

House District _____

Senate District _____

THE TWENTY-NINTH 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): _____

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: HAWAII TAX HELP AND FINANCIAL EMPOWERMENT SOLUTIONS

Db/a: HAWAII VITA & FINANCIAL EMPOWERMENT SOLUTIONS

Street Address: 1422 Heulu Street Ste A101, Honolulu, HI 96822

Mailing Address: 1422 Heulu Street Ste A101, Honolulu, HI 96822

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name SUSAN TAMANAHA

Title President & CEO

Phone # (808) 381-0881

Fax # _____

E-mail stamanaha@hawaiiitaxhelp.org

3. TYPE OF BUSINESS ENTITY:

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

Applicant was incorporated in Hawaii as a non-profit in 2016 and has not yet received its 501(C)(3) tax exempt status from the IRS

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

FREE TAX ASSISTANCE FOR LOW-TO-MODERATE INCOME HAWAII RESIDENTS UNDER IRS VITA PROGRAM AND FINANCIAL EMPOWERMENT THROUGH EDUCATION AIMED AT PREVENTING TAX-RELATED DEBTS

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 75,000

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 \$ 52,300
 COUNTY \$ 0
 PRIVATE/OTHER \$ 3,480.89



RECEIVED
1/20/17 *ver*

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

SUSAN TAMANAHA - PRESIDENT & CEO

NAME & TITLE

DATE SIGNED

1/20/2017

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APPLICATION FOR GRANT-IN-AID

I. BACKGROUND AND SUMMARY

1. Applicant's Background

Applicant Hawaii Tax Help And Financial Empowerment Solutions is a Hawaii non-profit corporation which was established in April of 2016 for the specific purpose of continuing the work of the Hawaii VITA (Volunteer Income Tax Assistance) and Financial Empowerment Program ("Program") which has been in existence since 2006, first under Aloha United Way and then under the Hawaii Alliance for Community-Based Economic Development. The same individual who has been in charge of the Program since its inception is now the President/CEO of Applicant. The decision to form a new non-profit to house this Program was made because it became apparent that the Program needed a dedicated platform in order to continue growing and to fulfill all of its goals and objectives. Applicant is applying for but does not yet have 501(C)(3) status. Accordingly, Aloha United Way has agreed to act as Applicant's fiscal agent in the interim if a fiscal agent is deemed necessary by the State. Letters confirming this have been attached to this Application.

What the Program provides:

(a) **Free tax return preparation (federal and state) for low-to-moderate income Hawaii residents which results in an immediate savings to each taxpayer of at least \$200** and protects these clients from fraud, scams, and exorbitant or unnecessary fees charged by unregulated commercial tax return preparers. Thus far, **this program has saved 38,527 Hawaii residents more than \$7.3 Million** in tax preparation fees.

(b) Access to and assistance with completely free self-preparation software for those who are able or want to prepare their own return along with assistance as needed. Most so-called "free" file sites will allow a taxpayer to prepare and e-file a federal return for free but will charge for the tax return for the State. The software that we promote and assist with - **MyFreeTaxes** - allows the taxpayer to prepare both their federal and state returns free of charge as long as their household income does not exceed \$64,000.

(c) **Financial education that focuses on the prevention of tax-related debts** (In 2015, 48,570 Hawaii residents who earned less than \$50,000 owed the IRS \$56.87 Million AFTER filing their tax returns). The Program's financial education efforts include:

(1) The "Learn Early. Live Smarter." initiative that trains high school students as volunteer tax return preparers. During the 3 years since this initiative began, 171 high school students from 5 Oahu high schools have become certified tax return preparers.

(2) Working with financial literacy educators to help them incorporate basic tax concepts in their curricula since no current financial education program includes this information in its materials.

(3) Utilizing social media such as Twitter and Facebook and a dedicated website to reach those who are not enrolled in a financial education program.

(d) **Valuable information and data** regarding the low-to-moderate income Hawaii residents who need and use the Program's services. In addition to demographics (age, marital status, gender, ethnicity) the data collected also includes whether clients have health insurance, bank accounts, are unemployed, type of service or information they want or need, and whether they are aware of certain basic tax concepts that often lead to balance due returns. This information has proven extremely useful to the non-profits, credit unions, government agencies and educational institutions that partner with this Program.

Program results thus far (up to Tax Season 2016):

Total number of clients served (Statewide)	38,527
Total amount of money saved for clients	\$7,353,840
Total amount of refundable tax credits claimed for clients including EITC (Earned Income Tax Credit)	\$28,446,622
Total amount of refunds	\$59,659,609
Number of volunteers recruited, trained, and certified through the IRS in 2016 only	271
Number of high school students who participated in "Learn Early. Live Smarter." and received IRS certification	(2016) 61 Total students trained since 2014: 171
Special tax preparation and informational sessions re health insurance/healthcare.gov 1095-A issue	4

Number of financial literacy workshops held for financial literacy providers in 2016	3
Number of attendees at workshops	42

(e) **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, every dollar saved or obtained for low-to-moderate income families generates an economic impact on the local economy of \$1.50 to \$2.00. Based on this assessment, **this Program has thus far had a positive economic impact on the communities it serves in an amount exceeding \$53.6 Million** (based on the lower 1.5 multiplier and using only funds saved through free tax preparation and refundable federal tax credits which represent new federal funds infused into the State). That positive economic impact on local communities will continue to increase as the Program expands its services.

2. **Goals And Objectives Related To This Request**

There are two primary objectives sought to be achieved by this grant request:

(a) **Expansion of free tax preparation services to low-to-moderate income Hawaii residents, particularly those in the more rural or remote areas of the State.** This Program began with only 4 sites on Oahu and 32 volunteers. As of Tax Season 2016, the Program operated 53 sites and clinics on every island except Lanai staffed by 271 volunteers. However, there are many areas of the State, particularly the more rural or remote areas of the neighbor islands, 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 additional free tax preparation sites in those areas in order to provide more low-to-moderate income residents with this valuable service which, as previously stated, results in an immediate savings of at least \$200 for each client/taxpayer as well as a substantial positive economic benefit to local businesses and the overall

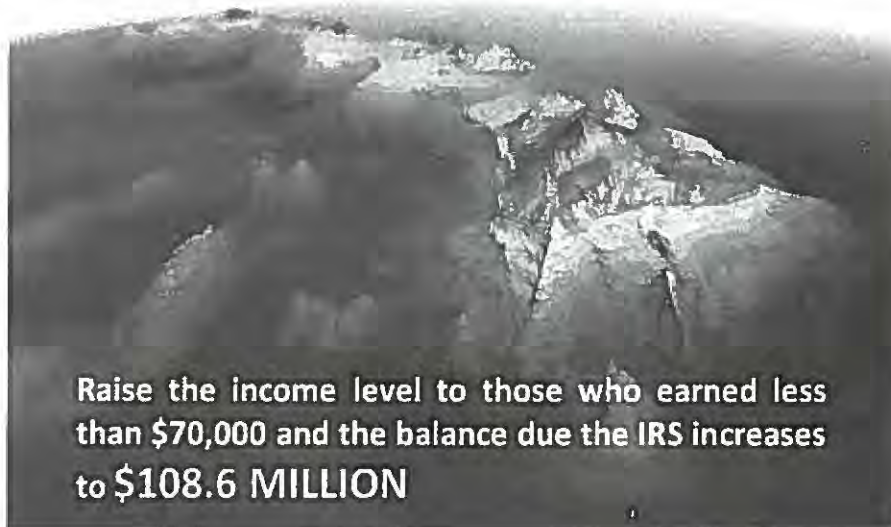
economy of the State of Hawaii. In addition to providing direct face-to-face service, we seek to hold workshops where we can train interested individuals with very simple returns how to prepare their own tax return using completely free tax preparation software.

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 experienced volunteers/mentors 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 who will be responsible for overseeing site operations, e-filing returns, and resolving any problems. Site coordinators are currently paid a small stipend - only \$250 to \$550 for the 18-week period spanning mid-December (during which training of 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.

(b) Expansion of education efforts pertaining to:

1. **Prevention of tax-related debts.** In 2015 (the last year for which the IRS has complete data) 48,570 Hawaii residents who earned less than \$50,000 owed the IRS \$56.87 Million AFTER filing their tax returns ("Balance Due Returns").

In 2015, after filing their returns, 48,570 HAWAII residents who earned LESS than \$50,000 owed the IRS \$56.87 MILLION.



In addition, according to the report by the State's Department of Taxation for Fiscal Year 2015, the total delinquent tax due and owing to the State of Hawaii is \$384.2 MILLION. While that amount actually represents a decrease in the amount of delinquent taxes as compared to FY 2014, the amount of Uncollectible Taxes increased by \$60.8 MILLION and New Delinquent Referrals increased by \$30.6 MILLION. Although the Department of Taxation's figures pertain to all taxpayers, not only to those who are low-to-moderate income, most taxpayers who have a balance due to the IRS also have a balance due to the State and it is clear that tax debt is also a serious problem at the State level.

STATE OF HAWAII

TABLE 2.3 – MAJOR PERFORMANCE MEASURES FOR FY 2015 AND FY 2014

Measure	FY 2015	FY 2014	Difference	
			Amount	Percentage
Total Delinquent Tax Balance (\$ Millions)	\$ 384.2	\$ 429.9	\$ (45.7)	(11.8)
Total New Delinquent Referrals (\$ Millions)	\$ 282.3	\$ 251.7	\$ 30.6	12.2
Total Cash Collected (\$ Millions)	\$ 235.9	\$ 225.5	\$ 10.4	5.0
Uncollectible Tax Write-Offs (\$ Millions)	\$ 92.1	\$ 31.3	\$ 60.8	194.4
Payment Plans Initiated	33,055	33,025	30	.09
Tax Liens Filed	3,130	3,553	(423)	
Levies Served	21,599	20,081	1,518	7.55

Our belief is that with respect to tax debt, "prevention is worth a pound of cure". Attempting to resolve a tax debt after it occurs is a confusing and often overwhelming process for the taxpayer. Accordingly, many taxpayers avoid dealing with the problem even when they are aware that penalties and interest charges are continually increasing their debt. Prevention, rather than resolution or collection, is also beneficial to the State of Hawaii since:

- Staff and funds are required for collection efforts, including obtaining tax liens, serving levies, and negotiating payment plans.
- Once tax debt occurs, it can force individuals and small business owners into bankruptcy which will convert most of that tax debt into an uncollectible debt for the government.

- Individuals who suffer a loss or reduction of income and assets due to, among other things, liens and garnishment, closure of their business, and foreclosure will most likely seek assistance in obtaining housing, food, health insurance, and other necessities which increases the burden on welfare resources.

Each year, this Program requests that its clients complete a survey which is intended to collect certain demographic and other information, including a measure of their knowledge of basic tax concepts. Based on the survey results from the 2016 Tax Season:

74% did not know that debt forgiven by a creditor is taxable

63% did not know that educational scholarships and grants can be taxed as income if they are not used to pay for QUALIFIED educational expenses

70% did not know that claiming more exemptions than a person is entitled to claim can result in a \$500 fine or worse if the IRS determines that fraud is involved.

54% did not know that unemployment benefits are taxable.

The foregoing results and a review of our clients' balance due returns indicate that 90% of the tax debt of low-to-moderate taxpayers could be avoided if those taxpayers had an understanding of very basic tax laws and concepts. Even a small shift in understanding could have significant results. For example, during Tax Season 2016, our Program serviced 5,863 clients, whose average adjusted gross income was only \$21,257. Yet, even among those clients balance due returns totaled \$436,027 which resulted primarily from insufficient withholding of taxes, taxable unemployment benefits, early withdrawal of retirement funds, forgiveness of credit card debt, health insurance penalties and using scholarship and grant funds for unqualified education expenses such as room and board.

However, most, if not all, financial literacy programs do not incorporate basic tax law into their curriculum even though it is clear that a lack of understanding of basic tax law can result in tax debt that will negate any positive effects of financial literacy and asset building programs and seriously hinder the efforts of individuals to achieve self-sufficiency. Even "Money Math: Lessons For Life", a program supported by

the U.S. Treasury Department, and popular programs such as "JumpStart" and the "LifeSmarts" Program utilized by the State's Department of Commerce and Consumer Affairs, do not include the type of information which would help participants avoid making decisions and choices that could result in tax-related debts. .

In addition, not all individuals have the opportunity or the inclination to participate in a financial education program. In Tax Season 2016, this Program collected 3,972 completed surveys from its clients. Of those surveyed, **only 10% had participated in a financial literacy program.** Those 10% listed participation in the following programs:

101 Financial
All Star Financial
Alu Like
Church
Employer
Hawaii State FCU
Hawaiian Community Assets
Hawaiian Homelands
HawaiiUSA FCU
HCAP
Helping Hands
High School
Honolulu City Section 8 FSS
IHS
Ka'Palana Preschool
KCC
Keiki O Ka 'Āina Family Learning Center
Key Project
Kumuhonua HCAP Shelter
Lake City High School
LCC
Liliuokalani
Military
Money Smarts
Next Step
Oahu Work Links
Ohana Ola
Onelauena Shelter
Online
PACT
Primerica
Rent to work program
Salvation Army
Senior Community Service Employment Program
Small Business Association

UH West Oahu
University of Hawaii
US Navy
Waipahu High School
Weinbert Village
World Financial Group

Our goal is to address the problem of tax-related debt education on 3 basic levels:

(1) **Expanding the "Learn Early. Live Smarter" initiative.** As of last year, 171 high school students at 5 Oahu high schools - Waipahu, Kapolei, Campbell, Pearl City, and Kalani - 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:

(a) 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.

(b) 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.

The following is feedback received from some of the high school students who participated in the 2016 Tax Season:

SOME STUDENT FEEDBACK:

Feedback

Going through the VITA program was a good experience for me. It taught me how to prepare taxes and know the rules I must follow when filing a tax return. At first I thought the program was going to be difficult to follow but it was set up well into sections and made easy/simple to understand. The program also prepared me for making someone's tax return when I volunteered at the Hawaii USA Federal Credit Union. I was pleasantly surprised that one I started doing the return it had exactly the same we had to take it made me feel more at ease that everything was so similar to me and not foreign. I feel like this is a great program because it certifies student to do basic tax returns in an easy, understandable manner and because it teaches us a valuable life skill that could be useful in the near future. Thank you for this opportunity.

"Going through the VITA program was a good experience for me. It taught me how to prepare taxes and know the rules I must follow when filing a tax return. . . . I feel like this is a great program because it certifies students to do basic tax returns in an easy, understandable manner and because it teaches us a valuable life skill that could be useful in the near future. Thank you for this opportunity."

Vita Feedback

I was actually kinda fun filing taxes I wouldn't mind doing it all day I guess. It seemed pretty easy. It generally went well, but if I had to change something that I did it would probably be the time that I completely screwed up someone's 1040 really badly so the instructor had to take over for a bit.

"It was actually kinda fun filing taxes. I wouldn't mind doing it all day I guess. It seemed pretty easy. It generally went well, but if I had to change something that I did it would probably be the time that I completely screwed up someone's 1040 really badly so the instructor had to take over for a bit."

Feedback

When I was watching my partner complete a tax return, I thought it was pretty easy. But when I had to do a return it was pretty difficult. Thank goodness I was helping us because I feel the client would either get the wrong amount or we wouldn't be done until the next tax year. Once I get better at taxes, I'll be volunteering again because it was a good time and I enjoyed it."

"When I was watching my partner complete a tax return, I thought it was pretty easy. But when I had to do a return it was pretty difficult. Thank goodness I was helping us because I feel the client would either get the wrong amount or we wouldn't be done until the next tax year. Once I get better at taxes, I'll be volunteering again because it was a good time and I enjoyed it."

(2) Working with and holding train-the-trainer workshops for existing financial education instructors to help them incorporate basic tax concepts into their financial literacy programs without any substantial disruption to their program's schedule, and

(3) Developing a more comprehensive online program accessible by those who are not enrolled in a financial literacy program - i.e., the general public. Our Program currently shares tax information through social media networks such as Facebook and Twitter and on the Program's dedicated website at www.hawaiitaxhelp.org. It is our intent, subject to available funds, to develop a more comprehensive online course that will cover basic but important tax information and will relate that information to financial education subject matter. This education effort would also cover information about tax-related fraud and scams. Only 4 out of the 50 States (Hawaii is NOT one of the 4)

have any type of regulation or registration for commercial tax return preparers. As a result, numerous individuals have fallen victim to a multitude of scams that are aimed at stealing personal information or diverting refund checks to other people. In addition, many commercial tax return preparers often charge their clients unnecessary fees. As of 2013, H&R Block was charging its clients the following fees in addition to their regular tax preparation fees:

- \$24.95 for a refund-anticipation check to have their federal income tax refund deposited into an H&R Block debit card called the Emerald Card.
- An extra charge of \$34.95 for a direct deposit into their own bank account if they used a refund-anticipation check to cover the cost of tax preparation
- An extra charge of \$54.95 to have a paper check mailed to them as part of the refund anticipation check program

From "Your Money: Expect to pay for fast tax refund" by Susan Tompor, USA TODAY February 5, 2013

This Program's free tax preparation services are monitored by the IRS and the Program does not charge for tax preparation or promote or offer fee-based products, and can have a client's refund directly deposited into their existing bank account or issued as a paper check with no cost to the taxpayer.

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.

3. Public Purpose And Need

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

A 2015 survey by the National Society of Accountants of its own members revealed that the average cost of preparing a simple tax return was \$273 (national average) and \$348 (Pacific Region that included Hawaii). The average income of this Program's clients during Tax Season 2016 was \$21,257 or \$11.07 an hour. Therefore, those clients would be required to pay a commercial preparer the equivalent of 18 hours of work

(based on a low estimated cost of \$200) to 24.6 hours of work (based on the national average) for the preparation of a simple return. This is unconscionable, especially considering the fact that most of the returns for these low-to-moderate income workers are not very complicated and can be completed in less than an hour. By using the services of our Program, low-to-moderate income taxpayers save a considerable amount of money which they can use to purchase needed goods and services for themselves and their families.

In addition to the savings realized, this Program's clients are also protected against fraud, scams, "upsells", and high interest predatory "quick refund" products that are offered in the commercial market. According to an IRS release in 2015:

- IR-2015-08, Jan. 27, 2015

WASHINGTON — The Internal Revenue Service today warned taxpayers to be on the lookout for unscrupulous return preparers, one of the most common "Dirty Dozen" tax scams seen during tax season.

Even if outright fraud is not committed, as noted previously, many commercial preparers offer quick refund products for which taxpayers are charged a high interest rate or services that are unnecessary and for which taxpayers should not be charged. In a report by eitc outreach.org, it was noted that:

"In 2013, about 21 million taxpayers received a RAC [Refund Anticipation Check], at a cost of about \$630 million."

By using the services of this Program, which is monitored directly by the IRS, taxpayers are protected from such fraudulent and/or expensive practices.

- Finally, 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 every year 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 **\$43.5 Million of federal EITC funds going unclaimed each year** (using the 15% estimate). In addition, every year in Hawaii, **approximately \$7 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. Our Program actively promotes awareness of the Earned Income Tax Credit (EITC) and the eligibility requirements for that credit and our free tax preparation service helps eligible taxpayers claim these credits and their refund with no reduction of benefits caused by fees and charges.

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 and what they saved on commercial tax preparation fees to purchase needed goods and services. This benefits local businesses which, if the benefits are large enough, can expand their operations and/or hire more workers. This, in turn, produces benefits for the State through an increase in general excise and income taxes and a reduction or at least a stabilization of the burden on welfare. Accordingly, this Program helps to build stronger communities by boosting economic development.

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 2016, the Program operated 53 sites and clinics Statewide and provided service to 5,853 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 2012	TS 2016	TOTALS - 2006-2016
No. of Sites	4	46	53	
Total Clients Served	654	4,386	5,853	38,527

(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 2015 alone, 48,570 Hawaii taxpayers who earned less than \$50,000 a year owed more than \$56 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, most individuals who have an IRS-related debt also owe taxes to the State. As previously noted, according to a report by the Department of Taxation for Fiscal Year 2015, tax delinquencies totaled \$384.2 MILLION. Huge amounts of State funds are spent on the collection of delinquent taxes. Preventing such tax-related debts from occurring would therefore be beneficial to the State.

Additionally, the overall economic well-being of the State suffers when its citizens are over-burdened by debt which is why financial education efforts have become enormously popular over the last several years. However, financial education has focused primarily on managing consumer debt. While economists have stated that some consumer debt is good for the economy since it correlates to higher business, auto and home sales, the same cannot be said of tax debt. In fact, tax debt has a dampening effect on the economy. An individual who is able to use a credit card to pay off a tax debt increases their credit card debt but has not consumed any goods and services. More often than not, however, once a tax-related debt is incurred, low income individuals are unable to use a credit card to settle that debt and ordinary individuals are ill-equipped to deal with the taxing authorities, particularly the IRS. As a result, their tax-related debts continue to increase. By the time that many of these individuals seek help, they owe considerably more than their original debt. For some, bankruptcy is the only option. Therefore, although there are organizations that will assist certain 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.**

Furthermore, our Program operates on the belief that prevention efforts must occur at every level in order to be effective. As a result, we have initiated "Learn Early. Live Smarter." to educate high school (and young college students) who should be aware of basic tax concepts before they start working full-time. We also seek to work with financial literacy educators who can easily insert important information into their existing curricula. Finally, we seek to reach those who have not participated in or who have no access to financial literacy education through social media and online courses or informational webinars.

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 imposes an income eligibility limit since VITA is intended to provide free tax preparation services to low-to-moderate income individuals. The income limit is closely tied to the maximum income level applicable to those claiming the Earned Income Tax Credit (EITC). For Tax Year 2016, the EITC income limit is \$53,505 (applicable to a married couple with 3 or more children). Therefore, our services are offered to Hawaii workers who earn no more than \$54,000-\$55,000. For those earning above that limit but less than \$64,000, 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.

Last tax season, the average income for the clients who used our free tax assistance sites was \$21,257.

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

For the "Learn Early. Live Smarter." initiative, the target population would be high school juniors and seniors and undergraduate college students. Since 4 of the 5 participating high schools are located in the Central area of Oahu (with Kalani being the 5th participating school), 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.

The Program's target population for other educational efforts would be (1) those who are enrolled in financial literacy classes and (2) the general public who we intend to reach through informational venues such as Facebook, Twitter, a private YouTube channel, and our already existing dedicated website at www.hawaiitaxhelp.org

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 list attached to this Application includes all of our sites open to the public. It does NOT include the special clinics that we hold at homeless or transitional shelters which only service their residents (such as Maililand or the Salvation Army) or the Facilitated Self-Assistance sites where we instruct individuals on how to self-prepare their returns. On Hawaii Island, we are currently limited by budget to sites in the Hilo area although our clientele include residents from Pahoehoe, Volcano, Keeau, Naalehu, Mountain View, Kurtistown and Pepeekeo. We would like to expand services to the West side of Hawaii Island. Also, on Maui, we closed a site in Lahaina due to budgetary concerns. We would like to reopen that site since it serviced many of the hotel workers and credit union members who reside in that area.

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

"Learn Early. Live Smarter". The geographic coverage is also intended to be Statewide. However, as previously noted, since 4 of the 5 participating high schools are located in the Central area of Oahu (with Kalani being the 5th participating school), 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 so that students will have locations where they can volunteer. The ideal situation would be to have schools agree to be VITA sites. 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:

This Program is volunteer driven. Partnering organizations donate space and often volunteers from among their own employees to operate their respective sites. Each site is required to have a site coordinator. Site Coordinators are responsible for:

- Ensuring that site operations comply with the rules of the IRS' VITA Program - i.e., confirming identities of taxpayers through presentation of photo I.D. and social security cards for everyone listed on a return, privacy and confidentiality of client information, making sure that only certified volunteers prepare returns, and that each return is quality reviewed for accuracy.
- E-filing of returns in a timely fashion
- Resolving any problems such as rejections by the IRS

Site coordinators are offered a small stipend (ranging from \$250 to \$550) for the 18-week period spanning mid-December (during which training of volunteers begins) through the end of April. (Some VITA sites on the mainland pay as much as \$16 an hour to site coordinators)

The Program also has a volunteer who provides IT assistance since the Program provides some sites with laptops in order to prepare returns. All laptops must be checked to make sure that the operating systems can access the IRS' software which has different minimum system requirements every year. Laptops must also be "scrubbed" of any documents that might contain taxpayer information.

Marketing and website maintenance is outsourced to a small marketing firm which handles production of certain printed material, Twitter and Facebook accounts, advertising if budget permits, and update of and changes to the Program's dedicated website at www.hawaiitaxhelp.org

Oversight of all site locations is performed by the individual who is currently the President and CEO of the Applicant and who has been in charge of this Program since its inception in 2006 ("Program Director"). 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 (budget permitting), internet ads on Facebook and Twitter, distribution of flyers to various organizations, including participating partners, public service announcements on radio and television and press releases.

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 (budget permitting), social media, and the distribution of flyers through agencies such as Section 8 and the Department of Human Services..

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 recognition 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, has agreed to act as fiscal agent for Applicant
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 and some equipment for a tax preparation site in Hilo.

County of Hawai'i Aging and Disability Resource Center	Provides space for a tax preparation site in Hilo.
Department of Human Services of the State of Hawai'i	Assists in the dissemination of information to TANF and SNAP recipients
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
Hawaii 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.
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	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 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
King Kaumualii School in Kauai	Provides space for tax preparation
KTA Superstores (Hawai'i Island supermarket chain)	Provided assistance with promotional materials to accomplish outreach to local community regarding this Program's services.
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
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.
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	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

(b) **Education relating to prevention of tax-related debt**

"Learn Early. Live Smarter": The individual who recruited the five high schools that have participated in this Program is an educator who currently teaches at Leeward Community College. He is also a certified volunteer tax return preparer and trainer and has been assisting with the recruitment of additional schools for this initiative and with the training of interested educators. Successful participation requires an educator at the school who is willing to devote time to this project and learn how to train their students. This Program will provide whatever support is required by the trainers and the school. Trainers are provided with a stipend, the amount of which will depend on available funds.

Working with financial education providers. The Program Director will continue to work with current partners who already offer financial literacy education or information to develop the best ways to incorporate tax information into their existing curricula with minimal disruption to their established schedules. In addition, train-the-trainer sessions will be held for all interested organizations, including those involved in employment training and workforce development.

Information to be offered to the general public, The Program Director will continue working with the marketing firm to develop informational content for social media sites and 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.

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

July through August/September. 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 social media campaign 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 social media venues 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. Volunteer recruitment continues using print ads (if affordable), 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. Flyers will be mailed out and emailed to agencies and organizations that assist low-income taxpayers, including Section 8 and 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 here and on the neighbor islands. 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. Experienced volunteers travel to neighbor island sites to oversee sight operations, prepare returns, and act as mentors.

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 and feedback 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 before being e-filed with the IRS.

Site results: Every site that participates in the Program uses a professional 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.

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 "Learn Early. Live smarter." initiative will also be required to pass the certification 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 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. If the budget permits the development of a YouTube channel, the IT specialist will be able 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 the IRS' software program 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. 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. Data compiled from the 3,972 surveys collected during Tax Season 2016 is shown below:

(Results of Client Surveys - 2016)

INDICATES:

First Time Filers or Failed to File Last Year	10.6% or 421 of respondents	Outreach efforts successful
Used a Paid Preparer Last Year:	12 % or 477 of respondents	Outreach efforts successful
Self-Prepared or Used a Friend or Family Member Last Year:	9.9 % or 393 of respondents	Some taxpayers may be unsure about the new tax forms regarding the ACA and the Premium Tax Credit
Returning Clients:	67.5% or 2,681 of respondents	Indicates Client satisfaction with service
Ethnicity:		
Native Hawaiians	29.0 %	
Asian	18.7 %	
Filipinos	21.0 %	
Caucasians	10.2 %	
Pacific Islander	9.3 %	
Hispanic	4.9 %	
African-American	2.0 %	

Native American	1.0 %
Other	3.9 %
Gender:	
Females:	61.0 %
Males:	39.0 %
Marital Status:	
Unmarried:	78.0%
Married:	22.0%
No. of Children under 19:	
0	66 %
1	13 %
2+	21 %
Age Groups:	
18-24:	20.0%
25-40:	29.0%
41-64:	36.0%
65+:	15.0 %
Housing:	
Rent:	50.0 %
Live with family:	33.7 %
Own:	12.0 %
Shelter or None:	4.3 %
Income:	
Job:	69.0 %
Social Security / Retirement	15.0 %
Public assistance:	3.0 %
Unemployment:	2.3 %
Self employed:	1.0 %
Disability	2.5 %
Other	7.2 %

Disability:

Taxpayers:	378
Taxpayers with disabled family member:	259

Expecting a refund:

Yes	67.1 %
No	4.4 %
Not sure	28.5 %

Banking practice

Will use direct deposit	76.0 %
• Paper check	24.0 %

Taxpayers' reasons for wanting a refund by paper check:

Paper check preferred	77.2 %
No bank account	16.0 %
Afraid of seizure:	4.4 %
Bank fees:	2.4 %

Health Insurance:

Yes:	96.0 %
No:	4.0 %

Source of insurance coverage

Employer:	39.0 %
Medicare:	17.0 %
• State (Quest, etc):	18.0 %
Medicaid:	9.0 %
Private (pay your own):	4.5 %
Other (through parents or being paid by others)	12.5%

Participated in a financial literacy program:

Yes:	10.0 %
No:	90.0 %

Those who answered "Yes" above listed the following financial literacy programs:

Hawaiian Community Assets

- Helping Hands
- Alu Like
- Senior Community Service Employment Program
- World Financial Group
- Church
- Online
- Rent to work program
- HCAP
- Next Step
- Salvation Army
- Honolulu City Section 8 FSS
- Onelauena Shelter
- PACT
- University of Hawaii
- Oahu Work Links
- All Star Financial
- Ka'Palana Preschool
- Ohana Ola
- Money Smarts
- Kumuhonua HCAP Shelter
- Hawaiian Homelands
- LCC
- Military
- Liliuokalani
- Hawaii State FCU
- Key Project
- Keiki O Ka `Āina Family Learning Center
- KCC
- High School
- Weinbert Village
- HawaiiUSA FCU
- 101 Financial
- Small Business Association
- UH West Oahu
- IHS
- Primerica
- Waipahu High School
- US Navy
- Lake City High School
- Employer

Taxpayers' plans for refunds:

Pay Bills:	1389 >	indicates the need for debt management; opportunity to promote financial literacy
Food/Clothing:	776	
Rent/Mortgage	573	

Save Some	417 >	indicates an opportunity to promote savings
Tuition	266	
Help family member	222	
Child care	111	
Buy large item	56	
Don't know	202 >	indicates an opportunity to promote savings

(Total exceeds total number of responses because of multiple intent)

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 Earned Income Tax Credit (EITC) received
- Total Additional Child Tax Credit received
- Aggregate amount of balance due returns.
- Total amount of balance due to the IRS (the IRS' software may not extract this 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

"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.
- Student feedback

Other financial literacy efforts: We are able to report all of the following data:

- Name of participating organizations
- Name and curriculum of financial literacy program used by those organizations.
- Number of individuals who are enrolled in the programs
- Number of trainers who attend train-the-trainer sessions
- Results of comprehension tests which we will propose be administered.
- Number of people visiting social media sites and dedicated websites
- Number of people who "click thru" to website from social media ads
- Number of people who view the content on YouTube
- Number of tweets and re-tweets on Twitter
- Number of Facebook hits, followers, and "likes"

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
\$15,000	\$25,000	\$20,000	\$15,000	\$75,000

3. **Sources of funding being sought for FY 2018**

IRS VITA Grant - The Program has already been approved for a two-year grant (2016-2017 and 2017-2018) in the amount of \$53,800 per year. Funding for the second year is not guaranteed and amount depends on 1st year results.

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

The only funding available to Applicant at this time is the IRS VITA grant referred to in Paragraph 3.

6. Balance of unrestricted current assets as of December 31, 2016.

\$3,480.89

IV. EXPERIENCE AND CAPABILITY

A. Necessary Skills and Experience.

The President and CEO of Applicant ("Program Director") is the same person who 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. She is responsible for achieving the results that made it possible for the Program to receive the first VITA grant awarded in 2009 and the Program has been a recipient of that grant every year since then.

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 Hawaii USA Federal Credit Union. 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 "Learn Early. Live Smarter" initiative began in Tax Season 2014 with one participating high school - Waipahu High. As of last tax season, 5 high schools were participating - Waipahu, Kapolei, Campbell, Pearl City, and Kalani. Thus far, 171 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 VITA volunteer. The instructor has already agreed to work with the Program Director to expand the initiative to other schools in the State.

3. The Program Director held 3 financial literacy workshops in 2015 just prior to the 2016 tax season for financial educators interested in learning about tax-related debts.

4. The Program Director also worked with the Department of Human Services and the Department of Labor to provide tax assistance to individuals, primarily Pacific Islanders, who received premium tax credits from healthcare.gov and were therefore required to file tax returns. During 2016, 4 special tax sessions were held on Oahu and on Hawaii Island to assist these individuals, many of whom were unaware of their responsibility to file a tax return even if they had no income because of their receipt of Form 1095-A from healthcare.gov. The Program Director and 4 VITA volunteers actually became certified Kokua in order to assist in enrolling people on healthcare.gov.

6. The Program Director also 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.

7. The Program Director also did a presentation in 2015 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.

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 to allow 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 small stipend, as previously mentioned, of \$250 to \$550 for a five-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 most 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 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.

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 a subcontracted bookkeeper 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. The trainer of the high school educators who participate in "Learn Early. Live Smarter." is a former teacher at Waipahu High School who now works at Leeward Community College as an instructor in business. He also obtains certification each year and volunteers at Leeward Community College's site.

Site Coordinators: Site Coordinators oversee the volunteers at their sites, assures that volunteers comply with the rules established by VITA, extracts reports from the IRS' software program 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 site coordinators at newly formed sites, the current site coordinators have been involved in this Program for at least 5 years.

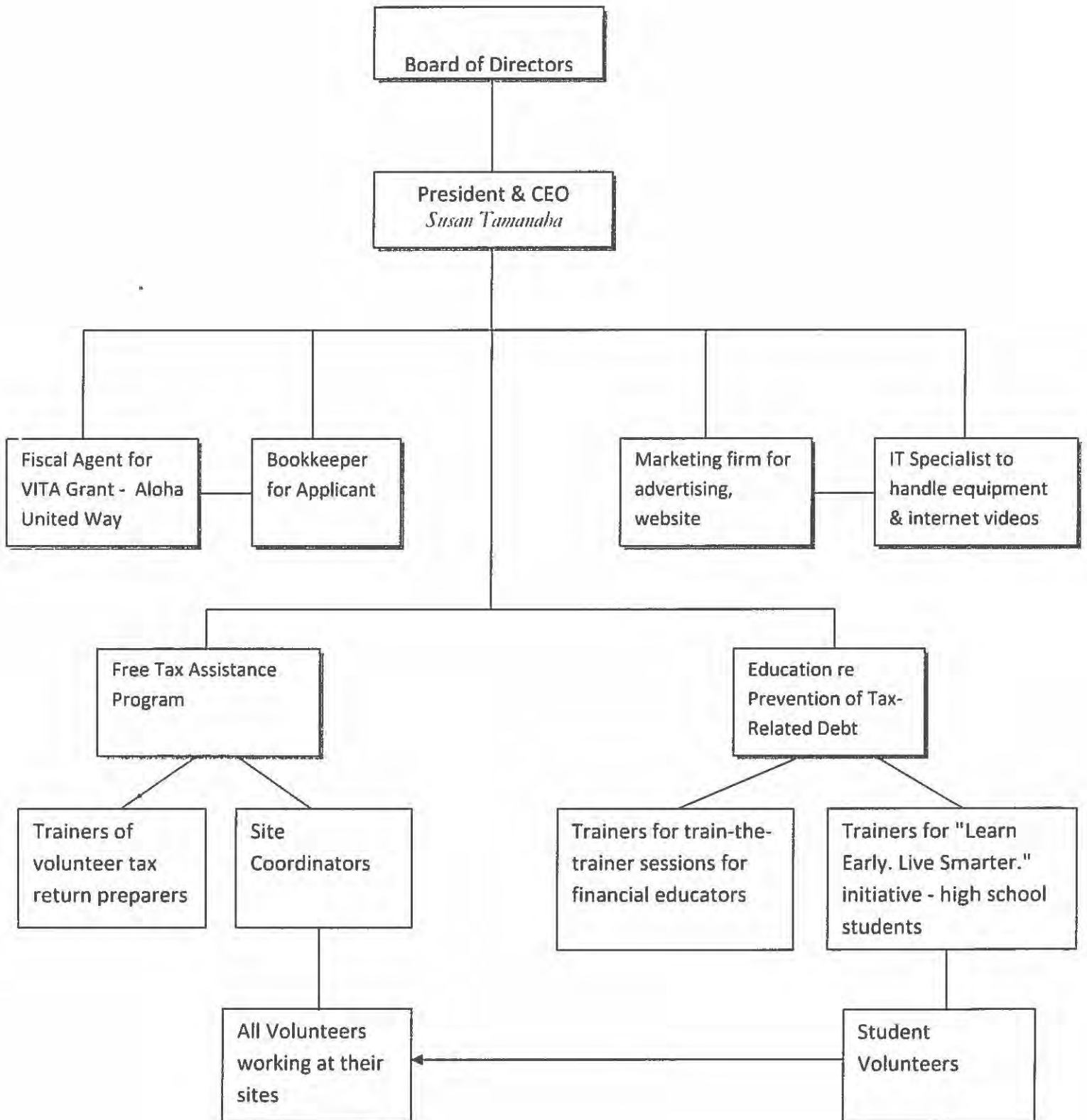
Marketing: Since 2006, the Program Director has worked with the same marketing person to design and distribute flyers, print ads, Facebook ads, tweets for Twitter, scripts for radio ads, banners, and booklets. The marketing person also maintains and updates the Program's dedicated website at www.hawaiitaxhelp.org.

IT Specialist: The individual who maintains all of the computers and printers for the Program is currently 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 filing software without presentation of this agreement and every return prepared is quality reviewed by an experienced volunteer or a site coordinator.

Fiscal Agent. Aloha United Way is serving as the fiscal agent/pass through entity for Applicant's VITA grant and has agreed to serve as the Applicant's fiscal agent for other grants, as necessary, until Applicant receives its 501(C)(3) tax exempt status from the IRS. As fiscal agent for the VITA grant, Aloha United Way is responsible for the management and distribution of grant funds pursuant to a budget approved by the IRS. Aloha United Way is not requesting a fee to serve as fiscal agent. A letter from Aloha United Way is attached to this Application indicating that Aloha United Way is willing to act as a fiscal agent for Applicant if the Applicant receives a grant from the State and the State feels that a fiscal agent is necessary.

B. Organization Chart



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

Susan Tamanaha, President & CEO & Program Director: \$54,285 (same salary received before formation of new non-profit). No other officers of Applicant receive compensation.

VI. OTHER

A. Litigation

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

B. Licensure or Accreditation of Applicant

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

C. Private Educational Institutions

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

D. Future Sustainability Plan

This Program has received a VITA Grant since the VITA Grant began in 2008 (for Tax Season 2009). The latest grant award was a two-year grant covering the period 2016-2017 and 2017-2018. Since this Program is the largest and most comprehensive VITA program in the State, it is likely to continue being a recipient of the VITA Grant as long as funding is made available by Congress. The VITA grant, however, provides only \$15 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 even if our Program continues to expand. Since the counties' economies directly benefit from expansion of the Program, Applicant intends to request that the counties provide some funding to facilitate such expansion on their respective islands. Hawaii County contributed \$10,000 last year but with the transition of the Program to its own non-profit and the change of leadership in Hawaii County, similar funds will not be available for another year. Applicant also intends to apply to certain organizations which support particular groups that

this Program specifically benefits. For example, 61% of the Program's clients were female. Accordingly, groups such as the Hawaii Women's Fund may be interested in providing some funding to help educate their target audience.

E. Certificate of Good Standing

Certificate of Good Standing dated January 18, 2017 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 TAX HELP AND FINANCIAL EMPOWERMENT SOLUTIONS

was incorporated under the laws of Hawaii on 04/26/2016 ; 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: January 18, 2017

Director of Commerce and Consumer Affairs





January 18, 2017

House Committee on Finance
415 S. Beretania Street
Honolulu, HI 96813

RE: Grant-In-Aid Application of Hawaii Tax Help & Financial Empowerment Solutions

To the House Committee on Finance,

This is to confirm that Aloha United Way, a 501 (C)(3) non-profit, will act as the fiscal agent for the applicant, Hawaii Tax Help and Financial Empowerment Solutions, for this grant-in-aid.

Aloha United Way has been committed to and has been a supporting partner of the Applicant's Hawaii VITA and Financial Empowerment Solutions Program since the Program began in 2006 when it was known as the Family and Individual Sufficiency Program. Aloha United Way does not intend to charge a fee for acting as fiscal agent for this grant.

Very truly yours,


Cindy Adams
President & Chief Executive Officer



TAX SEASON 2017

Partial list of sites (does not include special clinics at transitional shelters or those established only for specific clients such as at the Salvation Army or Maililand)

OAHU

Honolulu - 96813

Hawaii State Capitol

415 South Beretania Street, Third Floor

ONLY on Saturday, January 28 and April 1

9:00am-2:30pm (doors close at 1:45 pm)

Call (808) 724-1278 for an appointment

WALK-INS ACCEPTED ON A FIRST COME, FIRST SERVED

BASIS IN BETWEEN SCHEDULED APPOINTMENTS

Honolulu Community Action Program (Main Office)

One South King Building

33 S. King Street, Suite 300

Mondays, 9:00am-Noon

Call (808) 521-4531

Start: 2/01 - End: 4/04

Honolulu - 96816

Honolulu Community Action Program (Leahi District Service Center)

1915 Palolo Avenue

Tuesdays and Thursdays, 9:00am-Noon

Call (808) 732-7755

Start: 2/02 - End: 4/06

University of Hawaii at Manoa

2600 Campus Road, Room 209

Tuesdays, Wednesdays & Thursdays, 10:00am-5:00pm

Call (808) 687-0207

Start: 02/01 - End: 03/23

Honolulu - 96817

Honolulu Community Action Program (Kalihi-Palama District Service Center)

1555 Haka Drive #2408

Tuesdays and Thursdays, 9:00am-3:00pm

Call (808) 847-0804

Start: 2/02 - End: 4/06

Hawaii Federal Credit Union

1244 Kaumualii Street
Mondays-Fridays, 9:00am - 2:30pm
Saturdays, 9:00am-noon
Call (808) 441-4285
Start: 2/01 - End: 4/10

HawaiiUSA Federal Credit Union

For Drivers, entrance located at **1259 Aala Street**
Thursdays, 5:00pm-7:30pm
Call (808) 724-1278
Start: 2/11 - End: 4/07

LCC at Palama Settlement

810 North Vineyard Blvd.
Mondays & Wednesdays, 3:00pm-5:00pm
(808) 445-6034
Start: 2/22 - End: 3/22

Honolulu - 96819

ALU LIKE, INC. - Central

2969 Mapunapuna Place, Suite 200
Tuesdays, 3:00pm-6:00pm
Call (808) 724-1278
Start: 1/24 - End: 4/04

PACT HAWAII

1545 Linapuni Street
Tuesdays & Thursdays, 5:00pm-7:00pm
Call (808) 724-1278
Start: 2/07 End: 3/23

OAHU – Windward

Kaneohe – 96744

Honolulu Community Action Program

(Windward District Service Center)
47-232 Waihee Road
Tuesdays and Thursdays, 9:00am-Noon
Call (808) 239-5754
Start: 2/02 - End: 4/06

OAHU - Central/Leeward

Aiea - 96701

Honolulu Community Action Program (Central District Service Center)

99-102 Kalaloe Street

Mondays & Wednesdays, 9:00am-3:00pm

Call (808) 488-6834

Start: 2/01 - End: 4/07

Hickam FCU – Pearlridge

98-1005 Moanalua Rd Ste 245

Tuesdays and Thursdays, 10:00am-3:00pm

Call (808) 423-1391

Start: 2/02 - End: 4/11

Kapolei – 96707

Hickam FCU – Kapolei Branch

590 Farrington Hwy, Ste 501

Call for available dates & times

Call (808) 423-1391

Start: 2/10 - End: 4/01

Pearl City – 96782

Leeward Community College

96-045 Ala Ike Street

Business Education Bldg. Room BE-229

Tuesdays and Thursdays, 1:30pm-4:30pm

Start: 2/02 - End: 3/23

and

Saturdays, 9:00am-noon

Start: 2/04 - End: 3/25

WALK-INS ONLY

Waialua – 96791

Waialua Federal Credit Union

67-292 Goodale Avenue A2

Mondays-Fridays, 9:00 am-3:00pm

Call (808) 753-8498

Start: 2/1 - End: 3/31

Waianae – 96792

Honolulu Community Action Program (Leeward District Service Center)

85-555 Farrington Highway
Mondays, Wednesdays, Fridays
9:00am-3:00pm

Call (808) 696-4261

Start: 2/01 - End: 4/07

ALU LIKE - Nanakuli

89-137 Nanakuli Avenue
ONLY Monday, Feb 13 and 27
10:00am-2:00pm

Call (808) 724-1278

INPEACE

87-790 Kulauku Street A129
Mondays-Fridays 7:30am-4:30pm

Call (808) 380-4224

Start: 2/06 - End: 4/07

BIG ISLAND

Hilo – 96720

County of Hawai'i Office of Housing and Community Development

1990 Kinoole Street, #104
February 11

9:30am-4:00pm

Call (808).724-1762 (Oahu number)

WALK-INS ACCEPTED BUT ONLY ON A FIRST COME, FIRST SERVED
BASIS IN BETWEEN SCHEDULED APPOINTMENTS

County of Hawaii Aging and Disability Resource Center

1055 Kinoole Street
March 18

9:30am-4:00pm

Call (808) 724-1762 (Oahu number)

WALK-INS ACCEPTED BUT ONLY ON A FIRST COME, FIRST SERVED
BASIS IN BETWEEN SCHEDULED APPOINTMENTS

KAUAI

Kekaha – 96752

Kekaha Federal Credit Union

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

Call Scot (808) 337-1433

Start: 1/19 End: 4/14

Lihue – 96766

KING KAUMUALII SCHOOL (Kekaha FCU extension)

4381 Hanamialulu Road

Saturdays, February 4 and March 4

9:30am-3:00pm

(Do NOT call the school)

Call (808) 724-1762 (Oahu number)

**WALK-INS ACCEPTED BUT ONLY ON A FIRST COME, FIRST SERVED
BASIS IN BETWEEN SCHEDULED APPOINTMENTS**

KAUAI TAX PREP

4268 Rice Street

Wednesdays, 5:00pm– 8:00pm

Phone number not yet provided

Start 2/14 End 3/17

MAUI

Kahului – 96732

Maui Federal Credit Union

107 East Wakea Avenue

Tuesdays and Thursdays, 9:00am-3:00pm

Call (808) 873-5050

Start: 2/7 End 4/13

Valley Isle Community Federal Credit Union

160 Paahana Street

February 25 and 26

9:00am–3:00pm (last return accepted at 2pm)

WALK-INS ONLY

Wailuku – 96793

Valley Isle Community Federal Credit Union

240 Lepoko Place

ONLY on Saturday, March 11

9:00am–3:00pm (last return accepted at 2pm)

WALK-INS ONLY

MOLOKAI

Kaunakakai

ALU LIKE, INC.

600 Maunaloa Hwy – Kulana Oihi

February 22

9:00am-4:00pm

WALK-INS

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Applicant: _____ Hawaii Tax Help and Financial Empowerment Solutions

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	32,571	21,714		
2. Payroll Taxes & Assessments	2,492	1,661		
3. Fringe Benefits	2,880	1,920		
TOTAL PERSONNEL COST	37,943	25,295		
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	7,500	5,000		
2. Insurance	200	0		
3. Lease/Rental of Equipment	0	0		
4. Lease/Rental of Space	700	700		
5. Staff Training	1,000	0		
6. Supplies	500	500		
7. Telecommunication	800	400		
8. Utilities	0	0		
9. Subsistence/Per Diem	7,000	5,000		
10. Program Activities	7,190	7,868		
11. Administrative	3,600	0		
12. Contractual Services	7,867	7,537		
13. Mileage and Parking	500	0		
14. Postage	200	0		
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	37,057	27,005		
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	75,000	52,300		
SOURCES OF FUNDING		Budget Prepared By: _____		
(a) Total State Funds Requested	75,000	SUSAN TAMANAHA	381-0881	
(b) Total Federal Funds Requested	52,300	Name (Please type or print)		Phone
(c) Total County Funds Requested		[REDACTED]		1/20/2017
(d) Total Private/Other Funds Requested		Signature of Authorized Official		Date
TOTAL BUDGET	127,300	SUSAN TAMANAHA - PRESIDENT & CEO		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2017 to June 30, 2018

Applicant: Hawaii Tax Help and Financial Empowerment Solution

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
President and CEO (also director of Programs)	1	\$54,285.00	60.00%	\$ 32,571.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				32,571.00
JUSTIFICATION/COMMENTS:				
This position is the only full time position. Although the individual will be spending				
100% of her time on the activities described in the grant application, only 60% is being charged to this grant				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2017 to June 30, 2018

Applicant: Hawaii Tax Help and Financial Empowerment Solutions

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				
Not Applicable				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				
Not Applicable				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2017 to June 30, 2018

Applicant: Hawaii Tax Help and Financial Empowerment Solutions

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: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY:2019-2020
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS: <p style="text-align: center;">Not Applicable</p>						

GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: Hawaii Tax Help and Financial Empowerment Solutions

Contracts Total: 52,300

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	IRS VITA Grant - 2 year grant - \$52,300 awarded for 2016-2017. Second year amount is not guaranteed-based on results. Program has received a VITA grant since 2009	2016-2017 2017-2018	IRS	U.S.	52,300
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**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 Tax Help and Financial Empowerment Solutions

(Typed Name of Individual or Organization)



(Signature)

1/20/2017

(Date)

Susan Tamanaha

(Typed Name)

President and CEO

(Title)