



Low Income
Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

2023 LITC Application Updates and Q&A

Agenda

- Updates for 2023 Publication 3319
- How to Avoid the Most Common Errors in completing and submitting a full application
- Resources

Presenters

- Bill Beard, Senior Program Analyst
- Joceline Champagne, Technical Advisor
- Jean Shee, Budget Analyst

Updates

- For the word advocacy, the following statement was added (see bold text): Advocacy may also include responding to public requests for comments to IRS regulations or procedures and filing amicus briefs in cases addressing issues that directly impact low-income and English as a second language (ESL) taxpayers. (Page 6)
- In the Key Terms and Definitions section, the definition of the word cases was clarified with the following statement: If a taxpayer stops communicating with the clinic after a plan for representation has been developed, the clinic may still count that matter as a case. (Page 6)
- In the Compliance with Federal Tax and Nontax Requirements Federal Tax Debts section, the following statement was added: If you are working with someone at the IRS to resolve an outstanding federal tax issue, please provide their name, office in which they work, and phone number when you complete Standard Form 424, question #20. (Page 13)

Updates cont.

- New guidance has been issued to assist with completing Form 13424-M, LITC Application Narrative, and can be found online at www.taxpayeradvocate.irs.gov/about-us/litc-grants/. (Page 17)
- Refreshments for employees are unallowable with no exception due to workload. See 2 CFR § 200.445. (Page 23)
- In the Special Rule for Valuing Volunteer Services of a Qualified Representative section, for the 2022 calendar year the maximum rate is \$220 per hour, as prescribed in Revenue Procedure 2021-45, 2021-48 Internal Revenue Bulletin (IRB) 764, unless the representative can establish that a special factor, as described in IRC § 7430(c)(1)(B)(iii), applies. (Page 30)
- In accordance with Tax Court Rule 201(a), Tax Court Administrative Order No. 2020-03 and American Bar Association (ABA) Model Rule 1.2(c), an individual admitted to practice and in good standing with the U.S. Tax Court may file a limited appearance for a date or dates during a scheduled Trial Session. (Page 58)

Updates cont.

- The Delegation Order, which authorizes the Director of the LITC Program to issue Special Appearance Authorizations for Students and Law Graduates, expands the definition of qualified law graduate so more individuals can assist low-income taxpayers. (Page 59)
- LITCs may apply for a special appearance authorization using Form 13424-P, Application for Special Appearance Authorization, and Form 13424-Q, LITC or STCP Student and Law Graduate Information. These forms were new in 2021. For detailed instructions and copies of these forms, please refer to the LITC Toolkit website. (Page 59)
- Starting in the fall of 2022, LITC goals will be reported to USASpending.gov, a website that allows the public to review federal expenditures and increases transparency. (Page 65)
- The list of acronyms has been shortened to include only those related to Publication 3319 and federal grants management. (Page 182)

Updates cont.

- Organizations must provide a Unique Entity Identifier (UEI) with the LITC grant application. As of April 4, 2022, the UEI replaced the Data Universal Numbering System (DUNS) number, a nine-digit unique entity identifier that was provided by Dun & Bradstreet, Inc. The UEI is assigned and managed through the System for Award Management (SAM) at www.SAM.gov. Applicants will no longer have to go to a third-party website to obtain an identifier. For more information about the transition from DUNS to UEI, visit the U.S. General Services Administration (GSA) webpage at www.gsa.gov/aboutus/organization/federal-acquisition-service/office-of-systems-management/integrated-award-environment-iae/iae-systems-information-kit/unique-entity-identifier-update. (Page 20)

Avoiding Common Errors

- Standard Form 424
 - Legal name does not match the legal name in SAM (Item 8a).
 - The Employer Identification Number (EIN) provided does not match the EIN in SAM.gov (Item 8b).
 - Missing attachment listing counties covered (Item 14).
 - Missing attachment listing congressional districts covered (Item 16b).
 - Requesting a multiyear grant utilizing the wrong proposed project end date (Item 17b).
 - Requesting more than \$100,000 in grant funds (Item 18a).
 - Missing the amount(s) of matching funds to be provided (Items 18b-f).

Avoiding Common Errors cont.

- Form 13424-M
 - Applicants indicate a single audit was “Qualified” when it was actually “Unqualified” and the correct selection on the form is “Unmodified.”
 - No responses or incomplete responses are provided to the civil rights review; in particular, the response to question D should address both the needs of individuals with limited English proficiency (LEP) and those who may need a reasonable accommodation in order to access services. “Not Applicable” is not an appropriate response because the questions apply to all organizations.

Avoiding Common Errors cont.

- Form 13424-J
 - No full-time equivalent (FTE) is provided for staff on Form 13424-J, Detailed Budget Worksheet and Narrative Explanations, or applicants fail to state how many hours per week is considered full-time. The Personnel section of the Detailed Budget Narrative Explanations should start with a statement defining how many hours constitute a work week; for example, “ABC clinic computes 1.0 FTE on a 40-hour work week (2,080 hours per year)”
 - There is no breakdown of travel and training expenses into categories such as lodging, transportation, and meals and incidentals

Avoiding Common Errors cont.

Employer Identification Number and System for Award Management Registration

- Applicants fail to apply early enough to the IRS to receive an EIN, which is needed to complete the SAM registration process. SAM registration is a multi-step process that can take four to six weeks to complete.

Avoiding Common Errors cont.

- Attachments
 - The Indirect Cost Rate Agreement (ICRA) submitted by applicants is incomplete or expired. To determine whether the ICRA is properly applied, the LITC Program Office must know what costs were included in the Modified Direct Costs. If the ICRA is expired, the applicant should provide an explanation including whether an extension was requested and, if so, the date it was requested.
 - The tax-exempt determination letter (if applicable) is not provided
 - The letter of accreditation, for academic institutions, is not provided
 - An incomplete copy of the single audit is submitted or the copy is missing (and it is unavailable on the Federal Audit Clearinghouse (FAC) website).
 - The Tax Compliance Officer documentation is not attached or is insufficient

Application Resources

- 2023 Publication 3319, Low Income Taxpayer Clinics (LITC) Grant Application Package and Guidelines
- 2 CFR Parts 200 and 1000, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- Internal Revenue Code Section 7526
- Power point From Full Application Webinar
- Application period is May 2, 2022- June 16, 2022

LITC Program Office Contacts

Questions about LITC rules:

- [Joceline Champagne](#), Technical Advisor

Questions about Application Process or working within GrantSolutions:

- [Bill Beard](#), Senior Program Analyst

Questions about Tax Compliance Officer Designation/Requirements:

- [Alayka Davis](#), Operations Manager

Unsure whom to contact? Email our [general email box](#) and it will be routed to the correct person.

Questions?

