.

Example 2: Clinic B is representing a taxpayer in a dispute involving eligibility for the earned income tax credit (EITC) for tax years 2008 and 2009. At the close of the reporting period, tax year 2009 is being addressed in the United States Tax Court and tax year 2008 is being addressed in an audit reconsideration. The clinic may report the case on either line 2I or 2U, but may not report the case on both lines. Clinic B has discretion to decide whether to report the case on line 2I or 2U, taking into account whatever factors it deems important to help the Program Office better understand the status of the casework performed as of the end of the reporting period.

Additional Case Information

Report in this section additional information about controversy cases. Note that lines 3 and 4 relate to new cases opened during the reporting period, as reported on line 1b. Note that lines 5 through 8 apply to all cases worked during the reporting period, as reported on line 1C.

Line 3. Report on this line the number of new cases opened during the reporting period in which the amount in controversy exceeds \$50,000 for any tax year. The amount in controversy includes penalties, but does not include interest. A clinic may represent a taxpayer in a case in which the amount in controversy exceeds \$50,000. However, the clinic must include an explanation of why each case was accepted for representation in its Interim and Year-End report Program Narratives, Item 2.vii (sections III.B.i and III.B.ii, respectively, of Publication 3319).

Line 4. Report on this line the number of new cases opened during the reporting period for taxpayers whose income exceeds 250% of federal poverty guidelines.

Line 5. Report on this line the number of cases worked during the reporting period that involved matters being worked in more than one IRS function or federal court.

Example 1: Clinic A is representing a taxpayer in a collection matter in which the IRS is levying the taxpayer's Social Security benefits. The clinic agrees to represent the taxpayer and contacts Automated Collection System (ACS) to prove financial hardship, get the levy released, and have the taxpayer's account placed in Currently Not Collectible (CNC) status. The clinic later assists the taxpayer in submitting an Offer in Compromise. Clinic A should report this case on line 5.

Example 2: Clinic B is representing a taxpayer in a dispute involving eligibility for the earned income tax credit (EITC) for tax years 2007 and 2008. At the close of the reporting period, tax year 2009 is being addressed in the United States Tax Court and tax year 2008 is being addressed in an audit reconsideration. Clinic B should report this case on line 5.

Line 6. Report on this line the number of cases worked during the reporting period in which the clinic is representing a taxpayer in a dispute involving more than one tax year.

Line 7. Report on this line the number of cases worked during the reporting period in which the clinic is representing an ESL taxpayer.

Line 8. Report on this line the number of cases worked during the reporting period in which the clinic is representing both the taxpayer and the taxpayer's spouse.

Line 9. Report on this line the number of cases worked during the reporting period in which the clinic is using a volunteer to represent the taxpayer.

Line 10. Report on this line the number of cases worked during the reporting period in which the clinic is representing a taxpayer on state or local tax matters related to a federal tax controversy.

Instructions for Form 13424-K, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Case Information

U.S. Tax Court Activities

Line 11. Check the appropriate box to indicate whether the clinic participates in the United States Tax Court Clinical Program. If the box is checked indicating Yes, list the "place of trial" city or cities served.

Line 12. Report on this line the number of appearances entered to represent taxpayers in the United States Tax Court during the reporting period, whether through an entry of appearance or via a petition submitted by the clinic.

Line 13. Report on this line the number of cases worked in the United States Tax Court during the reporting period, where negotiations were conducted with the IRS on behalf of the taxpayer, but where no entry of appearance was submitted by the clinic. For example, if a clinic staff attorney is representing a client in a tax controversy and the attorney negotiates a settlement with the IRS in Tax Court but does not enter an appearance, it would be counted on Line 13.

Line 14. Report on this line the number of informal consultations conducted with taxpayers in the United States Tax Court during the reporting period. Representation of taxpayers reported on line 13 should not be reported on this line. For example, if a clinic staff member encounters a taxpayer at a United States Tax Court calendar call and provides advice to the taxpayer but does not enter an appearance, it would be counted on line 14.

Closed Case Outcomes

Report in this section the outcomes of cases that were closed during the reporting period. Information reported in this section should only relate to cases reported on line 1d. The information reported in this section will help the Program Office better understand the impact of the clinic's controversy casework on taxpayers.

Line 15A. Report on this line the number of cases closed during the period in which the taxpayer was brought into filing compliance during the representation. Cases where a taxpayer is successfully assisted or referred for assistance with return preparation in order to resolve a collection matter can be included here.

Line 15B. Report on this line the number of cases closed during the period in which the taxpayer was brought into collection compliance during the representation. Cases where the taxpayer is placed on an approved installment plan or where the taxpayer was placed in currently not collectible status can be included here.

Line 15C. Report on this line the total dollars in tax refunds that were paid to taxpayers whose cases were closed during the reporting period. Do not include refunded dollars that were offset against any other outstanding liability. This amount may include all refunds issued to the taxpayer during the representation that relate to the tax years in dispute. Include state and local tax refunds if the clinic represented taxpayers before those agencies on a matter related to the federal tax controversy.

Line 15D. Report on this line the total dollars in tax liabilities, penalties, and interest avoided by taxpayers whose cases were closed during the reporting period. Include an abatement of tax, penalties, or interest, a reduction in a proposed deficiency, the amount of innocent spouse relief obtained, the difference between the full amount owed and the total amount to be paid on an accepted offer in compromise, and similar items.

Example 1: A clinic represented a taxpayer facing a proposed deficiency of \$3,000. After review of the facts, the clinic determined that the IRS failed to credit \$4,000 in withholding. The \$3,000 liability was abated in full, and the taxpayer received a cash refund of \$1,000. The clinic should report \$1,000 on line 15C, and \$3,000 on line 15D.

Low Income Taxpayer Clinic (LITC)
Interim and Year-End Report
Controversy Issues

OMB Number
1545-1648

Name of clinic _____ Grant year _____

Reporting Period ☐ Interim Report - January 1 through June 30 ☐ Year-End Report - January 1 through December 31

Controversy Issues Worked

Income Issues

1	Wages	
2	Interest / Dividends (Schedule B)	
3	Business Income (Schedule C)	
4	Capital Gain or Loss (Schedule D)	
5	IRA / Pension	
6	Social Security Benefits	
7	Alimony	
8	Rental, Royalty, Partnership, S Corp (Schedule E)	
9	Farming Income (Schedule F)	
10	Unemployment	
11	Gambling Winnings	
12	Cancellation of Debt	
13	Settlement Proceeds	
14	Other	

Deduction Issues

15	Alimony	
16	Education Expenses (Including student loan interest)	
17	Moving Expenses	
18	IRA Deduction	
19	Medical and Dental Expenses	
20	State and Local Taxes	
21	Home Mortgage Interest	
22	Other Interest Expenses	
23	Charitable Contributions	
24	Casualty and Theft Losses	
25	Unreimbursed Employee Business Expenses	
26	Other Itemized Deductions	
27	Business Expenses (Schedule C)	

Credit Issues

28	Child and Dependent Care Credit	
29	Education Credits	
30	Child Tax Credit / Additional Child Tax Credit	
31	Earned Income Tax Credit	
32	First-Time Homebuyer Credit	
33	Other Credits	

**Low Income Taxpayer Clinic (LITC)
Interim and Year-End Report
Controversy Issues**

Name of clinic

Controversy Issues Worked *(continued)*

Status Issues

34	SSN / TIN	
35	ITIN	
36	Filing Status	
37	Personal/Dependency Exemptions	
38	Injured Spouse	
39	Innocent Spouse	
40	Employment-Related Identity Theft	
41	Refund-Related Identity Theft	
42	Nonfiler	
43	Worker Classification	

Tax / Refund / Return / Statute of Limitations Issues

44	Self-Employment Tax	
45	Suspected Return Preparer Fraud	
46	Estimated Tax Payments	
47	Withholdings	
48	Refund	
49	Assessment Statute of Limitations	
50	Collection Statute of Limitations	
51	Refund Statute of Limitations	

Penalty Issues

52	Trust Fund Recovery Penalty	
53	Other Civil Penalties	
54	Additional Tax on Distributions from Qualified Retirement Plans	

Collection Issues

55	Payments	
56	Installment Payment Agreement (IPA)	
57	Offer-In-Compromise (OIC)	
58	Currently Not Collectible (CNC)	
59	Liens	
60	Levies (Including Federal Payment Levy Program)	

Total Controversy Issues Worked *(add lines 1 through 60)*

Instructions for Form 13424-B, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Issues

Note: Each controversy clinic must complete Form 13424-A, *General Information*, Form 13424-C, *Advocacy Information*, Form 13424-K, *Controversy Case Information*, and Form 13424-B, *Controversy Issues*.

When submitting your Interim and Year-End Reports, include this form (Form 13424-B) as part of the Program Narrative. Interim Report and Year-End Report requirements are described in Publication 3319, sections III.B.i and III.B.ii, respectively.

Note: Interim and Year-End Reports, including this form (Form 13424-B) may be released under the Freedom of Information Act (FOIA). In response to a FOIA request, the LITC Program Office will release these reports after appropriate redactions to ensure confidentiality of taxpayer information.

Purpose

This form is used to report issues worked by a clinic while representing taxpayers in controversy cases. The issues reported should relate to all cases reported on Form 13424-K, line 1C.

The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers. Be careful to follow the instructions for this form and to report all information completely and accurately.

Reporting Requirements

Controversy

If your clinic has been funded to provide representation in controversy cases, complete all parts of this form.

Reporting period

Clinics are required to report on clinic activities twice for each grant year. The *grant year* is January 1 through December 31 for the year in which a grant award is received. An Interim Report is required to report activities conducted for the period from January 1 through June 30; a Year-End Report is required to report activities conducted for the entire grant year, the period from January 1 through December 31. Check the appropriate box at the beginning of the form indicating for which period the report is being completed.

The reports capture all controversy issues arising from all controversy cases that were open at any time during the reporting period, including cases carried over from the previous grant year. The issues reported should relate to all cases reported on Form 13424-K, line 1C for the same reporting period.

Definition of a controversy issue

A controversy arises from representation of a taxpayer in a dispute with the IRS concerning the determination, collection, or refund of any tax, additions to tax, additional amounts, penalties, or interest. A controversy issue is counted and reported when the clinic advocates on behalf of a taxpayer to the IRS or a court to resolve a dispute related to that issue. An issue is not counted on this form when the clinic only discusses the issue with the taxpayer. See Example 3 below. Instead, advice is reported as a consultation on Form 13424-A.

A case may involve more than one issue and each issue that the clinic actively works on a case should be reported separately. An issue is counted only once for each case, regardless of the number of tax years involved. See Example 2 below.

Examples

Example 1: Clinic A represented ten taxpayers in Earned Income Tax Credit (EITC) examination cases during the reporting period. Each case has four issues - head of household filing status, dependency exemptions, child tax credit, and EITC eligibility. To complete this form, Clinic A would enter "10" on lines 28, 31, 36, and 37.

Example 2: Clinic B represented a taxpayer in a collection case that involved having six tax periods classified as currently not collectible. Clinic B would count this as one currently not collectible issue, regardless of the number of tax periods involved.

Example 3: Clinic C represented a taxpayer in a collection case that involved negotiating with the IRS to establish an installment agreement. In the course of the representation, Clinic C discussed with the taxpayer various collection alternatives, including the possibility of making an offer-in-comprise. The installment agreement issue would be counted as an issue, but the offer-in-compromise (OIC) issue would not be counted as an issue because the OIC was discussed but not worked.

Instructions for Form 13424-B, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Issues

Specific Instructions

Income Issues

Lines 1 through 14. Report on the appropriate line the number of cases worked during the reporting period where the taxpayer's controversy involved the particular income issue. For example, a dispute involving the amount or classification of a taxpayer's wages would be reported on line 1, Wages.

Deduction Issues

Lines 15 through 27. Report on the appropriate line the number of cases worked during the reporting period where the taxpayer's controversy involved the particular deduction issue. For example, a dispute involving the allowability of a deduction for alimony would be reported on line 15, Alimony.

Credit Issues

Lines 28 through 33. Report on the appropriate line the number of cases worked during the reporting period where the taxpayer's controversy involved the particular credit issue. For example, a dispute involving a taxpayer's eligibility for an adoption credit would be reported on line 33, Other Credits.

Status Issues

Lines 34 through 43. Report on the appropriate line the number of cases worked during the reporting period where the taxpayer's controversy involved the particular status issue. For example, a dispute involving the taxpayer's eligibility to claim head of household filing status would be reported on line 36, Filing status.

Tax / Refund / Return / Statute of Limitations Issues

Lines 44 through 51. Report on the appropriate line the number of cases worked during the reporting period where the taxpayer's controversy involved the particular tax or refund or statute of limitations issue. For example, a dispute involving suspected fraud on the part of a return preparer would be reported on line 45, Suspected Return Preparer Fraud.

Penalty Issues

Lines 52 through 54. Report on the appropriate line the number of cases worked during the reporting period where the taxpayer's controversy involved the particular penalty issue. For example, a dispute involving the assessment of an accuracy-related penalty would be reported on line 53, Other Civil Penalties.

Collection Issues

Lines 55 through 60. Report on the appropriate line the number of cases worked during the reporting period where the taxpayer's controversy involved the particular collection issue. For example, a dispute involving the release of a levy on a taxpayer's Social Security benefits would be reported on line 60, Levies.

Low Income Taxpayer Clinic (LITC) Advocacy Information	OMB Number 1545-1648
Name of clinic	Grant year

Reporting Period ☐ Interim Report - January 1 through June 30 or ☐ Year-End Report - January 1 through December 31

Part I. Systemic Advocacy Submissions

Complete the following section to identify issues submitted to educate or advocate for low income or ESL taxpayers on the Systemic Advocacy Management System (SAMS) <http://www.irs.gov/advocate/article/0,,id=117703,00.html> (Attach additional pages as necessary)

Issue number	Submitter	Date submitted
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Brief description of the issue

Issue number	Submitter	Date submitted
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Brief description of the issue

Issue number	Submitter	Date submitted
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Brief description of the issue

Part II. Published Materials

Complete the following section to identify articles written to educate or advocate for low income or ESL taxpayers. (Attach additional pages as necessary)

Source ☐ Book ☐ Law review ☐ Magazine ☐ Newspaper ☐ Website ☐ Other

Author's name	Date published
---------------	----------------

Title of article	Publication or website
------------------	------------------------

Brief description of the article

Source ☐ Book ☐ Law review ☐ Magazine ☐ Newspaper ☐ Website ☐ Other

Author's name	Date published
---------------	----------------

Title of article	Publication or website
------------------	------------------------

Brief description of the article

Source ☐ Book ☐ Law review ☐ Magazine ☐ Newspaper ☐ Website ☐ Other

Author's name	Date published
---------------	----------------

Title of article	Publication or website
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Brief description of the article

Low Income Taxpayer Clinic (LITC) Advocacy Information

Part III. Television and Radio Appearances

Complete the following section to identify television and radio appearances that educated or advocated for low income or ESL taxpayers. *(Attach additional pages as necessary)*

Airing dates of segment	Number of potential listeners or viewers
Discussion topic	Presenter
Brief description of the topic	

Airing dates of segment	Number of potential listeners or viewers
Discussion topic	Presenter
Brief description of the topic	

Airing dates of segment	Number of potential listeners or viewers
Discussion topic	Presenter
Brief description of the topic	

Part IV. Public Service Announcements

Complete the following section to identify public service announcements that educated or advocated for low income or ESL taxpayers. *(Attach additional pages as necessary)*

Number of times segment aired	Number of potential listeners or viewers
Discussion topic	Presenter
Brief description of the topic	

Number of times segment aired	Number of potential listeners or viewers
Discussion topic	Presenter
Brief description of the topic	

Number of times segment aired	Number of potential listeners or viewers
Discussion topic	Presenter
Brief description of the topic	

Statement of Grant Expenditures

OMB Number 1545-1648

Expense Categories		Controversy Program			ESL Program			Totals		
		Federal	Match	Total	Federal	Match	Total	Federal	Match	Total
Name of Low Income Taxpayer Clinic										
A. Personnel		Grant Period From To								
1.										
2.										
3.										
4.										
	Subtotals									
B. Fringe Benefits										
C. Travel										
D. Equipment										
E. Supplies										
F. Contractual										
1.										
2.										
3.										
	Subtotals									
G. Construction										
H. Other Expenses										
1.										
2.										
3.										
4.										
	Subtotals									
I. Total Direct Charges										
J. Indirect Charges										
K. Totals										

Instructions for Form 13424-L, Statement of Grant Expenditures

When submitting your Interim and Year-End Reports, include this form (Form 13424-L) as part of the Financial Report. Interim Report and Year-End Report requirements are described in Publication 3319, sections III.B.i and III.B.ii, respectively.

Note: Interim and Year-End Reports (including this report form) may be released under the Freedom of Information Act (FOIA). In response to a FOIA request, the LITC Program Office will release these reports after appropriate redactions to ensure confidentiality of taxpayer information.

Purpose

In addition to the SF 425, a Statement of Grant Expenditures (Form 13424-L) with accompanying Narrative Explanation must be submitted along with the Interim and Year-End report to explain how federal grant funds and matching funds were spent by the program. A single statement should include expenditures made for both Controversy and English as a Second Language (ESL) programs, if applicable, as well as information for both federal and matching funds. A narrative explanation of all expense categories from Form 13424-L must be included to explain how the expenses were calculated; how the expenses are allocated between Controversy and ESL programs, if applicable; and the amount and sources of matching funds. All expenses must be reasonable, necessary, and allocable to this grant. Grantees should refer to 2 CFR Part 220 or 2 CFR Part 230 (formerly OMB Circulars A-21 and A-122, respectively) as appropriate, for further guidance on each expense category and 2 CFR Part 215 (formerly OMB Circular A-110) for guidance on matching funds.

Note: Each line item does not require a dollar-for-dollar match, but the total matching funds must equal or exceed the total federal funds requested for each program.

Note: The total amount shown on this statement is the amount spent by the end of the reporting period, not the amount drawn down from the Department of Payment Management's Payment Management System.

Specific Instructions

A. Personnel

This expense category is used to report salaries and wages that were paid to LITC staff. Do not include fringe benefits in this category (fringe benefits should be accounted for in category B).

List each staff member's position, rate of pay (hourly wage or annual salary), and time devoted to clinic activities (hours of service or full time equivalents (FTEs)).

In the explanation, indicate the amount of full-time (40 hour) equivalents for each position. If a staff member works in both the Controversy and ESL programs, state the percentage of time devoted to each program. Also, state the portion of each staff member's salary or wages paid from federal and matching funds, as well as the source of the matching funds.

Volunteer in-kind services should **not** be included under the Personnel category. They should be included under category H, Other Expenses.

B. Fringe Benefits

This expense category is used to report fringe benefits that were paid on behalf of LITC staff whose wages and salaries are reported in personnel costs (category A above).

In the explanation state the fringe benefits rate(s), the items that constitute the fringe benefits, what portion was paid by federal funds and matching funds, and the source of matching funds. Identify the rate applicable to each staff position if varying rates apply by position.

C. Travel

This expense category covers travel costs, including costs associated with attendance at the annual LITC conference and other travel expenses directly related to conducting LITC business or activities.

In the explanation, identify the travel costs listed, whether the costs were paid with federal or matching funds, the source of the matching funds, and how costs were allocated between the Controversy and ESL programs, if applicable.

D. Equipment

This expense category covers the cost of equipment that was purchased or leased by the applicant and used in operating a Controversy or ESL program. Donated equipment may be included as matching funds and is valued at the fair market value of the property at the time of the donation.

Instructions for Form 13424-L, Statement of Grant Expenditures

D. Equipment (continued)

In the narrative explanation, identify the equipment purchased, leased or donated, whether the associated costs were paid using federal or matching funds, the source of the matching funds, and how costs were allocated between the Controversy and ESL programs. If there were third-party in-kind contributions of equipment, identify the equipment, the donor, and how the valuation was determined.

E. Supplies

This expense category includes the cost of supplies that were used in operating the LITC. Donated supplies may be included as matching funds and are valued at the fair market value of the property at the time of the donation.

In the explanation, identify the supplies to be used, whether the associated costs were paid using federal or matching funds, the source of the matching funds, and how costs were allocated between the Controversy and ESL programs. If there are third-party in-kind contributions of supplies, explain the amount of the supplies contributed and how the valuation was determined, as well as the source of the donation.

F. Contractual

This expense category includes the cost of rent, utilities, and other contracted items or services that were used in operating a Controversy or ESL program. Donated space may be included as matching funds and the value assigned may not exceed the fair rental value of comparable space.

The explanation should identify the nature of the expense, whether the associated costs were paid using federal or matching funds, the source of the matching funds, and how costs were allocated between the Controversy and ESL programs.

If a contracted item or service pertains to other programs in addition to LITC activities, only the portion directly attributable to LITC activities may be included allocated to the LITC program. The narrative must explain the methodology used to apportion costs between the LITC activities and other programs.

G. Construction

This category is not applicable to this grant. No expenses are allowed.

H. Other Expenses

This expense category includes all other direct costs that were incurred in operating a LITC program that are not properly included in categories A through G. The value of volunteer in-kind services is included in this category as matching funds.

The explanation should identify the type of cost, whether the cost was paid using federal or matching funds, the source of the matching funds, and how the cost was allocated between the Controversy and ESL programs. The explanation must also disclose the rate or rates that were used to value volunteer in-kind services and the number of volunteer hours that were provided by type of volunteer.

Rules for valuing volunteer in-kind services are found in 2 CFR § 215.23. See Publication 3319, section II.G, *Matching Funds Requirement*, for more information.

I. Total Direct Charges

The total of the direct charges is the sum of lines A(1) through H(4).

J. Indirect Costs

Indirect costs are charges not directly related to the LITC program, but incurred as part of the general overhead and administration of the grantee. Indirect charges may be charged as a use of federal funds based upon an approved Indirect Cost Rate Agreement. However, indirect charges are not allowable as matching funds.

The narrative explanation should identify the indirect cost rate and the base that was used to allocate indirect costs.

Matching Funds

The narrative must include an explanation of the sources and amounts of matching funds. If the sponsoring organization has provided matching funds, the grantee must state explicitly that such funds (1) were not used as matching funds for any other federal program and (2) were not funds received from any other federal grant unless specifically authorized by statute to be used as matching funds.

Volunteer / Pro Bono Time Reporting

Volunteer's Name
Per OMB A-110, LITCs are required to track the amount of time volunteers spend working on LTC activities. Use this form to document the amount of time volunteers or pro bono members use to resolve a client's issue(s).

[illegible]

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		Page 1	of pages		
3. Recipient Organization (Name and complete address including Zip code)							
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type ☐ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	7. Basis of Accounting ☐ Cash ☐ Accrual			
8. Project/Grant Period From: (Month, Day, Year) To: (Month, Day, Year)			9. Reporting Period End Date (Month, Day, Year)				
10. Transactions				Cumulative			
(Use lines a-c for single or multiple grant reporting)							
Federal Cash (To report multiple grants, also use FFR Attachment):							
a. Cash Receipts							
b. Cash Disbursements							
c. Cash on Hand (line a minus b)							
(Use lines d-o for single grant reporting)							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized							
e. Federal share of expenditures							
f. Federal share of unliquidated obligations							
g. Total Federal share (sum of lines e and f)							
h. Unobligated balance of Federal funds (line d minus g)							
Recipient Share:							
i. Total recipient share required							
j. Recipient share of expenditures							
k. Remaining recipient share to be provided (line i minus j)							
Program Income:							
l. Total Federal program income earned							
m. Program income expended in accordance with the deduction alternative							
n. Program income expended in accordance with the addition alternative							
o. Unexpended program income (line l minus line m or line n)							
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
			g. Totals:				
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:							
13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)							
a. Typed or Printed Name and Title of Authorized Certifying Official					c. Telephone (Area code, number and extension)		
					d. Email address		
b. Signature of Authorized Certifying Official					e. Date Report Submitted (Month, Day, Year)		
					14. Agency use only:		

Standard Form 425 - Revised 6/28/2010
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours 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 (0348-0061), Washington, DC 20503.

Federal Financial Report Instructions

Report Submissions

- 1) Recipients will be instructed by Federal agencies to submit the *Federal Financial Report (FFR)* to a single location, except when an automated payment management reporting system is utilized. In this case, a second submission location may be required by the agency.
- 2) If recipients need more space to support their *FFRs*, or *FFR* Attachments, they should provide supplemental pages. These additional pages must indicate the following information at the top of each page: Federal grant or other identifying number (if reporting on a single award), recipient organization, Data Universal Numbering System (DUNS) number, Employer Identification Number (EIN), and period covered by the report.

Reporting Requirements

- 1) The submission of interim *FFRs* will be on a quarterly, semi-annual, or annual basis, as directed by the Federal agency. A final *FFR* shall be submitted at the completion of the award agreement. The following reporting period end dates shall be used for interim reports: 3/31, 6/30, 9/30, or 12/31. For final *FFRs*, the reporting period end date shall be the end date of the project or grant period.
- 2) Quarterly and semi-annual interim reports shall be submitted no later than 30 days after the end of each reporting period. Annual reports shall be submitted no later than 90 days after the end of each reporting period. Final reports shall be submitted no later than 90 days after the project or grant period end date.

Note: For single award reporting:

1) Federal agencies may require both cash management information on lines 10(a) through 10(c) and financial status information lines 10(d) through 10(o).

2) 10(b) and 10(e) may not be the same until the final report.

Line Item Instructions for the Federal Financial Report

FFR Number	Reporting Item	Instructions
Cover Information		
1	Federal Agency and Organizational Element to Which Report is Submitted	Enter the name of the Federal agency and organizational element identified in the award document or as instructed by the agency.
2	Federal Grant or Other Identifying Number Assigned by Federal Agency	For a single award, enter the grant number assigned to the award by the Federal agency. For multiple awards, report this information on the <i>FFR</i> Attachment. <i>Do not complete this box if reporting on multiple awards.</i>
3	Recipient Organization	Enter the name and complete address of the recipient organization including zip code.
4a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
4b	EIN	Enter the recipient organization's Employer Identification Number (EIN).
5	Recipient Account Number or Identifying Number	Enter the account number or any other identifying number assigned by the recipient to the award. This number is for the recipient's use only and is not required by the Federal agency. For multiple awards, report this

FFR Number	Reporting Item	Instructions
		information on the <i>FFR</i> Attachment. <i>Do not complete this box if reporting on multiple awards.</i>
6	Report Type	Mark appropriate box. <i>Do not complete this box if reporting on multiple awards.</i>
7	Basis of Accounting (Cash/Accrual)	Specify whether a cash or accrual basis was used for recording transactions related to the award(s) and for preparing this <i>FFR</i> . Accrual basis of accounting refers to the accounting method in which expenses are recorded when incurred. For cash basis accounting, expenses are recorded when they are paid.
8	Project/Grant Period, From: (Month, Day, Year)	Indicate the period established in the award document during which Federal sponsorship begins and ends. Note: Some agencies award multi-year grants for a project period that is funded in increments or budget periods (typically annual increments). Throughout the project period, agencies often require cumulative reporting for consecutive budget periods. Under these circumstances, enter the beginning and ending dates of the project period not the budget period. <i>Do not complete this line if reporting on multiple awards.</i>
	Project/Grant Period, To: (Month, Day, Year)	See the above instructions for "Project/Grant Period, From: (Month, Day, Year)."
9	Reporting Period End Date: (Month, Day, Year)	Enter the ending date of the reporting period. For quarterly, semi-annual, and annual interim reports, use the following reporting period end dates: 3/31, 6/30, 9/30, or 12/31. For final <i>FFRs</i> , the reporting period end date shall be the end date of the project or grant period.
10	Transactions Enter cumulative amounts from date of the inception of the award through the end date of the reporting period specified in line 9. Use Lines 10a through 10c, Lines 10d through 10o, or Lines 10a through 10o, as specified by the Federal agency, when reporting on single grants. Use Line 12, Remarks, to provide any information deemed necessary to support or explain <i>FFR</i> data.	
Federal Cash (To report multiple grants, also use <i>FFR</i> Attachment)		
10a	Cash Receipts	Enter the cumulative amount of actual cash received from the Federal agency as of the reporting period end date.
10b	Cash Disbursements	Enter the cumulative amount of Federal fund disbursements (such as cash or checks) as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to subrecipients and contractors. For multiple grants, report each grant separately on the <i>FFR</i> Attachment. The sum of the cumulative cash disbursements on the <i>FFR</i> Attachment must equal the amount entered on Line 10b, <i>FFR</i> .
10c	Cash On Hand (Line 10a Minus Line 10b)	Enter the amount of Line 10a minus Line 10b. This amount represents immediate cash needs. If more than three business days of cash are on hand, the Federal agency may require an explanation

FFR Number	Reporting Item	Instructions
		on Line 12, Remarks, explaining why the drawdown was made prematurely or other reasons for the excess cash.
Federal Expenditures and Unobligated Balance: Do not complete this section if reporting on multiple awards.		
10d	Total Federal Funds Authorized	Enter the total Federal funds authorized as of the reporting period end date.
10e	Federal Share of Expenditures	Enter the amount of Federal fund expenditures. For reports prepared on a cash basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense charged; and the amount of cash advance payments and payments made to subrecipients. For reports prepared on an accrual basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense incurred; and the net increase or decrease in the amounts owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, subrecipients, and other payees; and (3) programs for which no current services or performance are required. Do not include program income expended in accordance with the deduction alternative, rebates, refunds, or other credits. (Program income expended in accordance with the deduction alternative should be reported separately on Line 10o.)
10f	Federal Share of Unliquidated Obligations	Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an expenditure has not yet been recorded. Enter 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 subrecipients and contractors. On the final report, this line should be zero unless the awarding agency has provided other instructions. <i>Do not include any amount in Line 10f that has been reported in Line 10e. Do not include any amount in Line 10f for a future commitment of funds (such as a long-term contract) for which an obligation or expense has not been incurred.</i>
10g	Total Federal Share (Sum of Lines 10e and 10f)	Enter the sum of Lines 10e and 10f.
10h	Unobligated Balance of Federal Funds (Line 10d Minus Line 10g)	Enter the amount of Line 10d minus Line 10g.
Recipient Share: Do not complete this section if reporting on multiple awards.		
10i	Total Recipient Share Required	Enter the total required recipient share for reporting period specified in line 9. The required recipient share should include all matching and cost sharing provided by recipients and third-party providers to meet the level required by the Federal agency. This amount should not include cost sharing and match amounts in excess of the amount required by the Federal agency (for example, cost overruns for which the recipient incurs additional expenses and, therefore, contributes a greater level of cost

FFR Number	Reporting Item	Instructions
		sharing or match than the level required by the Federal agency).
10j	Recipient Share of Expenditures	Enter the recipient share of actual cash disbursements or outlays (less any rebates, refunds, or other credits) including payments to subrecipients and contractors. This amount may include the value of allowable third party in-kind contributions and recipient share of program income used to finance the non-Federal share of the project or program. Note: On the final report this line should be equal to or greater than the amount of Line 10i.
10k	Remaining Recipient Share to be Provided (Line 10i Minus Line 10j)	Enter the amount of Line 10i minus Line 10j. If recipient share in Line 10j is greater than the required match amount in Line 10i, enter zero.
Program Income: Do not complete this section if reporting on multiple awards.		
10l	Total Federal Program Income Earned	Enter the amount of Federal program income earned. Do not report any program income here that is being allocated as part of the recipient's cost sharing amount included in Line 10j.
10m	Program Income Expended in Accordance With the Deduction Alternative	Enter the amount of program income that was used to reduce the Federal share of the total project costs.
10n	Program Income Expended in Accordance With the Addition Alternative	Enter the amount of program income that was added to funds committed to the total project costs and expended to further eligible project or program activities.
10o	Unexpended Program Income (Line 10l Minus Line 10m or Line 10n)	Enter the amount of Line 10l minus Line 10m or Line 10n. This amount equals the program income that has been earned but not expended, as of the reporting period end date.
11	Indirect Expense: Complete this information only if required by the awarding agency. Enter cumulative amounts from date of the inception of the award through the end date of the reporting period specified in line 9.	
11a	Type of Rate(s)	State whether indirect cost rate(s) is Provisional, Predetermined, Final, or Fixed.
11b	Rate	Enter the indirect cost rate(s) in effect during the reporting period.
11c	Period From; Period To	Enter the beginning and ending effective dates for the rate(s).
11d	Base	Enter the amount of the base against which the rate(s) was applied.
11e	Amount Charged	Enter the amount of indirect costs charged during the time period specified. (Multiply 11b. x 11d.)
11f	Federal Share	Enter the Federal share of the amount in 11e.
11g	Totals	Enter the totals for columns 11d, 11e, and 11f.
Remarks, Certification, and Agency Use Only		
12	Remarks	Enter any explanations or additional information required by the Federal sponsoring agency including excess cash as stated in line 10c.
13a	Typed or Printed Name and Title of Authorized Certifying Official	Enter the name and title of the authorized certifying official.
13b	Signature of Authorized Certifying Official	The authorized certifying official must sign here.
13c	Telephone (Area Code, Number and Extension)	Enter the telephone number (including area code and extension) of the individual listed in Line 13a.
13d	E-mail Address	Enter the e-mail address of the individual listed in Line 13a.

FFR Number	Reporting Item	Instructions
13e	Date Report Submitted (Month, Day, Year)	Enter the date the <i>FFR</i> is submitted to the Federal agency using the month, day, year format.
14	Agency Use Only	This section is reserved for Federal agency use.

COMMONLY USED ACRONYMS

ABA	American Bar Association
ACS	Automated Collection System
AES	Automated Examination System
AGI	Adjusted Gross Income
AICPA	American Institute Of Certified Public Accountants
ALS	Automated Lien System
AMTAP	Accounts Management Taxpayer Assurance Program
ARC	Annual Report to Congress
ASED	Assessment Statute Expiration Date
ASFR	Automated Substitute for Return
AUR	Automated Under Reporter Program
BALDU	Balance Due
BLS	Bureau of Labor Statistics
BMF	Business Master File
BWH	Backup Withholding
CADE2	Customer Account Data Engine 2
CAF	Centralized Authorization File
CAP	Compliance Assurance Process
CCR	Central Contractor Registration
CDP	Collection Due Process
CSED	Collection Statute Expiration Date
CFP	Civil Fraud Penalty
CID	Criminal Investigation Division
CNC	Currently Not Collectable
COB	Close Of Business
CODI	Cancellation of Debt Income
COIC	Centralized Offer In Compromise
CPA	Certified Public Accountant
CPE	Continuing Professional Education
CPU	Central Processing Unit
CSED	Collection Statute Expiration Date

DPM	Division of Payment Management
DUNS	Data Universal Numbering System
EFS	Electronic Filing System
EFT	Electronic Funds Transfer
EITC	Earned Income Tax Credit
EIN	Employer Identification Number
ESL	English as a Second Language
FDIC	Federal Deposit Insurance Corporation
FFATA	Federal Funding Accountability and Transparency Act
FICA	Federal Insurance Contribution Act
FOIA	Freedom of Information Act
FPLP	Federal Payment Levy Program
FY	Fiscal Year
HHS	Department of Health and Human Services
IA	Installment Agreement
IRA	Individual Retirement Account
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
ITIN	Individual Taxpayer Identification Number
LITC	Low Income Taxpayer Clinic
LB&I	Large Business & International
LSC	Legal Services Corporation
LTA	Local Taxpayer Advocate
MSP	Most Serious Problem
NFTL	Notice of Federal Tax Lien
NOPA	Notice of Proposed Adjustment
NTA	National Taxpayer Advocate
OIC	Offer-in-Compromise
OMB	Office of Management and Budget
PII	Personally Identifiable Information
PIN	Personal Identification Number

PMS	Payment Management System
POA	Power of Attorney
QBA	Qualified Business Administrator
QTE	Qualified Tax Expert
RCP	Reasonable Collection Potential
RO	Revenue Officer
RRA98	IRS Restructuring and Reform Act of 1998
RSED	Refund Statute Expiration Date
SB/SE	Small Business Self Employed
SNOD	Statutory Notice of Deficiency
SSN	Social Security Number
TCE	Tax Counseling for the Elderly
TOA	Taxpayer Assistance Order
TAS	Taxpayer Advocate Service
TEFRA	Tax Equity And Fiscal Responsibility Act Of 1982
TE/GE	Tax Exempt & Government Entities
TIGTA	Treasury Inspector General for Tax Administration
TY	Tax Year
UDOC	Uniform Definition of Child
URP	Under-Reporter Program
USPS	United States Postal Service
VITA	Volunteer Income Tax Assistance
W&I	Wage & Investment

GLOSSARY

90/250 Income Requirement – the provision of IRC §7526 that requires at least 90 percent of taxpayers represented by a clinic must have incomes that do not exceed 250 percent of the Federal Poverty Guidelines published annually by the Department of Health and Human Services (HHS).

Allowable Expenses – expenses chargeable to an LTC grant in accordance with the principles outlined in 2 CFR Part 230 (formerly OMB Circular A-122), and 2 CFR Part 220 (formerly OMB Circular A-21). Generally, in order for an expense to be allowable, the expense must be reasonable, incurred for the benefit of the program, and consistent with market prices.

Ancillary Tax Return Preparation – tax return preparation that is incidental to an ESL program’s primary activity of outreach and education.

Case Tracking – the process or method used to control assignment and progress of controversy cases and ESL activity by LTC personnel, students, and volunteers.

Congressional District – an electoral constituency, apportioned by population, which elects a Member of Congress.

Consultation – a consultation is a discussion with a taxpayer designed to provide brief advice about a specific tax matter that does not result in representation of the taxpayer. A technical assistance consultation is a discussion with a practitioner or other service provider designed to give brief advice about a tax issue.

Continuing Legal Education (CLE) – an accredited professional educational program for attorneys. CLE requirements vary among jurisdictions, and accreditation is granted on a jurisdiction-by-jurisdiction basis.

Continuing Professional Education (CPE) – an accredited educational program required to maintain a professional license, such as a Certified Public Accountant or Enrolled Agent designation.

Controversy Representation – representation of a taxpayer in a dispute with the IRS concerning the determination, collection, or refund of any tax, additions to tax, additional amounts, penalties, or interest. The representation can occur at any stage of the proceedings, including, but not limited to: Accounts Management, Exam, Collection, Appeals, or litigation. In order for the relationship to rise to the level of representation, advocacy on behalf of the taxpayer, not just fact-finding, must occur.

Data Universal Numbering System (DUNS) – a unique nine-digit identification number provided by Dunn & Bradstreet Corporation. The Federal government requires that all applicants for Federal grants with the exception of individuals other than sole proprietors have a DUNS number. The Federal government will use the DUNS number to better identify related organizations that are receiving grant funding, and to provide consistent name and address data for electronic grant application systems.

Demographics – vital or social statistics (e.g., income, education level, native spoken language) of a group or population of taxpayers within a defined state, county, or geographic regional area.

Deobligated Funds – grant funds that a grantee does not intend to draw down and spend during the grant cycle which are relinquished back to the LITC Program Office so that the funds may be obligated to another grantee.

Direct Costs – costs that can be identified specifically with a particular award or other direct activity of an organization, such as a controversy or ESL program. However, a cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose, in like circumstance, has been allocated to an award as an indirect cost.

Direct Lobbying – contacting a Member of Congress, a state or local legislator, or any of their staff members to influence the legislator to take a position or action on a specific piece of legislation or potential legislation.

Educational Activities – events designed to provide information to taxpayers about their taxpayer rights and responsibilities, and include technical tax topics.

Employer Identification Number (EIN) – a permanent number issued by the IRS to identify a business entity; also known as a Federal Tax Identification Number

ESL Taxpayers – taxpayers who speak English as a second language.

Family Unit – an unrelated individual or a family. An unrelated individual is a person 15 years old or over who is not living with persons related by birth, marriage, or adoption. A family is a group of two or more persons related by birth, marriage, or adoption who live together. However, if related individuals live together, but the person seeking assistance from the clinic is financially independent, then that person may be treated as a family unit. If two unrelated individuals live together, they constitute two family units.

Fringe Benefits – a form of non-wage compensation for the performance of services. Examples of fringe benefits include the employer's share of Social Security and Medicare taxes, Federal and State unemployment taxes, health and life insurance premiums, and pension contributions. Federal funds and matching funds may be used to pay fringe benefits that are reasonable, allowable, and allocable to clinic operations.

Grassroots Lobbying – activities that encourage third parties, members of special interest groups or the general public to contact federal, state or local government officials in support of or in opposition to a legislative policy or appropriations matter. This applies to activities both before and after introduction of the legislation.

Indirect Costs – costs not directly related to the LITC program, but incurred as part of the general overhead and administration of the grantee. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like

circumstances, has been assigned to an award as a direct cost. Indirect costs may be budgeted as a use of federal funds based upon an approved Indirect Cost Rate Agreement. However, indirect costs are not allowable as matching funds.

Intake – a process used by clinic staff to gather information from a taxpayer seeking assistance to determine eligibility for services.

Individual Taxpayer Identification Number (ITIN) – a unique nine-digit number used for tax administration purposes that is issued by the IRS to individuals who are not eligible to obtain a Social Security number (SSN).

Low Income Taxpayer Clinic (LITC) – an organization that represents low income taxpayers in controversies with the IRS or operates programs to inform individuals for whom English is a second language about their taxpayer rights and responsibilities for free or for a nominal charge.

Low Income – for purposes of the LITC Program, this includes taxpayers whose incomes do not exceed 250 percent of the Federal Poverty Guidelines.

Local Taxpayer Advocate (LTA) – IRC §7803(c)(2)(D)(i)(I) requires that each state have at least one LTA. An LTA is a manager who reports to the National Taxpayer Advocate. Each LTA provides essential guidance and assistance to the LITCs within his or her geographic area.

Matching Funds – the portion of program costs not funded by federal funds. Grantees must provide matching funds on a dollar-for-dollar basis for all LITC grant funds received.

National Taxpayer Advocate (NTA) – the official who supervises and directs the Office of the Taxpayer Advocate. The NTA reports directly to the IRS Commissioner and serves as the advocate for taxpayers within the IRS and before Congress. The NTA is appointed by the Secretary of the Treasury following consultations with the IRS Commissioner and the IRS Oversight Board.

Office of Professional Responsibility (OPR) – the office that establishes and enforces consistent standards of competence, integrity and conduct for tax professionals authorized to practice before the IRS.

Office of Management and Budget (OMB) – the office that oversees the preparation of the federal budget and supervises its administration in Executive Branch agencies. OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's Budget and with Administration policies.

OMB Circulars – directives issued by the Office of Management and Budget (OMB) that provide guidance relating to administration of federal grant awards, including the

following which are relevant for the LITC program: OMB Circular No. A-110, Uniform Administrative Requirements for Grants and Agreements; OMB Circular No A-133, Audits of States, Local Governments, and Non-Profit Organizations; OMB Circular No A-21, Cost Principles for Educational Institutions; and OMB Circular No A-122, Cost Principles for Non-Profit Organizations.

Operational Review Visit – a site visit conducted by LITC Program Office staff to observe and evaluate a grantee’s program activities and services, and discuss with clinic personnel the progress made in achieving program goals and objectives.

Orientation Visit – a site visit conducted within the the first 120 days of a new grantee’s initial funding year to familiarize the grantee with LITC program requirements and to measure the progress of its start-up activities.

Outreach Activities – efforts designed to provide information about the clinic and its services directly to targeted taxpayers or indirectly through other organizations or groups that serve the targeted taxpayers. ESL programs should identify targeted linguistic populations; Controversy programs may target low income taxpayers in a geographic area or a specific segment of the low income taxpayer community.

Payment Management System (PMS) – an electronic system maintained by the Department of Health and Human Services Division of Payment Management that allows grantees to review grant award and disbursement records and submit requests for payment of federal funds.

Publicity – see Outreach Activities.

Qualified Representative – an individual who is authorized to practice before the IRS (e.g., attorney, certified public accountant, enrolled agent) or applicable court.

Representation – representation of a taxpayer in a controversy means to act as an agent of the taxpayer in an advocacy capacity in a matter before the IRS, the United States Tax Court, another federal court, or before a state or local tax authority when the clinic is representing the taxpayer in a related federal controversy.

Referral Activity – a referral of a low income taxpayer to a pro bono panel member who provides representation for free or for a nominal fee.

Standards of Operation – baseline operational requirements applicable to all clinics developed by the LITC Program Office to ensure that all programs provide consistent and quality service to low income and ESL taxpayers. The standards of operation are an integral part of the LITC Program’s performance measures.

Systemic Advocacy – identifying and advocating for issues that impact low income and ESL taxpayers utilizing such methods as: participating in advocacy projects with professional organizations, commenting on proposed IRS regulations and guidance, authoring articles or publications, appearing on television or radio, producing public

service announcements, or submissions to the Systemic Advocacy Management System (SAMS).

Tax Counseling for the Elderly (TCE) – an IRS initiative designed to promote and support free tax counseling and basic income tax return preparation for individuals aged 60 or over who cannot afford professional assistance.

Third Party In-Kind Contributions – the value of non-cash contributions provided by parties other than the federal government or grantee. Third party in-kind contributions may be in the form of goods, space, or services donated to the LITC by third parties and must be used to accomplish the objectives of the LITC program in order to count as a source of matching funds.

Unallowable Expenses – expenses for which LITC grant funds may not be used according to guidelines published by OMB and the LITC Program Office.

Underserved Area– an identifiable geographic area where the need for LITC services exceeds the capacity available from current grantees.

Unused Funds – the portion of grant funds awarded to clinics that have not been spent, whether or not those funds have been drawn down from the Payment Management System.

Volunteer Income Tax Assistance (VITA) – an IRS initiative designed to promote and support free tax return preparation for low to moderate income individuals who cannot afford professional assistance.

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