

## Reminders and Tips for Completing Form 13424-M, Low Income Taxpayer Clinic (LITC) Application Narrative

**\*updated May 2023\***

The 13424-M, LITC Application Narrative is used to report background information about the applicant, details about the Program Performance Plan, and information for a Civil Rights Review. The Program Office uses the information reported on this form to determine applicant eligibility. The information collected with this form will be closely evaluated when reviewing and scoring the grant application. Please answer the questions carefully and report all information completely and accurately. A response must be provided for each field. This guidance is meant to supplement instructions already provided on the form.

When applying for a grant as an English as a Second Language (ESL) taxpayer education pilot program (“pilot program”), also take note of the text in blue font as it denotes whether different information, additional information, or no response is required.

The LITC Application Narrative form is divided into three sections:

1. Background Information,
2. Program Performance Plan, and
3. Civil Rights Review.

Each section is further divided into subsections. The numbering for each subsection below corresponds with the numbering in the text of the form. It is important to read all introductory statements to a section or subsection, as these provide additional context and should be considered when the applicant formulates their response. The Program Office uses the information provided to determine whether the applicant has sufficient experience and qualifications, as well as a solid plan to execute a high-quality program for which the funding is requested. The information collected with this form will be closely evaluated when reviewing and scoring the grant application.

**TIP:** When addressing experience or qualifications of an individual or the organization, be sure to include key details such as the length of experience and relevant education or training, including degrees, certifications, or targeted continuing education that will help quantify the level of experience, qualifications, or areas of expertise.

### Background Information

#### I. Experience

**A. Pilot Program:** When responding about the applicant’s experience delivering services, focus on experience educating ESL taxpayers, including the languages served and number of individuals reached.

**B.** Include only organizations with whom the clinic has or will have a formal or legal relationship, such as situations where the clinic will be housed within a larger organization (as a project or unit of that organization) or situations where a formal Memorandum of Understanding exists with another organization that will support service delivery of the clinic.

D. Pilot Program: Special consideration will be given to established organizations with existing community partnerships that can swiftly implement and deliver education services to ESL taxpayers. As such, it is important to highlight existing partnerships that will assist the applicant in reaching the ESL communities identified in I.A.

## II. Financial Responsibility

A1. When describing accounting procedures and accounting support staff, ensure that the applicant incorporates the factors discussed under A. The response should include an overview of major accounting procedures, whether they are written, what accounting system/product is used, and whether the organization or staff has experience managing federal funds. The discussion of accounting support staff should include the separation of duties, who provides supervision, and the relevant qualifications and experience of the accounting support staff.

A2. Include in the response how staff will determine what is and what is not a qualifying expenditure and how identified expenditures will be tracked and reported.

A2.ii. If an applicant also provides VITA/TCE services, describe the methodology for allocating expenditures to the correct source of funding so that each program pays only its proportionate share.

A3. As a part of applicant's response, discuss whether internal and external audits are conducted. Note how often audits are performed. If an organization is audited by an external party, explain how the auditor is selected. Provide a brief overview of internal controls not already addressed under A1 or A2.

## Program Performance Plan

### I. Program Staff

A1 & A2. When discussing qualifications for the staff member who will fill this position, include information about their experience fulfilling this or similar roles and performing similar responsibilities. Publication 3319 includes a description of these roles under *Standards for Operating a Low-Income Taxpayer Clinic (LITC)*. If the position is vacant at the time an application is submitted, detail what qualifications a successful candidate for the position will be expected to demonstrate. If one person will fill both roles, separate out which experiences and qualifications make them qualified to fulfill the role being discussed. Do not repeat the same information in both responses.

Pilot Program: Applicants are encouraged but not required to have a Qualified Tax Expert (QTE) on staff. When using a volunteer to fill this role, that individual's name and qualifications must be provided. At a minimum, the volunteer QTE must be willing to review all educational materials for accuracy before distribution and assist in responding to follow-up questions posed by audience members at education events.

B. In discussing qualifications of other staff, include information about each individual's experience performing similar responsibilities.

C. If the clinic plans to utilize students to provide LITC services, remember to specify the number of students participating per semester and the type (*i.e.*, law students, graduate accounting students). Other helpful information to provide includes how many cases each student will be expected to handle, whether the students will assist with the delivery of other clinic services such

as education, and how they will assist (*e.g.*, drafting materials, scheduling sessions, presenting trainings), and how often (*i.e.*, the number of hours they will assist, the number of sessions they will present).

**TIP:** The use of students should also include a plan for how the students will be supervised. Include supervision plans in the response to C above.

Pilot Program: No response required for C1 & C2.

D & E. List qualifications and experience, including the extent of federal tax knowledge and whether more than one person is qualified to practice before the IRS or admitted to practice in the U.S. Tax Court. If a volunteer(s) will fulfill the role of representative admitted to practice in the U.S. Tax Court, please include information for that individual(s). For applicants requesting a grant for referring low-income taxpayers in a controversy with the IRS to qualified representatives instead of providing controversy representation directly to those taxpayers, include the qualifications of those representatives.

Pilot Program: No response required.

**TIP:** For new applicants highlight existing community partnerships that will help you to swiftly implement and deliver services to the target taxpayer communities.

F. Indicate the interval used to track time (*e.g.*, in tenths or quarters of an hour). Identify how time is tracked, for example, if time is coded by type of activity, such as case work, education, outreach, advocacy, or administrative time. Note who tracks, reviews, and approves time and how often.

## II. Taxpayer Services

A1. Note the organization's ability to provide services in languages other than English. Be sure to cite a source for demographic data (*e.g.*, U.S. Census [see, [Factfinder for the Nation \(census.gov\)](https://factfinder.census.gov/)], state statistics, local statistics, data gathered by the applicant).

A2. Include specific examples of the range of services provided by the clinic. Share any additional information, including the factors the clinic uses to determine what level and type of service to provide to a taxpayer.

A2.i & A2.ii. Indicate what financial information is gathered and how it is verified to determine income and balance due information. Describe what policies are in place to determine whether or when to make exceptions to acceptance criteria for taxpayers whose income exceeds 250% of poverty guidelines or whose amount in controversy is above \$50,000 for one tax year. Note how exceptions are tracked, who monitors them, and how often.

Pilot Program: No responses required for A2.i-iii & B.

C. A clinic that proposes to serve multiple states or jurisdictions (*i.e.*, District of Columbia, Puerto Rico) must conduct outreach and provide taxpayer education throughout its service area. Where the applicant will not have a physical location within each state or jurisdiction, the applicant will need to address its strategy for accomplishing this.

Pilot Program: When scoring the application, the LITC Program Office considers the number of taxpayers who will be assisted by the organization, including the number of ESL taxpayers in that geographic area. All points for this section are derived from A1 and C; therefore, it is important to give special attention in responses to these questions. Given the shortened timeline for delivery, be sure to demonstrate that the applicant has ESL education plans, including a timeline for when services will be provided, topics to be covered, and details about the review process for the training materials. Also, discuss how applicant will utilize existing community partnerships and engage with new community partners.

### III. Clinic Operations

A. Specify systems used to track services and the data that's tracked to help shape future service delivery. Note the case management system used and whether information is easily retrieved. Discuss how often information will be reviewed, how the information will be utilized, and the type of information to be tracked (*e.g.*, case status, notes, staff time, status, events, number of participants, topics, locations).

Pilot Program: Respond to this question as it relates to ESL education activities only.

B. Describe how the applicant plans to protect both paper and electronic documents, where case records will be kept, and who has access to them. Note whether paper and electronic records are protected (under lock and key or with passwords) and how passwords are safeguarded.

Pilot Program: No response needed unless the applicant anticipates receiving taxpayer data in the delivery of ESL education services.

C. Include information about the ESL population applicant will be serving and the languages into which the publicity materials will be translated. Note the methods used to identify taxpayers.

Pilot Program: Respond as it relates to the clinic's publicity plan and materials for ESL taxpayers only.

D. Notate whether services are accessible for taxpayers with challenging schedules (nights, weekends, transportation issues, etc.).

E. Provide what clinic services/activities the fees will cover, and the reasoning and methodology used in determining the fee.

### IV. Volunteers

A. In describing applicant's *pro bono* panel, provide details such as the number and types of qualified representatives (*i.e.*, attorneys, certified public accountants, and enrolled agents), as well as other qualifications (level of experience, education) the organization will seek in its volunteers. If an organization will accept less experienced volunteers, explain how the organization will ensure quality services are provided. For programs intending to refer all or a majority of cases to qualified representatives, applicant must describe how the clinic will handle requests for assistance from taxpayers from localities with an existing LITC. A referral based LITC should determine whether the LITC in the same locale will accept the case in-house before referring to a *pro bono* volunteer on its panel.

C. Describe how volunteer time will be tracked to differentiate between different activities, such as representation, consultation, and outreach.

Tip: Not all volunteer services are valued the same, therefore having a methodology for tracking types of volunteer services will ease tracking and reporting of in-kind match.

Pilot Program: Responses are required for A-C only if the applicant plans to utilize volunteers to help provide ESL education services.

## **v. Training and Resources**

A. Note how and the type of training to be provided to administrative staff about the guidelines in Publication 3319 and all legal requirements for maintaining a successful clinic.

B. Include details about continuing education opportunities provided for clinic staff and volunteers, such as the type of training, the sponsor, who is to be trained, and the expected benefit to the LITC.

## **vi. Program Monitoring, Evaluation, and Reporting**

A. Describe how success will be defined and measured and whether there are specific numerical and qualitative goals. Include in the description how both short-term and long-term goals were determined.

B. Share how applicant intends to utilize data collected from clients to measure and address client satisfaction. Demonstrate how results are used to improve the breadth and quality of services. Note who evaluates the data and how often.

## **vii. Program Numerical Goals**

A-D. Ensure the goals are realistic based upon the amount of funding requested, taking into consideration factors such as whether the organization is newly formed or is an existing organization or clinic, the applicant's experience providing similar services, the program plan proposed, and the resources provided (e.g., staffing and the use of volunteers). Given the six month project period for this funding opportunity, state applicant's goals for that period only and list them in the one year column.

In setting goals and reporting results, an LITC that refers a case may only report the case in its inventory if it continues to provide ongoing monitoring and support.

Pilot Program: Provide responses to C and D only as they relate to ESL taxpayers. Also, include a goal for B if there is a plan to provide consultation in connection with educational activities.

## **Civil Rights Review**

If an organization has not received complaints or undertaken any activities, indicate this in lieu of answering not applicable.

D. The response should address meeting the needs of individuals with limited English proficiency (LEP) and how services will be provided to those who may need a reasonable accommodation to access services. Responses to both parts of this question must be provided.