

Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
 - a) Budget request by source of funds ([Link](#))
 - b) Personnel salaries and wages ([Link](#))
 - c) Equipment and motor vehicles ([Link](#))
 - d) Capital project details ([Link](#))
 - e) Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing


AUTHORIZED SIGNATURE

SUSAN E. TAMANAHA - President & CEO
PRINT NAME AND TITLE

1/18/2019
DATE



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 14, 2019

Director of Commerce and Consumer Affairs

**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'i 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'i 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'i 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'i 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 dba Hawaii VITA Program
(Typed Name of Individual or Organization)

Susan E. Tamanaha
(Signature)

1/18/2019
(Date)

Susan E. Tamanaha
(Typed Name)

PRESIDENT & CEO
(Title)

I. CERTIFICATION

1. Certificate of Good Standing (see document before this page)

2. Declaration Statement (see document before this page)

3. Public Purpose

Applicant declares that the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes.

APPLICATION FOR GRANT

II. BACKGROUND AND SUMMARY

1. Applicant's Background

Hawaii Tax Help and Financial Empowerment Solutions is a 501(C) (3) non-profit organization founded in 2016 for the purpose of carrying on and expanding the mission of the **Hawaii VITA** (Volunteer Income Tax Assistance) Program. The Hawaii VITA Program has been in existence since 2005, first as a pilot program under Aloha United Way, and then as a program under the Hawaii Alliance For Community Based Economic Development (HACBED). In 2016, the Applicant was established to provide the Hawaii VITA Program with its own platform dedicated to expanding its services and achieving its mission.

Our Mission: To vastly improve the ability of those who seek to achieve financial stability and self-sufficiency, and build stronger communities by:

(1) Saving low-to-moderate income (LMI) Hawaii residents money and helping them claim valuable tax credits such as the Earned Income Tax Credit (EITC) by providing them with free tax return preparation in conjunction with the Volunteer Income Tax Assistance (**VITA**) program of the Internal Revenue Service. Thus far, our Hawaii VITA Program has saved 47,887 Hawaii residents over \$9.7 Million in tax preparation fees and helped them claim over \$35 Million in refundable tax credits.

(2) Educating and empowering Hawaii residents through presentations and distribution of information relating to:

(a) Financial literacy, with a focus on preventing tax-related debt which hinders the long-term success of current financial programs and interferes with the efforts of those who are striving to achieve self-sufficiency and

(b) Avoiding fraud and scams which target the poor, less educated, and elderly, particularly during tax season when many expect refunds from the IRS and are more susceptible to fraudulent demands for personal information by scam artists posing as IRS agents.

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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 VITA services into rural and/or hard to reach areas of the State. This Program began with only 4 sites on Oahu and 32 volunteers. As of last year, the Program operated 53 sites and clinics on every island except Lanai. For the last several years, the Program's volunteer force has exceeded 200 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. As a result, many of these residents either unnecessarily pay for tax preparation services or do not file their returns, often missing out on claiming valuable tax credits.

The primary objective of this aspect of our Program is to establish additional free tax preparation sites in those rural/remote areas of the State in order to provide more LMI taxpayers with this valuable service. 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 outreach to promote the new sites and expanded service.

(b) Expansion of educational efforts with a focus on preventing tax related debt. In 2016 (the last year for which the IRS has complete data), 47,510 Hawaii residents earning *less* than \$50,000 owed more than \$58 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 recipient must request that taxes be withheld and many of the claimants fail to understand the importance of doing so.

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- Using scholarship funds for ineligible expenses such as room and board can result in taxable income.
- 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.
- General excise taxes (State) and income taxes are not the same thing.

Despite the seriousness of this problem, there is no resource where ordinary people can access basic tax information, other than the IRS' website which is difficult to navigate and understand, and most, if not all, **financial literacy programs do not incorporate into their curricula basic tax laws and concepts that would help individuals to avoid making decisions and choices that could result in tax-related debts.** The objective of financial literacy programs is to 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. In short, **unexpected tax debt can negate any positive effects of financial literacy and asset building programs and seriously hinder the efforts of individuals to achieve self-sufficiency.**

Applicant seeks to address this problem by:

(1) holding train-the-trainer workshops whereby financial literacy instructors can receive training on these issues and be provided with information that they can incorporate into their existing financial literacy programs without any substantial disruption to their program's schedule, and

(2) developing and distributing easy-to-understand information (in printed form, such as booklets and/or brochures, and via the internet and social media), regarding basic but important tax information-including changes in the tax law-scams and fraudulent practices, and options available to those who already have existing tax debt.

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(c) **Expansion of the "Learn Early. Live Smarter" initiative.** In 2012, as part of its educational effort, Applicant began its "Learn Early. Live Smarter." initiative pursuant to which high school students were recruited and trained to be volunteer tax return preparers. As of last year, 262 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. This initiative focuses on accomplishing the following:

(1) Providing these students with valuable tax knowledge that will help them to avoid costly financial mistakes in the future when they enter the workforce. Simply by participating in the training for this Program, students 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 (EITC).

(2) Helping these students to realize the economic situation of many Hawaii residents 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 show that students who participate in community service are more likely to graduate from college than those who do not and are more likely to have improved scores in Reading, Math, Science, and History.

3. The public purpose and need

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

Tax return preparation fees vary but based on a sample price list of one major commercial tax preparer that was shared by the Tax Opportunity Network, the charges for basic tax preparation forms are as follows:

- | | |
|------------------------------------|-------|
| ▪ Form 1040 | \$150 |
| ▪ Sch EIC (To claim EITC benefits) | \$ 45 |
| ▪ Form 8812 (Child Tax Credit) | \$ 30 |

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- Sch A (If person itemizes) \$ 50
- State Return \$100

A 2017 survey by the National Society of Accountants of its own members revealed that the average tax preparation fee for a Form 1040 with Schedule A and a state tax return in the Pacific region (AK, CA, HI, OR, WA) was \$329. The survey also found that 71 percent of tax preparers will charge an average fee of \$117 for dealing with disorganized or incomplete files and assess extra fees for preparing additional commonly used Forms

Therefore, the Hawaii VITA Program's estimate that its free tax preparation service saves the average low-to-moderate income (LMI) taxpayer at least \$250 is a modest one. Based on that estimate, **the Program has thus far saved 47,887 LMI residents more than \$9.7 Million in tax preparation fees.**

Free tax preparation also helps people claim valuable tax credits to which they are entitled without reduction of benefits due to tax preparation fees. One of the most important tax credits is the earned income tax credit (EITC). According to the IRS, in 2018, 94,000 Hawaii taxpayers claimed the EITC. The average amount of EITC received by each claimant was \$2,187. This resulted in **\$206 Million of NEW federal funds being infused into the local economy.**

<u>STATE:</u>	<u># of Claimants</u>	<u>Aggregate</u>	<u>Avg EITC</u>
HI	94K	\$206 M	\$2,187

Source: IRS Statistics for 2017 Tax Returns with EITC

However, also according to the IRS and the Government Accountability Office (GAO), between 15% and 25% of households who are entitled to the EITC fail to claim it. Therefore, **in Hawaii, approximately \$36.2 Million to \$68.5 Million of federal EITC funds were not claimed in 2018.** 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.

Furthermore, since taxpayers who qualify for free tax assistance and credits such as the EITC are low-to-moderate income, they typically use a substantial

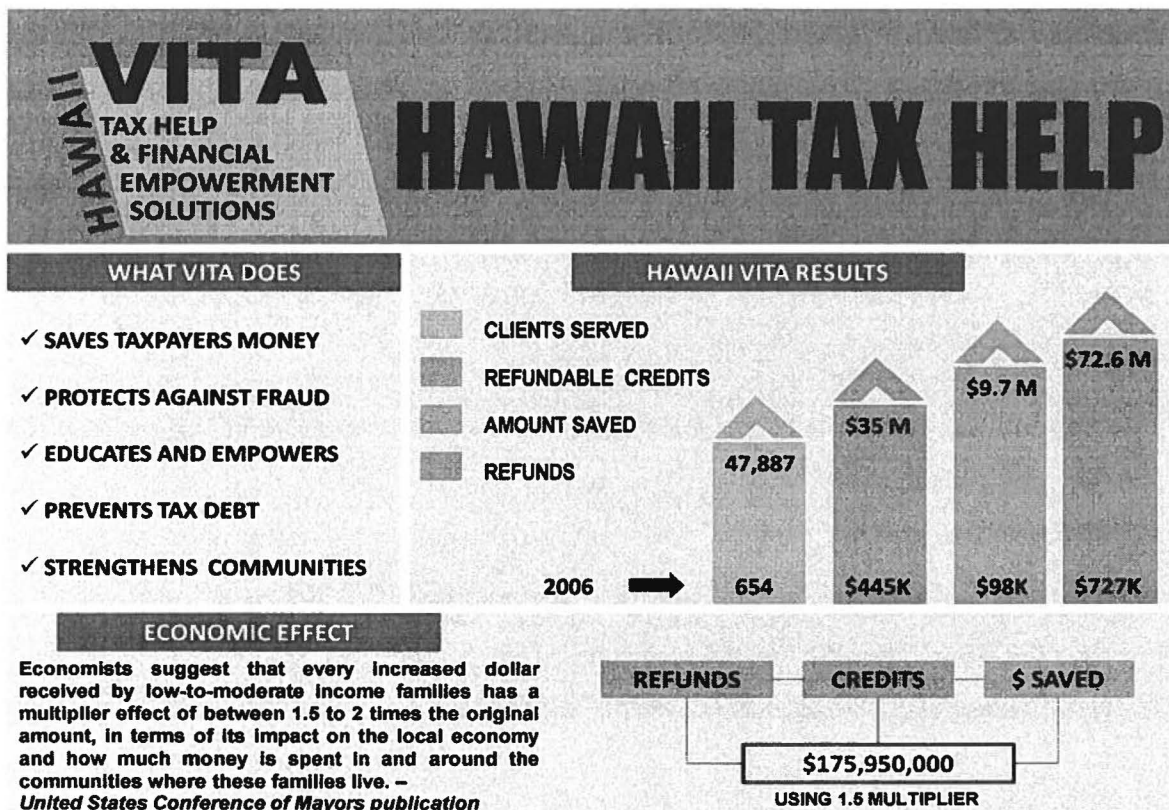
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portion of their refunds to purchase needed goods and services. **This benefits local businesses which results in benefits to the State** through an increase in general excise and income taxes and a reduction or at least a stabilization of the burden on welfare. 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."

Using the multiplier of 1.5, the Hawaii VITA Program has thus far had an economic impact on the local economy of \$175,950,000. 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. Below is a black-and-white version of an graphic posted on our website which shows the Program's growth, and therefore the demand and need, for its services, and the impact of savings, tax credits, and refunds on the local economy:



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(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, in 2016, after filing their returns, 47,510 HAWAII residents who earned LESS than \$50,000 owed the IRS \$58.75 MILLION.
- 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, many individuals who have an IRS debt also owe taxes to the State. According to the Hawaii Individual Income Tax Statistics Report for Tax Year 2016 prepared by the Department of Taxation in 2018, the amount due and owing by individual taxpayers earning less than \$50,000 was \$17,858,000.

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 may be 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 important part of our debt prevention education goals. This initiative recruits high school students and trains them to become certified volunteer tax

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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.

The "Learn Early. Live Smarter." initiative currently has 5 participating high schools on Oahu - Waipahu, Pearl City, Campbell, Kapolei, and Kalani. As of last tax season (2018), 262 high school students have trained and obtained certification as volunteer tax return preparers and volunteered at various tax sites where they prepared returns under supervision. Because of the many benefits that result 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: The Hawaii VITA Program operates under the Internal Revenue Service's VITA 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). For 2018, the EITC income limit is \$54,884 (applicable to a married couple with 3 or more children). However, since Hawaii has a higher cost of living than most States, the Hawaii VITA Program is offering its services to Hawaii residents earning up to \$59,000. For those earning above that limit but less than \$66,000, 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 H&R Block.

(b) Education Relating To Prevention Of Tax-Related Debt. The target population would be (1) trainers and participants of financial literacy programs and (2) the general public, particularly those who are considered low-to-moderate

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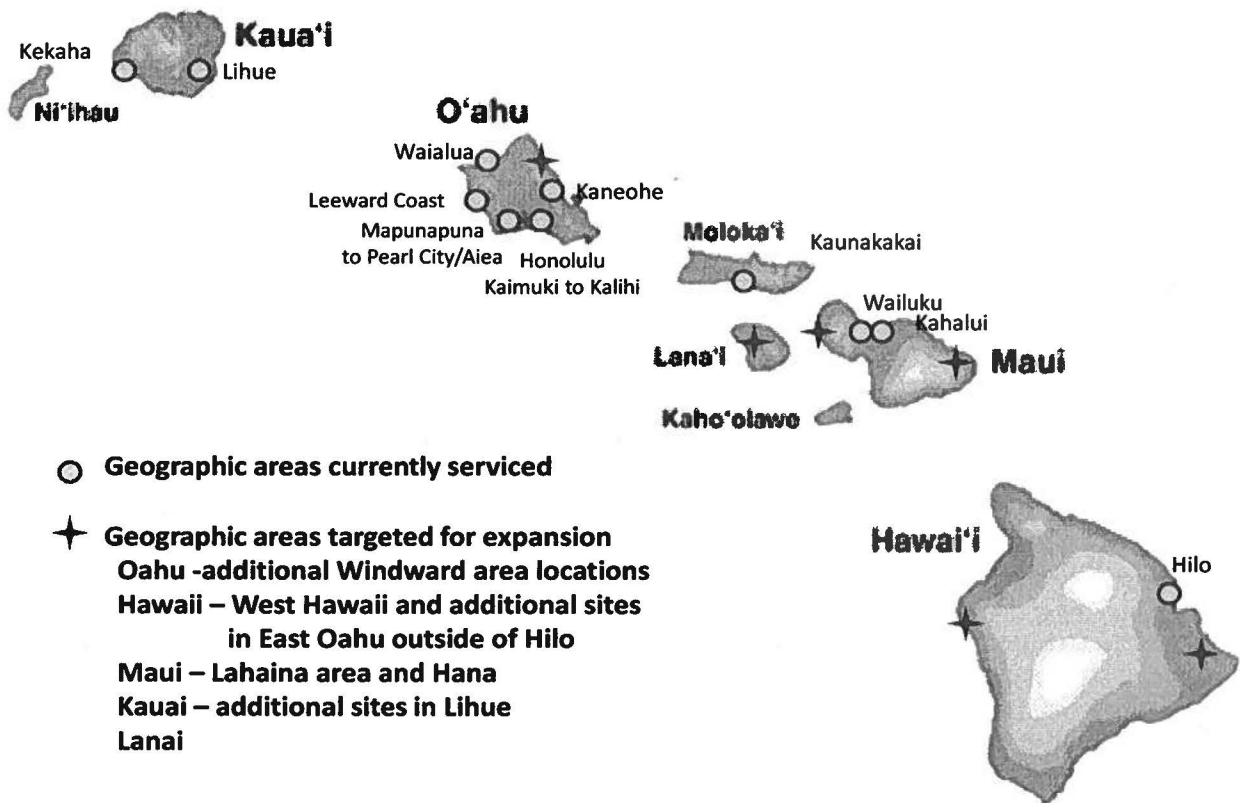
income, who will have free access to the information that we intend to publish and distribute through our partners as well as make available through our website at www.hawaiiataxhelp.org and other internet-based and social media venues such as Facebook, Twitter, Instagram, and possibly a private YouTube channel. The information to be provided will focus on tax law, changes in the tax law and issues that arise most often for those who are low-to-moderate income, warnings of scams and fraudulent offers that often arise during tax season and target the poor and elderly, and resources and procedures relating to resolution of existing tax debt.

(c) **"Learn Early. Live Smarter"** The target population would be high school juniors and seniors. Since none of the 5 participating high schools are located in the town area of Oahu where demand for services is high, we intend to target at least one high school in the area between Kaimuki and Kalihi as well as one high school on 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. Other than Oahu, the island that consistently has the greatest demand for our services is Hawaii Island.

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 demand for services on all islands, particularly Hawaii Island, is high and additional sites are needed. However, additional funds are required to enable us to expand our services to meet the demand and need, particularly in the rural and/or remote areas of the State. The map below shows where we intend to expand if grant funds are provided:

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(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 offered. However, informational material will be distributed through our partners who are located throughout the State of Hawaii and the general public will be able to access the information that will appear on our website - www.hawaiitaxhelp.org - and on any other internet and social media venues that we establish.

(c) "Learn Early. Live Smarter"

The geographic coverage is also intended to be Statewide eventually. However, for the purposes of this grant, we intend to target Oahu High Schools in the town area of Oahu between Kaimuki and Kalihi since the high schools currently participating are all located in Central Oahu with the exception of Kalani High School.

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We also intend to recruit one high school on Hawaii Island since the demand for services there is high. How quickly we can expand this initiative will depend on the responsiveness and cooperation of educators and the target schools and on the availability of funds,

III. Service Summary and Outcomes

1. Scope of work, tasks, responsibilities

(a) The Free Tax Assistance Program:

The Applicant serves as the primary coordinator of all tax return preparation sites of the Hawaii VITA Program, most of which are operated by other non-profits and organizations that are partners of Program. The Applicant continually seeks new community partners and volunteers through:

- Organizations such as the Hawaii Credit Union League which has resulted in the participation of several credit unions - Hawaii FCU, HawaiiUSA FCU, Waialua FCU, Hickam FCU, Valley Isle Community FCU, Aloha Pacific FCU, Maui FCU, and Maui County FCU.
- Other non-profits and governmental agencies that provide services to low income Hawaii residents, such as Alu Like, Inc. which operates 8 VITA sites during the season, and the Hawaii County Housing Department which provides a location for tax preparation in Hilo and assists with outreach to its clients and other agencies.
- Educational institutions such as Leeward Community College which provides training to volunteers and now operates one of the largest single sites in the Hawaii VITA Program and Chaminade Community College which also offers training for volunteers, some of whom are recruited from its student body, and a location for a VITA site.

As the primary coordinator for all sites, the Applicant:

- a. Arranges for and coordinates the training of site coordinators and volunteers.
- b. Recruits new volunteers through a marketing campaign that utilizes (depending on available funds) print and internet ads and public service

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announcements on radio and television and coordinates the placement of these volunteers.

c. Acts as a liaison between the organizations participating in the Hawaii VITA Program and IRS representatives with respect to assuring that all required paperwork is completed and timely submitted and that the organizations' sites are approved to process returns

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

e. 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.

f. Advertises all sites through a marketing campaign which includes (depending on available funds) print ads, social media posts, radio ads, and distribution of flyers through agencies such as the Honolulu County Housing Department, the Hawaii County Housing Department, and the Department of Human Services.

h. Provides mentors for new site coordinators and 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.

The Applicant's ability to provide all of the foregoing services makes participating in the Hawaii VITA Program more attractive to organizations who realize the value of the service but find it overwhelming to deal with all aspects of recruiting, advertising, training, and dealing with the IRS. This support system is the primary reason that Applicant has been able to expand the Hawaii VITA Program from 4 sites and 32 volunteers in 2006 to 53 sites and clinics staffed by 230 volunteers during Tax Season 2018. However, budget limitations have prevented more rapid expansion, especially on the neighbor islands since that requires additional air travel and additional trainers.

(b) Education Relating Prevention of Tax Debt.

The scope of the work will require:

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- Developing additional content for and improving Applicant's existing website to facilitate ease of use.
- Hiring a subcontractor to update Applicant's existing social media sites, establish new social media accounts, launch a campaign on social media to develop a social media presence for Applicant
- Designing and publishing certain printed materials for distribution to Hawaii VITA clients and clients of selected organizations that provide services to low-to-moderate income Hawaii residents.
- Developing a Speakers' Bureau comprised of experienced VITA trainers and site coordinators as well as tax instructors who can give presentations to community groups and organizations that are involved in financial literacy efforts or entrepreneurship since the self-employed often find themselves in financial trouble because they are unaware of applicable tax laws or their tax responsibilities.
- Conducting workshops for financial literacy providers to encourage them to incorporate vital tax information into their curricula and provide them with guidance and assistance to accomplish that goal.

(c) "Learn Early. Live Smarter." initiative

The scope of the work will require presentations to educators from various schools to provide them with information about the Hawaii VITA Program, how they and their students can get involved, and how students will benefit from that involvement. If an educator agrees to get involved, the Applicant would provide:

- Training for the educator
- All necessary training materials free of charge
- Assistance in presenting the materials to the students
- Guidance in helping students get certified
- Sites where students could participate under supervision
- Feedback from site coordinators regarding student performance

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

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July through August.

- Follow up meetings with potential new partners who have expressed an interest in sponsoring a VITA free tax preparation site and with educators who have expressed an interest in having their students participate in the Hawaii VITA Program.
- Confirm return of partners who participated in the Hawaii VITA Program during the previous tax season
- Conduct seminars/workshops for financial literacy providers to encourage them to incorporate vital tax information into their curricula and provide them with guidance and assistance to accomplish that goal.
- Recruit speakers for Speakers' Bureau and schedule presentations to community groups and organizations that are involved in financial literacy efforts or entrepreneurship.
- Develop additional content for Applicant's existing website.
- Hire and work with subcontractor to update Applicant's existing social media sites and establish new social media accounts for the purpose of creating a strong social media presence for Applicant and awareness of Applicant's services.
- Designing and publishing certain printed materials for distribution to Hawaii VITA clients and clients of selected organizations that provide services to low-to-moderate income Hawaii residents regarding basic tax concepts and important resources

September through October

- Prepare and submit necessary paperwork to the IRS establishing new tax sites and re-establishing tax sites from the previous tax season
- Recruit new VITA volunteers through a marketing campaign that utilizes (depending on available funds) print and internet ads, social media posts, distribution of flyers to various organizations and agencies, and public service announcements on radio and television
- Continue working with educators who will be training high school students-assist them in planning training schedule. **Training cannot commence until training materials with current tax law are received from the IRS.**

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- Continue presentations to community groups and organizations that are involved in financial literacy efforts or entrepreneurship.
- Continue working with financial literacy providers

Late October through December.

- Establish schedule for live training sessions for VITA volunteers at Leeward Community College and Chaminade University
- Conduct training sessions for selected partners
- Advertise all sites through a marketing campaign which includes (depending on available funds) print ads, social media posts, radio ads, and distribution of flyers through agencies such as the Honolulu County Housing Department, the Hawaii County Housing Department, and the Department of Human Services.
- Provides mentors for new site coordinators and volunteers to make their participation easier and more enjoyable.
- Continue working with educators who will commence training their students in January.
- Continue updating of content on website and social media as new tax information from the IRS becomes available.

January.

- Live training sessions are held for regular and student volunteers.
- Advertising of sites and VITA services continues
- Some sites begin opening during late January.
- Start collecting data from financial literacy trainers who agreed to incorporate tax information into the curricula for their programs.
- 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.
- Coordinate volunteer placement as volunteers begin obtaining their certification.
- Arrange for travel of selected volunteers and site coordinators to neighbor islands to oversee site operations and prepare returns

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February through April.

- Placement of student volunteers
- Sites begin operating according to their own schedules.
- Process returns and resolve all rejected returns
- Collect surveys with demographic information
- Collect information from financial literacy providers
- Collect feedback from sites where student volunteers worked
- Collect volunteer lists from all sites to calculate total number of participating volunteers

April through June.

- Compile demographic information from surveys
- Obtain feedback from students regarding their experience as tax return preparers
- Generate reports from TaxSlayer tax preparation software regarding site production, including amount of returns processed, refunds obtained, tax credits received, and other relevant information
- Prepare report on Tax Season 2019 for VITA Grant Office
- Prepare all other required reports and distribute to partners and other interested organizations
- Update website and social media accounts.
- Continue preparing late returns for Hawaii residents at selected sites

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.

- All VITA sites are required to be registered with the IRS and receive unique Identification numbers for electronic filing (EFIN) and for their sites (SIDN). These identification numbers enable the Applicant to determine the overall production of each site and extract reports that indicate total number of completed returns, rejected returns, total refunds, and types and amounts of tax credits claimed by taxpayers.

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- Each VITA site is also required to have a site coordinator who is responsible for assuring that each return prepared is quality reviewed by another volunteer with Advanced Certification to insure accurate preparation, that all tax returns are properly submitted to the IRS, all rejected returns are properly handled, and that the site adheres to VITA procedural and privacy rules.
- All Volunteers, whether or not preparing returns, are required to pass a Volunteer Standards of Conduct Exam (ethics). Volunteer tax return preparers, including all high school students, are required to train and pass an online certification exam. Each volunteer must print out their Volunteer Agreement showing the level of their certification and submit the same to the Site Coordinator where they will be volunteering. Volunteers cannot get access to the tax preparation software until they present their Volunteer Agreements to the Site Coordinator. The Site Coordinators must submit a list of all volunteers working at their sites to the IRS and to the Applicant. 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.

(b) Education Related to Prevention of Tax Debt

- **Speakers and Trainers** All speakers and trainers who give presentations to community groups and organizations will be experienced VITA trainers and/or site coordinators familiar with the Hawaii VITA Program and tax law. Attendance will be tracked through sign in sheets and attendees will be asked to submit feedback that will help to improve future presentations.
- **Website and printed materials** Content for Applicant's website, social media accounts, and for printed materials will be developed by the President of Applicant and experienced VITA trainers, including two who are professors of accounting. Distribution of printed materials will be tracked by the organizations receiving the same for their low-to-moderate income clients. The Applicant's website and social media platforms are able to track visitors to the site and visitors are able to contact the Applicant with questions or comments.

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- **Workshops for financial literacy providers** All individuals who will be conducting workshops for financial literacy providers will be experienced VITA trainers and/or site coordinators who are also familiar with financial literacy programs. The number of individuals who subsequently receive training from a participating financial literacy provider will be tracked by the provider through attendance and completion records. Attendees and providers will be asked for feedback.
- **"Learn Early. Live Smarter."** Educators trained by a VITA trainer who is an accounting professor will train their students and collect from their students feedback regarding their experience volunteering for VITA.
- **Social media presence and awareness campaign.** If awarded grant funds, Applicant intends to hire a subcontractor who has expertise in various social media platforms and can develop and execute a plan that will result in a strong presence of Applicant on social media platforms. Activity on social media sites are tracked by the sites.

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

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All of the above data will be obtained from reports generated by the TaxSlayer software that the IRS requires VITA sites to use. However, due to IRS' privacy regulations, no personal data of taxpayers can be shared with anyone.

The Applicant also creates and provides a survey intended to collect demographic data from all VITA clients, the results of which are manually compiled. That survey, which is voluntary, has in the past collected the following type of data:

Ethnicity

Marital Status

No. of children

Gender

Age

Housing situation

Sources of income (work, unemployment, self-employment, social security, etc.)

Credit card situation

Whether they have ever used a payday lender or pawn shop

Whether client or member of family is disabled

Whether client has a bank account

Whether client expects a refund

Whether client will direct deposit their refund

What client intends to do with the refund

(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.

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For social media and website:

- Number of unique visitors to each social media site
- Number of people who "click thru" to Applicant's website from other platforms
- Number of people who request information and why
- Number of 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
- Number of students who complete the required 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

IV. Financial

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

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$30,000	\$30,000	\$20,000	\$15,000	\$95,000

3. **Sources of funding being sought for FY 2020**

2020 would be the second year of a 2-year VITA grant already awarded.
Amount is not guaranteed but expected to be the same as year 1 which was \$49,941.
No other sources of funding sought for 2020.

4. **State and federal tax credits granted within prior 3 years:**
NONE

Applicant: Hawaii Tax Help and Financial Empowerment Solutions aka Hawaii VITA

5. Listing of all government contracts and grants received in last 3 years and will be receiving in fiscal year 2020 for program funding

Applicant has only received the IRS VITA Grant in the last 3 years.

2017 - \$52,300

2018 - \$52,300

2019 - \$49,941

2020 - This would be the second year of a 2-year grant. Amount is not guaranteed but expected to be the same as year 1 which was \$49,941

6. Balance of unrestricted current assets as of December 31, 2018.

\$10,941.50

V. EXPERIENCE AND CAPABILITY

1. Necessary Skills and Experience.

The President and CEO of Applicant has been in charge of the Hawaii VITA Program and has provided leadership and oversight of the Program since it began in 2006 at Aloha United Way. 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 President 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 President is also a trainer and this year has conducted trainings at HawaiiUSA Federal Credit Union, Honolulu Community Action Program, Bank of Hawaii, and will also be training law students at the William S. Richardson School of Law. By working in the "field" and training volunteers, the President has been able to develop a good relationship with volunteer preparers and site coordinators. The President believes this to be the primary reason that the return rate for volunteers has been consistently high and the volunteer pool has been growing.

Applicant: Hawaii Tax Help and Financial Empowerment Solutions aka Hawaii VITA

Related contracts or projects for the last 3 years:

1. The Hawaii VITA 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 2012 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, 262 high school students have achieved certification as Volunteer Tax Return Preparers. The President works directly with the primary trainer who originally taught at Waipahu High School and now teaches at Leeward Community College, and who is himself a certified volunteer. The President also supervises the student volunteers from Kalani High School when they work at the HawaiiUSA Federal Credit Union site. The primary trainer has already agreed to work with the President to expand the "Learn Early. Live Smarter." initiative to other schools in the State.

2. 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, tax preparation site facilities are provided by Hawaii County. The training of high school students would take place on school grounds. The only additional facility that will be needed would be a large room for the train-the-trainer workshops relating to the tax-related debt prevention education. Applicant does not believe that it would have any problem securing such a facility although, unlike all other facilities, this particular room will most likely incur rental costs for the Program.

VI. PERSONNEL: Project Organization and Staffing

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

The Hawaii VITA Program is unique in that it is primarily volunteer driven. Volunteers provide the tax preparation services to the clients. The two trainers of tax

Applicant: Hawaii Tax Help and Financial Empowerment Solutions aka Hawaii VITA

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. Many partnering organizations have been willing to permit the use of their equipment and provided site coordinators from among their own employees. The President/CEO has been the only full-time paid position and has been overseeing all VITA operations. The President's qualifications are discussed in Paragraph V.A. above.

However, to achieve the Applicant's goals of expanding free tax assistance services to the more remote and rural areas of the State and to provide education to Hawaii residents, including students participating in the "Learn Early. Live Smarter." initiative, that will help them to avoid tax-related debt, additional staffing is required.

Neighbor Island Coordinators: Subcontracted position - Neighbor Island Coordinators will be experienced VITA volunteers who have already coordinated a VITA site. The purpose of these coordinators would be to identify the geographical areas in their own counties that would benefit the most from VITA services, contact potential partners located within their own county who would be willing to sponsor a VITA site and/or assist with recruitment of volunteers, coordinate volunteer recruitment and arrange for training of those volunteers. Neighbor Island Coordinators would report directly to the President of Applicant.

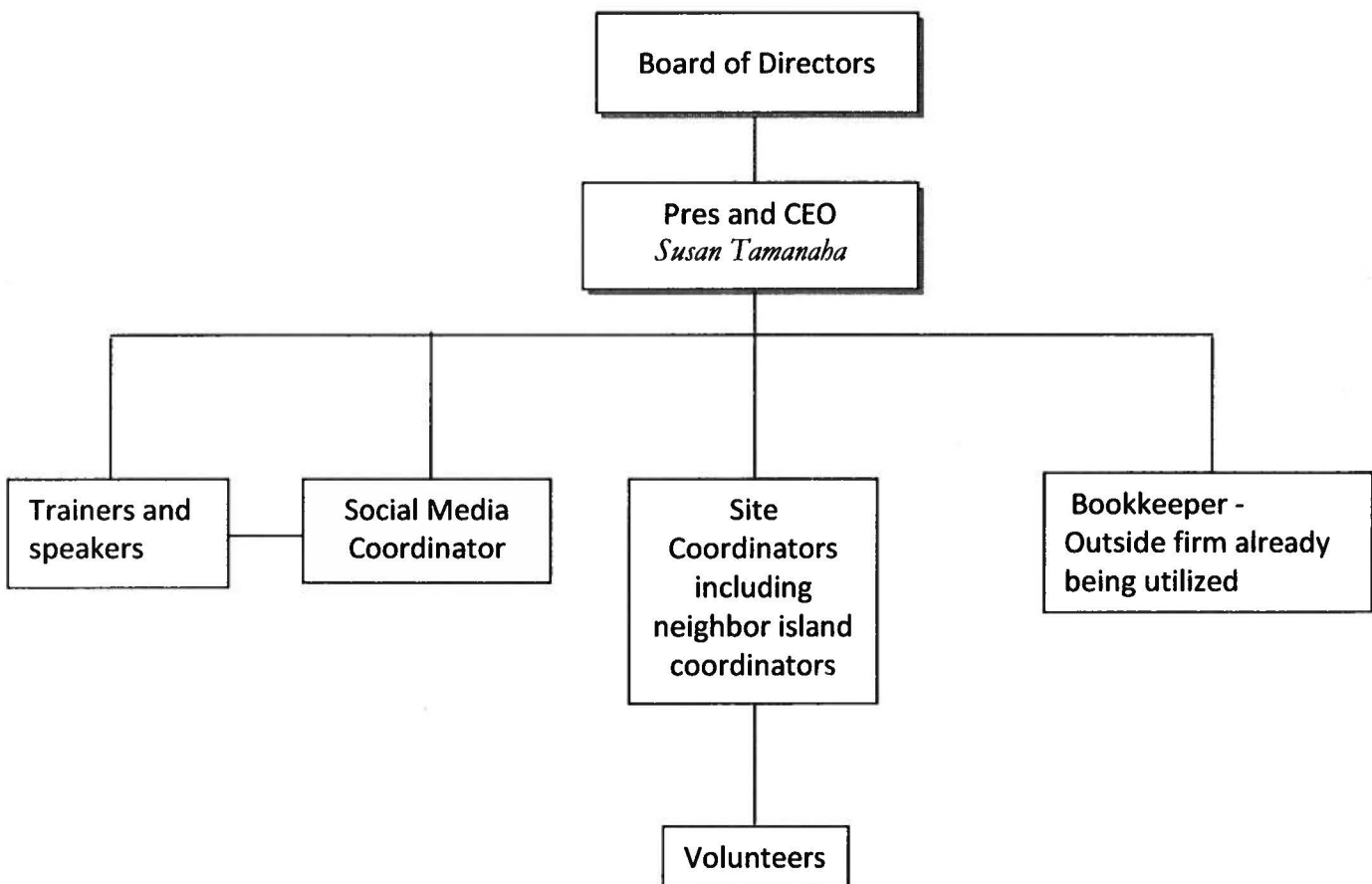
Speakers/Presenters: Stipend - These individuals will be experienced VITA volunteers who are familiar with the Hawaii VITA Program, its goals and objectives, and the basic tax concepts that low-to-moderate income individuals should be aware of in order to avoid financial mistakes that could result in tax debt. Their presentations would be coordinated with the President and/or participating partner organizations.

Social Media Coordinator - Subcontracted position - This person would be an experienced VITA volunteer who is proficient in navigating various social media venues and has the ability to and experience in launching social media campaigns. This person would work directly with the President of Applicant and with the Speakers and Presenters to do outreach for upcoming workshops and speaking events.

Applicant: Hawaii Tax Help and Financial Empowerment Solutions aka Hawaii VITA

Trainers: Stipend - Trainers of the educators participating in the "Learn Early. Live Smarter." initiative and the trainers of the financial literacy providers will be experienced VITA volunteers who have previously conducted training sessions. Training schedules and content of training will be decided by agreement between the President and the trainers.

2. Organization Chart



Applicant: Hawaii Tax Help and Financial Empowerment Solutions aka Hawaii VITA

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

President and CEO : \$40,000

No other paid officers, directors, or employees of Applicant

VII. OTHER

1. Litigation

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

2. Licensure or Accreditation of Applicant

Applicant's Hawaii VITA Program was selected for the first VITA grant offered by the IRS in 2009 and has received that competitive grant every year since then.

3. Private Educational Institutions

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

4. Future Sustainability Plan

As previously noted, the Hawaii VITA Program has received an IRS VITA every year since 2009. Inasmuch as the Hawaii VITA Program is the largest free tax assistance effort in the State and it has been able to consistently deliver the outcomes set by IRS, we believe that Applicant 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 \$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 unless and until the nationwide VITA program receives additional funding.

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. Further, since the Applicant received its 501(C)(3) tax exempt status in May of 2018, it can now apply and it intends to apply for other grants that may be available.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2019 to June 30, 2020

App Hawaii Tax Help and Financial Empowerment Solutions (Hawaii VITA)

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	27,143	27,143		
2. Payroll Taxes & Assessments	2,714	2,714		
3. Fringe Benefits	2,143	2,143		
TOTAL PERSONNEL COST	32,000	32,000		
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	11,000	7,600		
2. Insurance	1,500	341		
3. Lease/Rental of Equipment				
4. Lease/Rental of Space	3,000	500		
5. Staff Training		500		
6. Supplies	3,500	1,000		
7. Telecommunication	1,500			
8. Utilities				
9. Subsistence/Per Diem	7,500	1,000		
10. Program Activities	15,000	3,500		
11. Contractual Services	18,000	3,500		
12. Mileage and Parking	800			
13. Postage/Mailing	1,200			
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	63,000	17,941		
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	95,000	49,941		
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	95,000	Susan Tamanaha (808)381-0881		
(b) Total Federal Funds Requested	49,941	Name (Please type or print) Phone		
(c) Total County Funds Requested	0	<i>Susan Tamanaha</i> 1/18/2019		
(d) Total Private/Other Funds Requested	0	Signature of Authorized Official Date		
TOTAL BUDGET	144,941	President and CEO Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2019 to June 30, 2020

Applicant: Hawaii Tax Help and Financial Empowerment S

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
				\$ -
PRESIDENT / CEO	1	\$54,285.00	50.00%	\$ 27,142.50
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				27,142.50
JUSTIFICATION/COMMENTS:				
Remaining salary being paid from VITA Grant funds				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2019 to June 30, 2020

Applicant: Hawaii Tax Help and Financial Empowe

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
NONE			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
NONE			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2019 to June 30, 2020

Applicant: Hawaii Tax Help and Financial Empc

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2017-2018	FY: 2018-2019	FY:2019-2020	FY:2019-2020	FY:2020-2021	FY:2021-2022
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:	NONE					
JUSTIFICATION/COMMENTS:						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Hawaii Tax Help and Financial Empowerment Solutions (Hawaii VITA)

Contracts Total:

99,882

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1					
2	IRS VITA GRANT - Year 1	7/1/2019 - 6/30/2020	Internal Revenue Service	U.S.	49,941
3	not yet released due to government shutdown				
4					
5	IRS VITA GRANT - Year 2	7/1/2020 - 6/30/2021	Internal Revenue Service	US	49,941
6					Amount expected but not guaranteed
7					
8					
9					
10					
11					
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