

House District _____

Senate District _____

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: _____

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

DEPARTMENT OF HUMAN SERVICES

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: HAWAII ALLIANCE FOR COMMUNITY-BASED ECONOMIC DEVELOPMENT

Dbas: HACBED

Street Address: 677 Ala Moana Blvd., Suite 702, Honolulu, HI 96813

Mailing Address: 677 Ala Moana Blvd., Suite 702, Honolulu, HI 96813

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name SUSAN TAMANAHA

Title Program Director

Phone # (808) 381-0881

Fax # (808) 534-1199

E-mail stamanaha@hacbed.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- OTHER
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

FREE TAX ASSISTANCE AND FINANCIAL EMPOWERMENT THROUGH EDUCATION TO PREVENT TAX-RELATED DEBT

4. FEDERAL TAX ID # _____

5. STATE TAX ID # _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 95,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 0
 FEDERAL \$ 53,800
 COUNTY \$ 10,000
 PRIVATE/OTHER \$ 27,500

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

SUSAN TAMANAHA
NAME & TITLE

PROGRAM DIRECTOR
(ADR)

1/30/2015
DATE SIGNED



RECEIVED
1-30-15 *VF*

APPLICATION FOR GRANT

I. BACKGROUND AND SUMMARY

1. Applicant's Background

The Hawai'i Alliance for Community-Based Economic Development (HACBED) is a 501(C) (3) non-profit organization founded in 1992. **Our Mission:** To address social, economic, and environmental justice issues in Hawaii by supporting and promoting community-based economic development and asset building. **Our Primary Target Audience:** Low-to-moderate income (LMI) residents of the State of Hawaii.

A few of HACBED's more recent projects include (1) The Ohana Based Youth Savings Initiative, where HACBED is helping to develop incentivized youth savings programs for 6th-10th grade students that serve as an entry point to a broader set of family financial empowerment services to embed asset building into the core human services delivery systems; (2) The Hawai'i Nutritious Sustainable Food Network, where HACBED is providing technical assistance and support to the 66 parishes Statewide to explore the transition of their food ministries from an emergency food mindset to a more sustainable, nutritious, and, by extension, community-based approach. (3) a student savings program focused on providing financial education and incentivized youth savings accounts to children in Kalihi in collaboration with Kokua Kalihi Valley and their KVIBE Program.

The Free Tax Assistance and Financial Empowerment Program at HACBED began its operations in 2006 with only 4 sites on Oahu and 32 volunteers. The Program now operates Statewide providing:

(a) free tax return preparation (federal and state) for LMI clients resulting in immediate savings to each taxpayer of approximately \$200; this free service also allows clients to receive the full benefit of their refunds and valuable tax credits, such as the Earned Income Tax Credit, without reduction due to tax preparation fees and related charges. The tax preparation aspect of this Program operates in conjunction with the Internal Revenue Service's VITA (Volunteer Income Tax Assistance) Program;

(b) asset building opportunities utilizing refunds and providing a match for new savings accounts;

(c) financial education that focuses on **prevention of tax-related debts which totaled \$51 Million in 2012 for 47,000 Hawaii workers who earned LESS than \$50,000; and**

(d) "Learn Early. Live Smarter." - an initiative that recruits and trains high school students who become certified volunteer tax return preparers.

Results: Since 2006, this Program has helped 26,722 LMI residents save more than \$4.7 Million in tax preparation fees, claim over \$40 Million in refunds, including \$19.8 Million in refundable federal tax credits such as the Earned Income Tax Credit (EITC), open 96 new savings accounts, purchase \$14,000 in US Savings Bonds, helped over 900 clients with tax-related problems, and trained 94 students from 4 Oahu high schools to become certified volunteer tax return preparers.

Overall economic benefit to the State. According to a report published by the U. S. Conference of Mayors (Dollar Wise Best Practices 2nd Ed), "every increased dollar received by low- and moderate-income families has a multiplier effect of between 1.5 to 2 times the original amount, in terms of its impact on the local economy." In other words, for every dollar saved or obtained for low-income families, \$1.50 to \$2.00 gets spent locally by those families to purchase needed goods and services. Based on this assessment, this Program has thus far had a positive economic impact on the communities it serves in an amount exceeding **\$36.3 Million** (based on the lower 1.5 multiplier effect and using only funds saved through free tax preparation and refundable federal tax credits, not total refunds). That positive economic impact on local communities will continue to increase as the Program expands its services.

2. The goals and objectives related to the request

There are three (3) objectives sought to be achieved by this grant request:

(a) **Expansion of free tax preparation.** This Program began with only 4 sites on Oahu and 32 volunteers. As of last year, the Program operated 51 sites and clinics on every island except Lanai staffed by 268 volunteers. However, there are many areas of the State, particularly the more rural or remote areas, where residents still do not have access or have very limited access to this service. The primary objective of this aspect of our Program is to establish more free tax preparation sites in

those areas in order to provide more LMI taxpayers with this valuable service which, as previously stated, results in an immediate savings of approximately \$200 for each client/taxpayer as well as a substantial positive economic benefit to local businesses and the overall economy of the State of Hawaii.

However, one of the main obstacles to expansion, particularly on the neighbor islands, is the increase in travel costs resulting from having to send recruiters, trainers, and volunteers to those islands and the increase in marketing costs associated with promoting the new sites. Also, with each new site, there is the need for a new site coordinator. Site coordinators are currently paid a small stipend - only \$250 to \$500 for the 18-week period spanning mid-December (during which training of returning volunteers begins) through the end of April. (Some VITA sites on the mainland pay as much as \$16 an hour to site coordinators) We do not anticipate any substantial increase in the amount of the individual stipends but do anticipate an increase in the total amount of stipends paid as more site coordinators are recruited. We also seek to offer a stipend to trainers in order to persuade more experienced volunteers to become trainers. Currently, there are only three trainers of volunteers who receive no compensation.

(b) Expansion of education efforts pertaining to tax-related debts. In 2012 (the last year for which the IRS has complete data), 47,000 Hawaii residents earning less than \$50,000 owed more than \$51 Million to the IRS after filing their tax returns ("Balance Due Returns"). From a review of our own clients' Balance Due Returns, we have determined that approximately 90% of their debt to the IRS could have been avoided if they had been aware of certain basic tax laws such as:

- A debt forgiven by a creditor (such as a credit card company) results in taxable income that equals the amount of the debt forgiven.
- Unemployment benefits are taxable. Unfortunately, the withholding of taxes from unemployment compensation is not mandatory. Instead, the worker must request that taxes be withheld and many of the claimants fail to understand the importance of doing so.

- Withdrawing funds from an existing retirement plan before retirement age will result in taxable income and a 10% early withdrawal penalty.
- Hobby income and the fair market value of any service received in a bartering arrangement (service for service or goods for service) are taxable.
- Using scholarship funds for ineligible expenses such as room and board can result in taxable income.

Despite the seriousness of this problem, **most, if not all, financial literacy programs do not incorporate basic tax law into their curriculum.** The Program Director has researched numerous financial literacy programs, including "Money Math: Lessons For Life", a program supported by the U.S. Treasury Department, and the "LifeSmarts" Program utilized by the State's Department of Commerce and Consumer Affairs. None of the programs include information which would help participants avoid making decisions and choices that could result tax-related debts. Most financial literacy programs teach participants about budgeting, managing credit, and savings. Yet, those who strive for self-sufficiency can easily find their personal budgets and savings decimated by an unexpected debt to the IRS and, once such debt is incurred, the ordinary individual is ill-equipped to deal with the IRS. Furthermore, those who have federal balance due returns generally have a balance due and owing to the State as well.

Therefore, it is clear that the problem of **balance due returns resulting from lack of education can negate any positive effects of financial literacy and asset building programs and seriously hinder the efforts of individuals to achieve self-sufficiency.**

We seek to address this problem by (1) developing a curriculum relating to basic tax law that can be incorporated into already established financial literacy programs, (2) holding train-the-trainer workshops whereby financial literacy instructors will receive training on these issues and be provided with a curriculum that they can incorporate into their financial literacy programs without any substantial disruption to their program's schedule, and (3) developing an online program accessible by those

who are not enrolled in a financial literacy program - i.e., the general public - pursuant to which basic but important tax information will be shared on a private YouTube channel that will be promoted through social media such as Facebook and Twitter.

As a result of our long-standing work in the area of providing free tax services and assistance to clients burdened with tax-related debt, we believe that we are in a unique position of being able to develop this much needed curriculum and to distribute this important information through venues that we already use or are familiar with.

(c) Expansion of the "Learn Early. Live Smarter" initiative. As of last year, 94 high school students at 4 Oahu high schools - Waipahu, Kapolei, Campbell, and Pearl City - have trained and achieved certification as volunteer tax return preparers. Our goal is to expand this initiative to more high schools as well as colleges and to train more students to become volunteer tax return preparers with the objective of accomplishing the following:

(1) Providing these students with valuable tax knowledge that will help them to avoid costly financial mistakes in the future that could make them one of the thousands of Hawaii residents who owe money to the IRS each year. Simply by participating in the training for this Program, students will learn the basic tax laws that will help them to avoid balance due returns in the future and will also learn about valuable credits and deductions that can reduce their tax liability and/or increase the amount of their refunds - e.g., education credits, student loan interest deduction, and the Earned Income Tax Credit.

(2) Helping these students to realize the economic situation of many Hawaii workers and, as a result, instill in them a desire to continue participating in volunteer activities to give back to their communities. In this regard, there are numerous studies which have shown that students who participated in community service were more likely to graduate from college than those that did not and were more likely to have improved scores in Reading, Math, Science, and History.

3. The public purpose and need

(a) Free Tax Preparation (Direct Impact on the Individual and on the Economy)

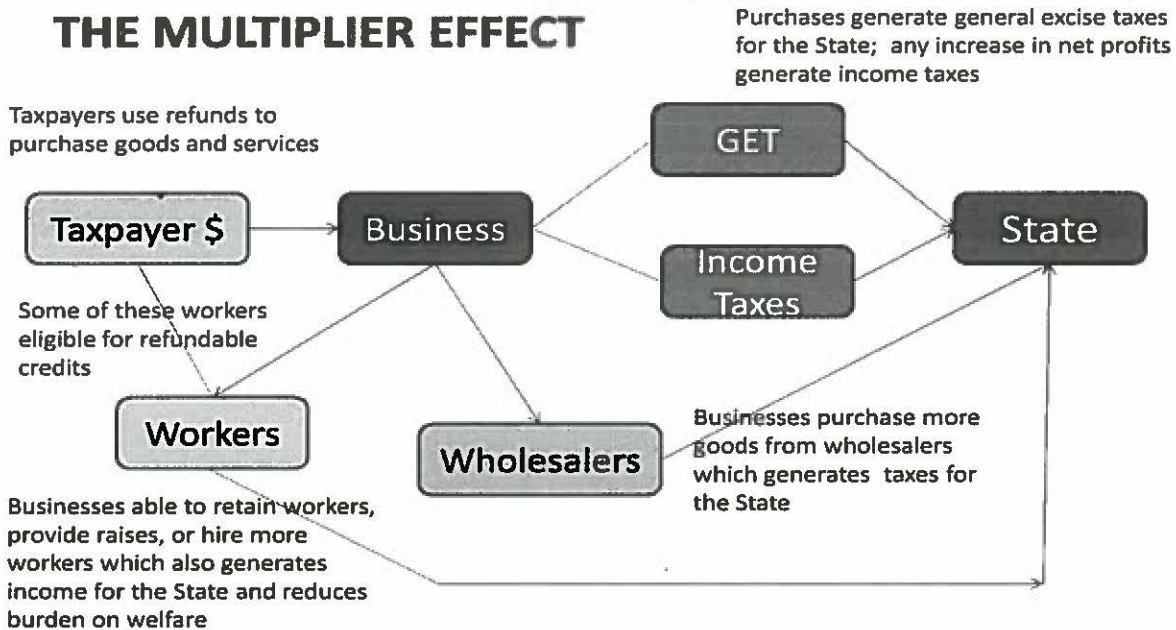
The average Hawaii worker pays \$200+ for tax preparation services. A 2014 survey by the National Society of Accountants of its own members revealed that the average cost of preparing a simple tax return was \$261 (national average) and \$303 (Pacific Region that included Hawaii). Our program provides free tax preparation service to low-to-moderate income (LMI) taxpayers resulting in an immediate savings to them of at least \$200 - money that they can use to purchase needed goods and services for their families. As previously mentioned, since our Program began in 2006, we have saved 26,722 LMI residents more than \$4.7 Million in tax preparation fees alone. The average income of the people we served in 2014 was only \$19,541 - in other words, Hawaii residents with income so low that they should not have to pay for tax preparation services.

Free tax preparation also helps people claim valuable tax credits to which they are entitled without reduction of benefits due to tax preparation fees. Research by the Government Accountability Office (GAO) and the IRS indicates that between 15% and 25% of households who are entitled to one federal tax credit - the Earned Income Tax Credit (EITC) - fail to claim it. In Hawaii, that amounts to approximately **\$42.3 Million of federal EITC funds going unclaimed** (using the 15% estimate). In addition, every year in Hawaii, **approximately \$10 Million of withholding taxes go unclaimed** by those who fail to file returns. The two main reasons for the failure to claim these funds are cost of tax preparation and lack of awareness.

As previously emphasized, it is not just the individual taxpayer who benefits from free tax assistance. Since taxpayers who qualify for free tax assistance and credits such as the EITC are low-to-moderate income, they use a substantial portion of their refunds to purchase needed goods and services. This benefits local businesses which results in benefits to the State through an increase in general excise and income taxes and a reduction or at least a stabilization of the burden on welfare. Below is a slide from one of the Program Director's presentations which illustrates this flow of benefits (multiplier effect):

The Bigger Picture

THE MULTIPLIER EFFECT



As previously noted, this Multiplier Effect was discussed in a report published by the U. S. Conference of Mayors (Dollar Wise Best Practices 2nd Ed). "Every increased dollar received by low- and moderate-income families has a multiplier effect of between 1.5 to 2 times the original amount, in terms of its impact on the local economy." That positive economic impact on local communities will continue to increase as the Program expands its services.

The need for the services provided by this Program is evidenced by the Program's growth. This Program began in 2006 with only 4 sites on Oahu that provided service to 654 residents. In 2014, the Program operated 51 sites and clinics Statewide and provided service to 5,387 residents. We also offer special clinics at homeless and transitional shelters. According to the UH Center on the Family's Homeless Utilization Report (2013), approximately 27% of those in shelters are employed either full or part-time.

Below is an excerpt from a chart that demonstrates the Program's growth, and therefore the demand and need, for its services:

Summary	TS 2006	TS 2010	TS 2014	TOTALS
No. of Sites	4	45	51	
Total Clients Served	654	2,830	5387	26,926
Total Refunds	\$727,794	\$4,068,859	\$9,245,402	\$40,383,453
Total EIC	\$306,022	\$1,552,310	\$3,285,744	\$14,815,903
Total Additional Child Tax Credit	\$138,985	\$703,435	\$876,577	\$5,073,259
TOTAL REFUNDABLE CREDITS	\$445,007	\$2,255,745	\$4,162,321	\$19,889,162
Fees Saved	\$98,100*	\$424,500*	\$1,077,400***	\$4,740,990
Volunteers	32	211	268	

* Uses \$150 per return

*** Uses \$200 per return. A 2014 survey by the National Society of Accountants of its own members revealed that the average cost of preparing a tax return was \$261 (national average) and \$303 (Pacific Region that included Hawaii).

(b) Education relating to tax-related debt prevention.

The need for education relating to tax-related debt prevention is clear from the following facts:

- An enormous amount of Balance Due Returns occur every year. As previously noted, for tax year 2012 alone, 47,000 Hawaii taxpayers who earned less than \$50,000 a year owed more than \$51 Million to the IRS after filing their tax returns.
- Approximately 90% of that debt could have been avoided if taxpayers understood very basic tax law.
- An unexpected tax-related debt can wipe out savings, render personal budget plans useless, and generally negate any positive effects of financial literacy programs and asset building efforts.
- Current financial literacy programs do not incorporate basic tax law into their curriculum. Similarly, programs that assist individuals in establishing small businesses provide very little education regarding the tax responsibilities of small business owners.

The foregoing statistics pertain only to IRS-related debt. However, the fact is that most individuals who have an IRS-related debt also owe taxes to the State. According to a report by the Department of Taxation, in Fiscal Year 2011, tax delinquencies totaled approximately \$375 Million and the collection caseload was 43,786. While these figures pertain to all taxpayers, not only to those who are low-to-moderate income, it is nevertheless clear that delinquencies are also a serious concern at the State level.

Once a tax-related debt is incurred, ordinary individuals are ill-equipped to deal with the taxing authorities, particularly the IRS, and as a result, their tax-related debts continue to increase. By the time that many of these individuals obtain help, they owe considerably more than their original debt. Therefore, although there are organizations that will assist certain qualified taxpayers to resolve IRS debts, we strongly feel that the more effective approach to this problem is debt prevention through education, rather than debt resolution.

(c) "Learn Early. Live Smarter." initiative The "Learn Early. Live Smarter." initiative is an integral part of our debt prevention education goals. This initiative recruits high school and college students and trains them to become certified volunteer tax return preparers. Student participation accomplishes 4 important things: (1) provides a valuable service to the community, (2) provides students with the benefits that are associated with volunteerism, (3) teaches students how to prepare their own tax returns which will save them money in the future, and (4) teaches students basic tax laws that will enable them to make better financial choices in the future, making it less likely that they will become one of the many thousands of taxpayers who are faced with a tax-related debt.

"Learn Early. Live Smarter." started with one high school - Waipahu High - in 2010. Since then, three other high schools have participated in this effort. Thus far, 94 students from Waipahu, Pearl City, Campbell, and Kapolei high schools have trained and obtained certification as volunteer tax return preparers and volunteered their time at Leeward Community College. Because of the many benefits that arise from participation in this initiative, we believe that it is imperative to expand the program to other high schools and colleges throughout the State.

4. Target population to be served

(a) Free Tax Preparation: This Program operates under the Internal Revenue Service's VITA (Volunteer Income Tax Assistance) Program which is intended to provide free tax preparation services to low-to-moderate income individuals. The income limits are closely tied to the maximum income level allowable for those claiming the Earned Income Tax Credit (EITC). This year the EITC income limit is \$52,427 (applicable to a married couple with 3 or more children). Therefore, our services are offered to Hawaii workers who earn no more than approximately \$53,000 to \$54,000. For those earning above that limit but less than \$60,000, this Program also offers a self-preparation tool - MyFreeTaxes - which allows individuals to file BOTH their federal and state tax returns for free. MyFreeTaxes is supported by United Way Worldwide and funded by the Walmart Foundation.

Last tax season, the average income for the clients who used our free tax assistance sites was \$19,541.

(b) Education Relating To Tax-Related Debt Prevention. The target population would be (1) those who are enrolled in financial literacy classes and (2) the general public who can have access to our internet-based information venues which would consist of Facebook, Twitter, a private YouTube channel, and our already existing dedicated website at www.hawaiiitaxhelp.org

(c) "Learn Early. Live Smarter" The target population would be high school juniors and seniors and college students, particularly those who are involved in service-learning. Since the 4 participating high schools are located in the Central area of Oahu, we would initially be targeting high schools in the town area of Oahu - such as McKinley, Farrington, and Kaimuki - and then seek expansion to the Leeward and Windward side of Oahu and to the neighbor islands, starting with schools located in areas where we already operate free tax preparation sites which will provide locations where students can volunteer.

5. Geographic coverage

(a) **Free Tax Assistance Program.** This Program already operates Statewide with sites and clinics on all islands except, for the time being, Lanai. The following list includes all of our sites open to the public. It does NOT include the special clinics that we hold at homeless and transitional shelters that only service their residents.

OAHU

Honolulu - 96813

Hawaii State Capitol

415 South Beretania Street, Room 329

ONLY on Saturday, January 31

9:00am–2:30pm

Honolulu Community Action Program (Main Office)

One South King Building

33 S. King Street, Suite 300

Mondays, Wednesdays, Fridays, 9:00am-Noon

Hawaii Schools Federal Credit Union

233 Vineyard Street

Mondays-Fridays, 9:00am-Noon; 1:00-5:00pm

Hawaii Chinese Baptist Church

477 N. King Street

ONLY on February 25 and March 18

5:00pm-7:30pm

Honolulu - 96814

Heald College

1500 Kapiolani Blvd.

Saturdays, 9:00am-noon

Honolulu - 96816

Honolulu Community Action Program - Leahi

1915 Palolo Avenue

Tuesdays and Thursdays, 9:00am–Noon

Honolulu - 96817

Honolulu Community Action Program - Kalihi

1555 Haka Drive #2408

Tuesdays and Thursdays, 10:00am-Noon; 1:00pm–3:00pm

Prince Kuhio Federal Credit Union
740 Kohou Street, Suite A
Mondays-Fridays, 8:30am - 2:00pm
Saturdays, 8:30am-10:30am

HawaiiUSA Federal Credit Union
1226 College Walk
Thursdays, 5:00pm-7:30pm

Palama Settlement
810 North Vineyard Blvd.
Mondays, 3:00pm-5:00pm

Honolulu - 96819

ALU LIKE, INC. - Central
2969 Mapunapuna Street, Suite 200
Tuesdays, 2:00pm-6:00pm

PACT HAWAII
1485 Linapuni Street
Wednesdays, 1:00pm-7:00pm

Honolulu - 96822

UNIVERSITY OF HAWAII - Manoa
2500 Campus Road

Honolulu – 96826
Olivet Baptist Church
1775 South Beretania Street
Mondays, 5:00pm – 7:30pm

OAHU – Windward

Kaneohe – 96744

Honolulu Community Action Program - Windward
47-232 Waihee Road
Tuesdays and Thursdays, 9:00am-Noon

OAHU - Central/Leeward

Aiea - 96701

Honolulu Community Action Program - Central
99-102 Kalaloa Street
Tuesdays and Thursdays, 9:00am-Noon

Hickam FCU – Pearlridge
98-1005 Moanalua Rd Ste 245
Tuesdays and Thursdays, 10:00am-4:00pm

Kapolei – 96707

Hickam FCU – Kapolei Branch
590 Farrington Hwy, Ste 501
Tuesdays and Thursdays, 10:00am-4:00pm

Pearl City – 96782

Leeward Community College
96-045 Ala Ike Street
Business Education Bldg. Room BE-229
Tuesdays and Thursdays, 1:30pm-4:30pm
Saturdays, 9:00am-noon

Mililani - 96789

Hickam Federal Credit Union - Mililani Branch
95-1249 Meheula Parkway # 119
Tuesdays, Wednesdays, and Thursdays, 11:00am-4:00pm

Waiialua – 96791

Waiialua Federal Credit Union
67-292 Goodale Avenue A2
Tuesdays-Fridays, 9:00 am-3:00pm

Waianae – 96792

Honolulu Community Action Program - Leeward
85-555 Farrington Highway
Mondays, Wednesdays, Fridays
9:00am – Noon; 1:00pm – 3:00pm

Hale Makana O Nanakuli
89-201 Lepeka Avenue
Mondays, Wednesdays, Fridays, 1:00pm – 5:00pm

BIG ISLAND

Hilo – 96720

County of Hawai'i Office of Housing and Community Development
1990 Kinoole Street, #104
Saturday, February 14 and March 7, 9:30am-3:00pm
Sunday, February 15, 9:30am-2:30pm

Kona – 96740

West Hawaii Civic Center
Community Meeting Hale (Bldg. G)
74-5044 Ane Keohokalole Highway
ONLY on Saturday, March 14, 9:30am-1:30pm

Hope Services
73-4180 Ulu Wini Place
Mondays-Fridays, 11am-4:00pm

KAUAI

Kekaha – 96752

Kekaha Federal Credit Union
8254 Kekaha Road
Mondays-Fridays, 10:00am-3:00pm
Saturdays, 9:00am-1:00pm

Lihue – 96766

KAUAI COMMUNITY FCU
4493 Pahee Street
Tuesdays, 5:00pm-7:00pm

KING KAUMUALII SCHOOL
4381 Hanamaulu Road
ONLY on Saturday, February 7, 10:00am-2:00pm

KAUAI TAX PREP
4268 Rice Street
Wednesdays, 5:00pm– 8:00pm

MAUI

Kahului – 96732

Maui Federal Credit Union
107 East Wakea Avenue
Tuesdays and Thursdays, 9:00am-3:00pm

Valley Isle Community Federal Credit Union
160 Paahana Street
ONLY on Saturday, February 21
9:00am–3:00pm (last return accepted at 2pm)

Lahaina – 96767

Valley Isle Community Federal Credit Union
40 Kupuohi Street #102
ONLY on Saturday, March 28
9:00am–3:00pm (last return accepted at 2pm)

Wailuku – 96793

Valley Isle Community Federal Credit Union
240 Lepoko Place
ONLY on Saturday, March 14
9:00am–3:00pm (last return accepted at 2pm)

MOLOKAI

Kaunakakai

ALU LIKE, INC.
600 Maunaloa Hwy – Kulana Oihi
Saturday, February 28, 9:00am-4:00pm
Sunday, March 1, 9:00am – 3:00pm
Saturday, March 14, 9:00am-4:00pm

(b) Education Relating To Tax-Related Debt Prevention.

The geographic coverage for tax-related debt prevention efforts will also be Statewide. The train-the-trainer sessions for financial literacy instructors will initially be held on Oahu before additional sessions on the neighbor islands are scheduled. However, the general public will be able to access the information that will appear on our dedicate website for the Program - www.hawaiiataxhelp.org and on the planned YouTube channel.

(c) "Learn Early. Live Smarter"

The geographic coverage is also intended to be Statewide. However, since the high schools currently participating are all located in the Central area of Oahu, we intend to initially target schools in the town area of Oahu - such as McKinley, Farrington, and Kaimuki - and then seek expansion to the Leeward and Windward side of Oahu and, eventually, to the neighbor islands. How quickly we can expand this initiative will depend on the responsiveness and cooperation of educators and the target schools.

II. Service Summary and Outcomes

1. Scope of work, tasks, responsibilities

(a) The Free Tax Assistance Program:

The Program Director oversees all operations of the Free Tax Assistance Program. Prior to the commencement of this Program, any organization interested in participating in VITA dealt with the IRS on an individual basis, was required to recruit its own volunteers, advertise its own site, and had limited training options. As a result, many organizations found it difficult to participate and withdrew from VITA. When this Program began in 2006, the Program Director centralized many of the activities, thereby reducing the time commitment required of and costs incurred by organizations that decided to partner with the Program. The Program Director now:

a. Recruits volunteers for all sites through a marketing campaign that utilizes newspaper ads, internet ads on Facebook, distribution of flyers to various organizations, including participating partners, and public service announcements on radio and television.

b. Arranges for the training of individuals interested in volunteering, assists them in obtaining certification if required, and places them at sites that request volunteers.

c. Provides additional training options to returning site coordinators and volunteers.

d. Acts as a liaison between the organizations participating in the Program and the IRS representatives with respect to assuring that all required paperwork is completed and timely submitted.

e. Arranges for participating sites to receive whatever equipment and supplies they need to facilitate their preparation and electronic filing of tax returns.

f. Provides cell phone and temporary cell phone service to sites that need a dedicated line to accept calls from individuals seeking free tax assistance and secures the services of appointment schedulers for sites upon their request.

g. Advertises all sites through a marketing campaign which includes print ads, social media, and the distribution of 30,000 flyers through the Department of Human Services to TANF and SNAP recipients.

h. Personally trains site coordinators at new sites, participates in the preparation of tax returns at various clinics that need assistance, and provides mentors for new volunteers to make their participation easier and more enjoyable.

i. Compiles all tax-related and survey data collected from the individual sites and prepares all necessary reports for the IRS, other funders, and any interested party at the conclusion of the tax season.

j. Arranges for a Mahalo Event for all volunteers and supporters of the Program at the end of the tax season at which the aggregate results of the season and impact of their efforts are presented and acknowledged.

The Program's partners participate at various levels. All participation is voluntary. Below is a list of partnering organizations and a description of their roles and responsibilities.

Organization or Agency	Roles and Responsibilities
Aloha United Way	Provides services of 2-1-1 (information and referral system) which helps taxpayers locate free tax assistance sites; assists with publicity and volunteer recruitment through posting on Volunteer Hawai'i website, access to some limited funding opportunities
ALU LIKE, Inc. - Central - Hilo - Molokai	Provides space for tax preparation, volunteers from its staff who serve as site coordinators, and most of its own supplies and equipment.
Chaminade University	Provides space for training volunteers and a trainer who is a professor of accounting and a long-time VITA volunteer and who assists in the recruitment of student volunteers
City and County of Honolulu's Section 8 Family Self-Sufficiency and Home Ownership Division	Assists with publicity of sites through distribution of the Program's flyers to its clients regarding the EITC and free tax assistance.
County of Hawai'i Office Of Housing and Community Development	Provides space, some equipment, and internet access for training and clinics in Hilo and Kailua-Kona; assists in publicizing the Program.
Department of Human Services of the State of Hawai'i	Assists in the distribution of approximately 30,000 flyers TANF and SNAP recipients

Hawai'i Chinese Baptist Church	Provides space for tax preparation and some supplies
Hawai'i Credit Union League	Assists in recruitment of new credit union partners and in publicizing the EITC and free tax assistance to its 93 credit union members
Hawai'i Island Food Bank	Assists with outreach to local community on Hawai'i Island, provided storage space for promotional materials used for Big Island campaign
Hawai'i Schools Federal Credit Union	Provides space for tax preparation, a site coordinator, an appointment scheduler for its own site, use of its own equipment and internet connectivity
Hawai'i State Legislators	Certain legislators sponsor a special site at the Hawaii State Capitol, providing space for tax preparation, some supplies, and assistance in publicizing the site and this Program's services
Hickam Federal Credit Union - Pearlridge branch - Kapolei branch - Mililani branch	Provides space for tax preparation, its own equipment and internet connectivity, site coordinators for each participating branch, an appointment scheduler for each site location, volunteers from staff, and most of its own supplies
Honolulu Community Action Program - Main Office - Leahi - Windward - Central - Waianae - Kaneohe	Provides space for tax preparation and for training (TaxWise and tax law training), site coordinators, its own equipment, internet connectivity, appointment schedulers for its own sites, volunteers from among its employees, its own IT assistance, most of its own supplies
Kaua'i Federal Credit Union	Provided a space during the evenings that is used for tax preparation.
Kaua'i Volunteer Tax Prep	Provides space for tax preparation, a site coordinator, an appointment scheduler for its own site, volunteers from staff, use of its own equipment and internet connectivity.
Kekaha Federal Credit Union	Provides space for tax preparation, a site coordinator, an appointment scheduler for its own site, use of its own equipment and internet connectivity, some advertising of its own site
KTA Superstores (Hawai'i Island supermarket chain)	Provided assistance with promotional materials to accomplish outreach to local community regarding this Program's services.
Labor's Community Services Liaison Program of Hawai'i	Assists in publicity regarding the EITC and free tax assistance to various trade unions
Leeward Community College	Provides space for training and tax preparation, a trainer and site coordinator who is a professor of accounting and long-time VITA volunteer, volunteers from among its own students, use of its own equipment and internet connectivity.

Maui Federal Credit Union	Provides space for tax preparation, its own equipment and internet connectivity, a site coordinator, volunteers from staff, an appointment scheduler, and most of its own supplies
Olivet Baptist Church	Provides space for tax preparation and assists in advertising Program's services to its members
Palama Settlement	Provides space and some equipment for tax preparation
Parents and Children Together (PACT)	Provides space for tax preparation, equipment, internet connectivity, a site coordinator, and some of its own volunteers.
Prince Kuhio Federal Credit Union	Provides space for tax preparation, a site coordinator, an appointment scheduler for its own site, use of its own equipment and internet connectivity, and volunteers from staff.
University of Hawai'i at Manoa	Provides space, equipment, and internet connectivity and volunteers recruited from the student body.
Valley Isle Community Federal Credit Union - Kahului - Wailuku - Lahaina	Provides space for tax preparation, a site coordinator, use of its own equipment and internet connectivity at all 3 branches
Waialua Federal Credit Union	Provides space for tax preparation, a site coordinator, an appointment scheduler for its own site, use of its own equipment and internet connectivity, and volunteers from staff
Walmart Foundation	Provided some funding, primarily for the promotion of MyFreeTaxes.
ZenBanx(financial institution)	Provided space for tax preparation, a site coordinator, and most of its own supplies. (Currently relocating due to Kakaako redevelopment)

(b) Education relating to tax-related debt prevention

The Program Director will initially work with current partners who already offer financial literacy education to develop a curriculum that can be incorporated into their existing financial literacy programs with minimal disruption to their established time schedule. After testing the curriculum at this level, train-the-trainer sessions will be held for all interested organizations, including those involved in employment training and workforce development. The Program will offer these organizations the curriculum and assistance with incorporating the curriculum into their respective programs

With respect to the information to be offered to the general public, the Program Director will work with its marketing person and an IT specialist to develop the content for a private YouTube channel. Promotion of this channel will be accomplished

through the use of social media and this Program's dedicated website. Initial content and updates will be created by the Program Director. All technical matters will be handled by the marketing person and IT specialist.

(c) **"Learn Early. Live Smarter"**: The instructor who recruited the four high schools that participated in this Program is also a certified volunteer tax return preparer and trainer and has agreed to assist in the recruitment of additional schools for this initiative and to train any interested educator. Successful participation requires an educator at the school who is willing to devote time to this project and learn how to train the students. This Program will provide whatever support is required by the trainers and the school.

2. Projected annual timeline for accomplishing the results or outcomes.

July through August. Recruitment of new partners to sponsor free tax assistance sites and confirm the continued participation of existing partners. Educators will be approached during this time to gain participation of additional high schools in the "Learn Early. Live Smarter." initiative. Train-the-trainer programs will be held relating to the inclusion of tax-related debt prevention information into existing financial literacy programs. Launch of private YouTube channel containing information related to tax-related debt prevention.

September through October New partner recruitment for the free tax assistance program continues. Required paperwork is collected from all sites for submission to and approval by the IRS. Development of newspaper ads, flyers, radio announcements, and other media pieces for both volunteer recruitment and outreach to the target population regarding the free tax assistance program. Update content of Program's website with information regarding volunteer recruitment for free tax assistance sites and training options. Update of content on website and YouTube channel as information from the IRS becomes available. Continue working with educators who will be training high school students. Training cannot commence until training materials with current tax law are received from the IRS. New partner recruitment for "Learn Early. Live Smarter" initiative also continues.

Late October through December. Commence volunteer recruitment using print ads, ads on Facebook, tweets on Twitter, and internet postings on sites such as Volunteer Hawaii. Advertising regarding free tax assistance services and the EITC begins in late December. Internet ads are launched on Facebook and radio scripts are finalized to be used on radio spots during late December and January. Approximately 35,000 flyers will be mailed out to agencies and organizations that assist low-income taxpayers, including sub-agencies of the State of Hawaii Department of Human Services (DHS) for distribution to their clients who are receiving TANF and SNAP benefits. These flyers include basic information about the EITC, a partial listing of free tax assistance sites, and contact information for taxpayers to make an appointment. Interested persons are also advised to call 2-1-1 or to visit the Program's website for a list of sites. Educators will prepare to train students in January. Continue updating of content on website and YouTube channel as new tax information from the IRS becomes available.

January. Live training sessions are held for regular and student volunteers. Media and internet ads continue pertaining to availability of free tax assistance. Some sites begin opening during late January. Start collecting data from financial literacy trainers who agreed incorporate the tax curriculum into their programs.

February through April. Kick off event at Hawaii State Capitol (usually first Saturday in February or last Saturday in January) where experienced site coordinators and volunteers from various sites come together to provide tax preparation services. Sites begin operating according to their own schedules.

April through June. After all returns are accepted by the IRS, reports are generated to start collecting pertinent data. Reports from separate sites are compiled to get final results of entire Program. Surveys (that clients are requested to complete) are also compiled to collect demographic data. Distribution of results is made through print, email, and live presentations to non-profits working with LMI individuals and to credit unions and other interested organizations. Additional data collected from financial literacy trainer. Mahalo Event for volunteers and supporters of the Program is held.

3. **Quality assurance and evaluation plans.**

(a) **Free tax preparation**: Quality assurance and monitoring of results is required under the rules of the IRS' VITA Program.

Sites: Each site must register with the IRS and complete the necessary paperwork which includes an agreement to sponsor a VITA site and an agreement to comply with Civil Rights laws. Without this paperwork, the IRS will not issue the site a Site Identification Number (SIDN) or an E-file Identification Number (EFIN) and will not provide the site with the necessary software to prepare returns. All sites are also required to comply with the American With Disabilities Act.

Site Coordinator: Each site must have a site coordinator. Advanced certification and site coordinator training are required and are verified by forms that must be completed and sent to the Program Director and the IRS.

Volunteers: All Volunteers, whether or not preparing returns, are required to pass a Volunteer Standards of Conduct Exam. Volunteer tax return preparers, including all high school students, are required to train and pass an online test. Every volunteer must print out a Volunteer Agreement showing the level of their certification and submit the same to the Site Coordinator where they will be volunteering. The Site Coordinators list all properly certified volunteers on a Form 13206 that must be submitted to the Program Director and the IRS. The total volunteer count is determined from these forms. Volunteers are also required to sign in and out when working at a site. These sign-in sheets are used to calculate volunteer hours spent on the Program. The Site Coordinators are responsible for assuring that volunteers do not prepare returns beyond the level of their certification. Each return prepared is required to be quality reviewed by another volunteer with Advanced Certification.

Site results: Every site that participates in the Program uses the TaxWise software program provided by the IRS from which reports can be extracted. Each site has a unique Client ID Number, Site Identification Number, and E-File Identification Number.

At the end of the tax season, after all returns have been accepted by the IRS, the Site Coordinators extract the reports from the TaxWise software as requested by the Program Director. Those reports are then compiled to determine the overall results of the season. The type of data that can be extracted is seen in the growth chart set forth in the response to Question 3.a.

Trainers All trainers who train volunteers for the free tax assistance program are required to be certified at the Advance level. They are also required to complete and submit the necessary paperwork evidencing their certification to the Program Director and the IRS. Current trainers, other than the Program Director, are also accounting professors. Trainers for the tax-related debt prevention aspect of this Program will also be required to pass a test evidencing their understanding of the subject matter covered by the curriculum. The number of trainers who attend train-the-trainer sessions and their level of understanding will be maintained by the Program Director. The number of individuals who subsequently receive training from these trainers will be verified by the trainers through their own scheduling and attendance records.

Tax-related information on YouTube channel, social media, and dedicated website. The system currently in place allows the marketing person to extract reports on the number of visitors to the website and whether the visits are a result of "click thrus" from Facebook or Twitter. The private YouTube channel will also allow the IT specialist to obtain data regarding number of views, subscribers, "likes", and so forth.

Results of MyFreeTaxes usage MyFreeTaxes and the IRS provide certain data regarding usage of the MyFreeTaxes self-preparation tool. The data that is provided is not as extensive as the data that can be extracted from TaxWise but still provides the number of returns, total refunds, and amount of Earned Income Tax Credit claimed. The IRS and MyFreeTaxes credits returns completed on MyFreeTaxes to the various sites by zip code and marketing efforts. This is a new system being put into place this tax season (2015). Our Program is the only program in the State that aggressively markets MyFreeTaxes.

Demographic and Other Client Data. Every year we request clients to complete an anonymous survey. At the end of the tax season, the data from those surveys are compiled. The data provides us with demographic information as well as information regarding client satisfaction with the service, marketing efforts, and similar information that we use to plan our future efforts.

Compiled data from the 4,982 surveys collected during Tax Season 2014 is shown below:

How Taxpayers Filed Their Returns in prior year:

Returning Clients:	59.4%
First Time Filers:	13.5%
Used a Paid Preparer Last Year:	16.4%
Self-Prepared or Used a Friend or Family Member Last Year:	10.7%

How Taxpayers Learned About This Service This Year

From family or friends:	79.5%
Printed media (including DHS flyers	15.7%
Internet	5.6%
Government agency (not DHS)	3.8%
Radio / Television PSAs	1.0%

Ethnicity:

Native Hawaiians	31.5%
Asian	21.0%
Filipinos	18.8%
Caucasians	9.2%
Pacific Islander	9.8%
Hispanic	3.7%
African-American	2.2%
Native American	1.0%
Other	2.8%

Gender:

Females:	61.8%
Males:	38.2%

Marital Status:

Unmarried:	76.0%
Married:	24.0%

Those with children under 19: 54.7%

Age Groups:

18-24:	26.3%
25-40:	35.3%
41-64:	24.0%
65+:	14.4%

Housing:

Rent:	51.8%
Live with family:	31.5%
Own:	11.7%
None:	5.0%

Source of Income:

Job:	70.3%
Public assistance:	4.6%
Unemployment:	5.0%
Self employed:	1.3%
Social Security / Retirement	12.1%
Other (disability, etc)	6.7%

Disability:

Taxpayers: 334
Taxpayers with disabled family member: 328

Banking practice

92.7% of the taxpayers indicated that they expected a refund but only 69.2% were planning on using direct deposit.

Taxpayers' plans for refunds:

Pay Bills:	1,763
Food/Clothing:	952
Save some:	778
Rent/Mortgage:	692
Don't Know:	309
Tuition/Education:	299
Help family:	284
Child care:	179
Buy large item:	50

(Total exceeds number of surveys because of multiple intent/interests)

What Taxpayers Want Information On:

Job Training or Education	810
Getting rid of debt	792
Rental assistance	694

Information re FAFSA (federal aid for students)	578
Learning about taxes	567
Starting a business	458
Health Insurance	402
Repairing credit	398
Legal Assistance	330

4. Measure(s) of effectiveness to be reported.

(a) Free Tax Assistance Program: We are able to report all of the following data:

- Number of sites and clinics
- Number of volunteers who participated
- Number of volunteer hours
- Number of federal returns filed
- Number of state returns filed
- Total refunds obtained for clients
- Total refundable tax credits (EITC and Additional Child Tax Credit) received
- Number of clients filing balance due returns.
- Total amount of balance due to the IRS (the IRS' software may not extract this same information for the State; it might be possible to do it manually)
- Amount saved for clients through use of free tax preparation services
- Average AGI of clients
- All data compiled from the surveys - see above for type of information that can be extracted.

All data can be verified. However, due to IRS' privacy regulations, no personal data of taxpayers can be shared with anyone.

(b) Education for tax-related debt prevention We are able to report all of the following data:

- Name of initial participating organizations
- Name and curriculum of financial literacy program used by those organizations.

- Number of individuals who are enrolled in the programs
- Number of individuals who received the new curriculum regarding basic tax law
- Number of trainers who attend train-the-trainer sessions
- Results of comprehension tests which we will propose be administered.

For YouTube, social media, and website:

- Number of people visiting sites
- Number of people who "click thru" to website from social media ads
- Number of people who view the content on YouTube
- Number of "likes" on YouTube
- Number of tweets and re-tweets on Twitter
- Number of Facebook hits, followers, and "likes"

(c) **"Learn Early. Live Smarter."** We are able to report all of the following data:

- Name of participating schools
- Names of educators who agree to train students
- Number of students who go through training
- Number of students who pass the required exam to become volunteer tax return preparers
- Level of certification of each student
- Number of students who actually prepared returns at a free tax assistance site.

III. Financial

1. **Budget:** Attached
2. **Anticipated quarterly funding requests for the fiscal year 2016.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$25,000	\$25,000	\$30,000	\$15,000	\$95,000

3. **Sources of funding being sought for FY 2016**
 - a. City and County of Honolulu GIA: \$70,000

b. IRS VITA Grant - there is no actual ask; amount determined by IRS after grant award. Grant application not submitted.

4. State and federal tax credits granted within prior 3 years:

NONE

5. LISTING OF ALL GOVERNMENT CONTRACTS AND GRANTS RECEIVED AND WILL BE RECEIVING FOR PROGRAM FUNDING

ATTACHED

6. Balance of unrestricted current assets as of December 31, 2014.

\$24,406.01

IV. EXPERIENCE AND CAPABILITY

A. Necessary Skills and Experience.

The Program Director in charge of the Free Tax Assistance and Financial Empowerment Program at HACBED has provided the Program's leadership and oversight since it began in 2006. She is an attorney with an undergraduate degree in business and extensive experience in business management and operations, which has enabled her to develop successful marketing and expansion plans while working within a budget.

The Program Director also obtains certification every year as a tax return preparer (Advanced Level) and as a Site Coordinator and works in the "field" with the volunteers. This has allowed her to understand the problems encountered by the volunteers in connection with tax preparation and to address and resolve them quickly. The Program Director is also a trainer and this year has conducted trainings at Honolulu Community Action Program, Parents and Children Together (PACT), and Olivet Baptist Church and in Hilo on Hawaii Island. By working in the "field" and training volunteers, the Program Director has been able to develop a good relationship with volunteer preparers and site coordinators. The Program Director believes that this is the primary reason that the return rate for volunteers has been consistently high and the volunteer pool has been growing.

Related contracts or projects for the last 3 years:

1. The Program was the recipient of the first VITA grant offered by the IRS in 2009 and has been awarded a VITA grant every year since then.

2. The Program has received modest grants (\$15,000 to \$17,500) from the Walmart Foundation through Aloha United Way since 2009 for the expansion of free tax preparation with a primary focus on promoting the MyFreeTaxes self-preparation tool.

3. The Program also received a grant from Capital One for the expansion of the free tax assistance program for 4 years with the last and final grant provided for this coming tax season (2015). Capital One was participating as a VITA site but withdrew all operations from Hawaii in August of 2014.

4. The "Learn Early. Live Smarter" initiative began in 2010 with one participating high school - Waipahu High. As of last year, 4 high schools were participating - Waipahu, Kapolei, Campbell, and Pearl City. Thus far, 94 high school students have achieved certification as Volunteer Tax Return Preparers. The Program Director works directly with the trainer, who originally taught at Waipahu High School and now teaches at Leeward Community College, and who is himself a certified volunteer. The instructor has already agreed to work with the Program Director to expand the initiative to other schools in the State.

5. The Program Director prepared a PowerPoint presentation regarding taxes and the disabled at the request of the National Disability Institute in 2014 which was used at their Hawaii symposium.

6. The Program Director also did a presentation regarding self-employment taxes to a group of Pacific Islanders who were interested in becoming language translators at hospitals and at the courts. The presentation was part of an overall presentation sponsored by the Department of Health and was held at Queen's Hospital.

7. The Program Director also held free workshops in 2013 and 2014 for anyone interested in learning about taxes. These presentations focused on understanding a W-2, understanding how taxes impact every aspect of a person's life, and knowing the difference between being an employee vs. self-employed since many

taxpayers had been converted to independent contractor status by employers without realizing what that meant in terms of tax responsibilities.

8. The Program Director worked with the William S. Richardson School of Law in 2012 and 2013 and trained a total of 25 law students to become certified volunteer return preparers. The law students participated in this Program to fulfill their pro bono requirements for graduation.

B. Facilities

All facilities used in connection with the free tax preparation program are provided by the Program's partners and, since the Program operates under the IRS' VITA Program, all facilities are required to meet ADA requirements for access to the disabled. The training of volunteers takes place at two campuses - Leeward Community College and Chaminade - and at the offices of participating partners. On Hawaii Island, training and site facilities are being provided by Hawaii County. The training of high school and college students would take place on school grounds. The only additional facilities that would be needed would be a large room for the train-the-trainer workshops relating to the tax-related debt prevention education. We do not believe that we would have any problem securing such a facility although, unlike all other facilities, this particular room may incur rental costs for the Program.

V. PERSONNEL: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training.

This Program is unique in that it is primarily volunteer driven. Volunteers provide the tax preparation services to the clients. Trainers of tax preparation volunteers have, thus far, donated their time since they were volunteers with the IRS' VITA program prior to the creation of this Program and still continue to volunteer. Site Coordinators, who supervise the volunteers and manage their sites, receive a very small stipend, as previously mentioned, of \$250 to \$550 for a four-month time commitment with the amount of the stipend dependent upon the length of their participation in this Program.

In cases where other assistance is required, the Program operates through payments of stipends and through subcontracts. The marketing person is the same marketing person that the Program Director has been working with since 2006. The marketing person designs and distributes marketing pieces per the Program Director's request and charges an hourly rate for her time. The IT specialist who maintains and updates the Program's computers donates a large portion of his time since he is also a certified volunteer tax return preparer. When payment is made, it is pursuant to a discounted hourly rate. The Program Director intends to pay a reasonable stipend to this IT specialist in connection with the establishment of a private YouTube channel and the uploading of videos since he already has extensive experience with free tax assistance and with working with YouTube and creating instructional videos.

Trainers involved in the train-the-trainer sessions and the "Learn Early. Live Smarter." initiative for the tax-related debt prevention education aspect of the Program will be paid a stipend inasmuch as these trainings will require a larger time commitment and will be more demanding than the training required for free tax preparation.

The Program Director is the only full-time paid staff who works on this Program. She works with the Program Support Assistant on matters pertaining to grant expenditures.

A chart that illustrates the staffing pattern is shown below in Section B. - Organization Chart

Qualifications

Program Director: The Program Director has been in charge of the free tax assistance program since it began in 2006 and the substantial growth of the Program that has occurred evidences the Program Director's ability to manage and further expand this Program. The Program Director obtains certification every year as a Site Coordinator and tax return preparer, and trains volunteers so that they can obtain certification and work at the various sites. The Program Director, who has a background in business law, works with the same marketing person she has worked with since 2006 to design volunteer recruitment and public outreach campaigns and the

Program's dedicated website. The Program Director works directly with the trainers of the volunteers for the free tax assistance program to establish training schedules, assure that the trainers have the necessary training materials and supplies, and to monitor the results of the training sessions. These trainers have also worked with the Program Director since the commencement of this Program. The Program Director oversees and works directly with Site Coordinators to assure that they submit all paperwork required by the IRS and operate their sites in compliance with the rules established by the IRS. The Program Director provides Site Coordinators with whatever may be needed to facilitate the efficient operation of their sites - e.g., equipment and supplies, cell phones and temporary cell phone service if requested, and additional volunteer assistance. The Program Director also works directly with the IT specialist to assess equipment and software needs each year, purchase any needed equipment, and to resolve any issues involving the software provided by the IRS. In addition, the Program Director works directly with the trainer of the high school students involved in the "Learn Early. Live Smarter." Initiative, providing him with training materials, assuring that he has sufficient training materials and supplies, and monitoring the progress of the students. The Program Director has extensive experience with grants and works with the Program Support Assistant at HACBED to process all checks for stipends, payment of Program costs, and to assure compliance with federal cost principles and the requirements imposed by the VITA grant.

Trainers: The two primary trainers of volunteers for the free tax assistance program are both professors of accounting at Chaminade and Leeward Community College. The Leeward Community College professor is also the site coordinator at the Leeward Community College site overseeing approximately 70-80 volunteers each season. Both trainers have been with this Program since it began in 2006.

Site Coordinators: Site Coordinators oversee the volunteers at their sites, assures that volunteers comply with the rules established by VITA, extracts reports from Taxwise and provides the same to the Program Director. All site coordinators are certified as tax return preparers at the Advance level and also take the required Site Coordinator training. Except for the site coordinators at new sites, all site coordinators have been involved in this Program for several years.

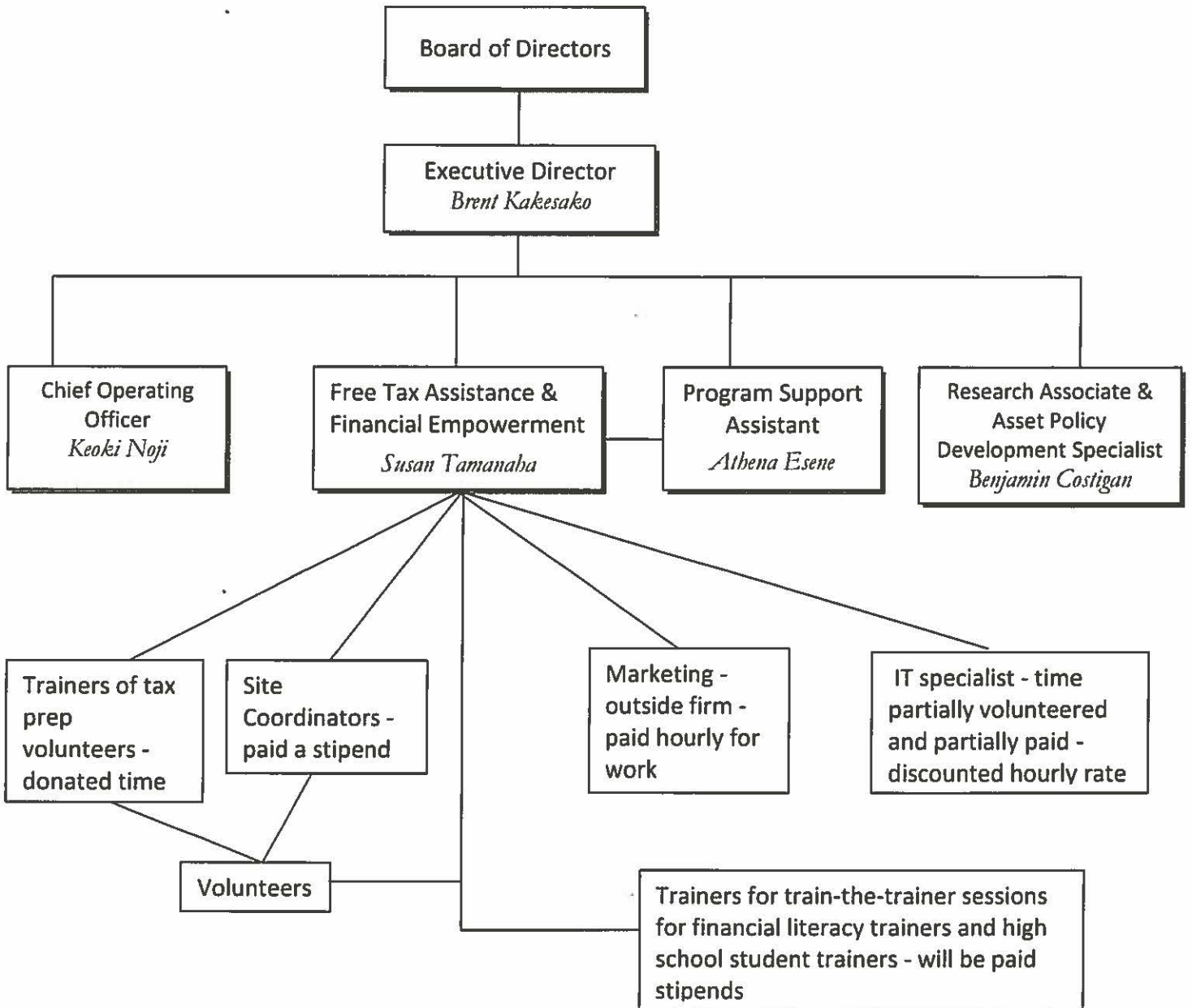
Marketing: Since 2006, the Program Director has worked with the same marketing person to design and distribute flyers, print ads, Facebook ads, tweets for Twitter, scripts for radio ads, banners, and booklets. The marketing person also maintains and updates the Program's dedicated website at www.hawaiiathelp.org.

IT Specialist: The individual who maintains all of the computers and printers for the Program is the IT Director of Alulike, Inc., a partner of this Program. He is also a Site Coordinator and a volunteer tax return preparer who has been involved with this Program since 2008. He has extensive experience with creating video content, specifically for training purposes, and will be developing the anticipated YouTube channel for the Program.

Volunteers: Prepare returns for taxpayers. All volunteers must pass an IRS certification test and a Volunteer Standards of Conduct Exam with a score of 80% or better, take the training regarding Intake/Interview procedures, and be fully informed of the privacy act that prohibits them from discussing taxpayer information without taxpayer consent. Volunteers are required to print out a Volunteer Agreement after passing the required exams and to present the Volunteer Agreement to the site coordinator of the site where they will be volunteering. No volunteer is permitted access to the TaxWise filing software without presentation of this agreement.

Program Support Assistant. The Program Support Assistant at HACBED maintains the financial records concerning grant expenditures and issues checks to pay program expenses. The Program Support Assistant is a graduate of Chaminade University who majored in accounting and who, while she was a student, volunteered for the free tax assistance program.

B. Organization Chart



C. Compensation (Annual salaries of three highest paid officers)

Brent Kakesako, Executive Director: \$72,000

Keoki Noji, Chief Operating Officer: \$60,000

Susan Tamanaha, FISSP Program Director: \$54,285

VI. OTHER

A. Litigation

There is no pending litigation to which Applicant is a party.

B. Licensure or Accreditation of Applicant

HACBED is the Lead Organization of the Hawaii VITA and Financial Empowerment Coalition registered with the Internal Revenue Service.

HACBED was selected as the lead state organization for Hawaii to participate in CFED's (Corporation for Enterprise Development) National Asset and Opportunity Network along with individual staff membership on the initial advisory board.

C. Federal and County Grants

Federal and County Grants awarded since July 1, 2014:

Hawai'i County- Ho'owaiwai Financial Empowerment Services Contract

No c.004748 \$30,000

U.S. Department of Treasury - IRS VITA Grant \$53,800

D. Private Educational Institutions

This grant will not be used to benefit or support a sectarian or non-sectarian private educational institution.

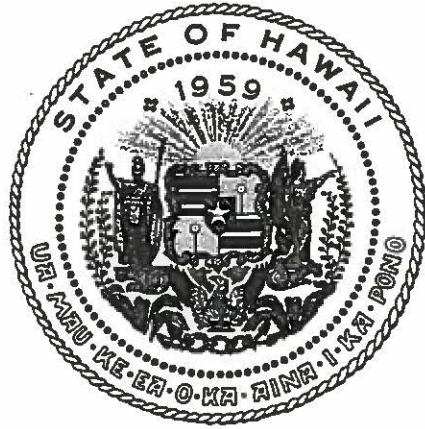
E. Future Sustainability Plan

Since 2008 (for Tax Season 2009), the Free Tax Assistance Program has received some funding under the IRS' VITA Grant. Inasmuch this Program is the largest free tax assistance effort in the State and HACBED is the lead organization for the first coalition in Hawaii recognized by the IRS, we believe that HACBED will continue to be a recipient of the VITA Grant as long as funding is made available by

Congress. The VITA grant, however, provides only \$12 Million for the ENTIRE nation and more populous States receive a larger share of the funds. Therefore, the amount of the VITA Grant is not expected to substantially increase. HACBED also receives a small grant (\$17,500) from the Walmart Foundation, through a partnership with Aloha United Way, to promote MyFreeTaxes - a self-preparation site that allows taxpayers who earn less than \$60,000 to prepare and e-file both their federal and state tax returns for free. HACBED believes that this funding will also continue as long as funds are made available. Since the counties directly benefit from the Program, it is hoped that they will provide some funding to facilitate the expansion of services on their respective islands. Hawaii County has committed \$10,000 this year which will help to cover the cost of sending trainers and volunteers to Hawaii Island.

F. Certificate of Good Standing

Certificate of Good Standing dated December 11, 2014 is attached.



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

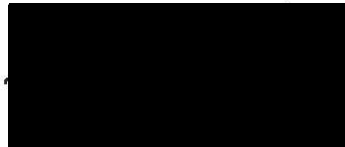
HAWAII ALLIANCE FOR COMMUNITY-BASED ECONOMIC DEVELOPMENT

was incorporated under the laws of Hawaii on 07/02/1992 ;
that it is an existing nonprofit corporation; and that,
as far as the records of this Department reveal, has complied
with all of the provisions of the Hawaii Nonprofit Corporations
Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of the
Department of Commerce and Consumer
Affairs, at Honolulu, Hawaii.

Dated: December 11, 2014



Director of Commerce and Consumer Affairs

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: _____ Hawaii Alliance for Community-Based Economic Development

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	54,285	0	0	0
2. Payroll Taxes & Assessments	4,153			
3. Fringe Benefits	4,800			
TOTAL PERSONNEL COST	63,238	0	0	0
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	3,200		1,200	
2. Insurance	200		0	
3. Lease/Rental of Equipment	0		0	
4. Lease/Rental of Space	1,862		4,000	
5. Staff Training	0		1,500	
6. Supplies	1,000		12,000	
7. Telecommunication	3,500		1,800	
8. Utilities	0		0	
Subsistence/Per Diem	7,200		0	
Program Activities	7,500			
Administrative	0		17,500	
Contractual Services	5,500		30,000	
Mileage and Parking	800		800	
Postage	1,000		1,200	
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	31,762	0	70,000	
EQUIPMENT PURCHASES				
C. MOTOR VEHICLE PURCHASES				
D. CAPITAL				
E.	95,000		70,000	
TOTAL (A+B+C+D+E)				
SO (a) Total State Funds Requested	95,000	Budget prepared by:		
(b) Total Federal Funds Requested	0	SUSAN TAMANAHA 381-0881		
(c) Total County Funds Requested	70,000	Name (Please type or print) Phone		
(d) Total Private/Other Funds Requested	0	[Redacted Signature] 1/30/2015		
		Signature of Authorized Official Date		
TOTAL BUDGET	165,000	SUSAN TAMANAHA - PROGRAM DIRECTOR / AOR		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Alliance For Community-Based

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				N/A

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				NA

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Alliance for Community-Base

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS: <p style="text-align: center;">Not Applicable</p>						

GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Hawaii Alliance for Community-Based Economic Development

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1.	IRS VITA Grant - yearly application required - previously received for 2009 to 2010, 2010 to 2011, 2011 to 2012, 2012 to 2013, 2013 to 2014	2014 to 2015 No application for FY16 submitted	Internal Revenue Service	United States	\$53,800
2.					
3.	Hawaii County - committed but contract pending	JULY 1, 2015-JUNE 30, 2016	OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT	COUNTY OF HAWAII	\$10,000
4.					
5.					
6.					
7.					
8.					
9.					
				TOTAL	<u>63,800</u>

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.

- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.

- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hawaii Alliance for Community-Based Economic Development
(Typed Name of Individual or Organization)


(Signature)

1/30/2015
(Date)

Susan Tamanaha
(Typed Name)

Program Director and AOR
(Title)