Volunteer Income Tax Assistance PART 1

Volunteering, Filing Basics, Screening & Interviewing

VITA

Volunteer Income Tax Assistance

What to expect in this training?

Part1: Volunteering, filing basics, screening and interview

Part 2: Starting a tax return, exemptions, and filing status

Part 3: Income

Part 4: Adjustments, standard vs. itemized deductions, and exemptions

Part 5: Credits, other taxes, and finishing the return

VITA Volunteer Positions

What does a VITA site need?
Volunteers and staff:
- Site coordinator
- Volunteer tax preparers

Other positions you may consider
- Greeters
- Language interpreters
- Quality reviewers
- Data input assistants

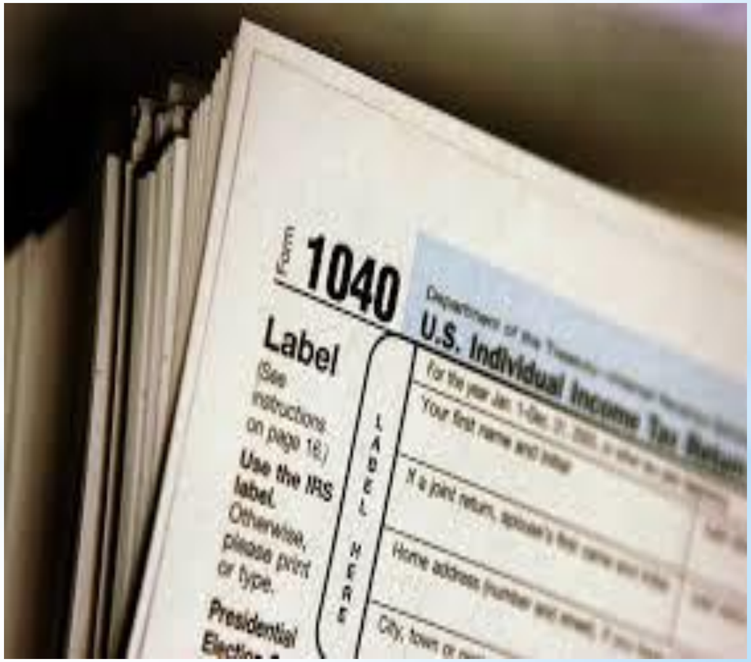
What will I learn as a tax preparer?

<u>On the Tax Return</u>

- Screening and Interviewing
- Filing Status
- Personal Exemptions
- Dependency Exemptions
- Types of Income
- Adjustments
- Standard & Itemized Deduction
- Child & Dependent Care Credit
- Child Tax Credit
- Education Credit
- Affordable Care Act- Premium Credit and Shared Responsibility Payment
- Miscellaneous Credits
- Other Taxes
- Earned Income Credit
- Refund & Amount of Tax Owed
- Quality Review of Tax Return

<u>What certification level do I need?</u>

- VITA Standards of Conduct
- Screening and Interviewing Training
- Basic Level or Advance Level



What returns are out of scope?

VITA does not assist returns for individuals:

- Who cannot substantiate their identity
- With missing or handwritten W-2s or 1099s
- Reporting Rental Income (military)
- Reporting certain Royalty Income (advance)
- Requiring certain business/Self-employment (advance)

that are non-residents as defined by the IRS (visitors like those with F, J, M, or Q visas & those who have not lived in US for ½ the year)

…. And any return your site is not willing to prepare, <u>please consult your site coordinator</u>

Volunteer Certification & Protections

Certification

- Attempt the Test/Retest (Publication 6744)
- Complete the test online: www.linklearncertification.com
- Two attempts to pass with 80% or higher
- Open note, open book, untimed, you can start the test and don’t need to complete at the same time.

Volunteer Protection

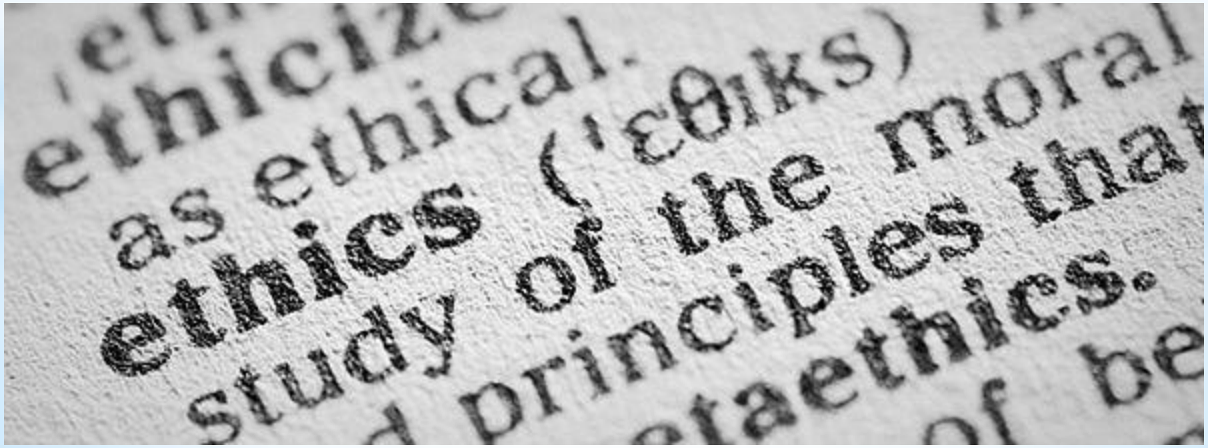
- Prepare returns and provide advice in the topics that you have been trained and certified in.
- Never ask for solicit donations or business.
- Never willfully prepare a return mistakes, with omitted or unsubstantiated information.

Define Unethical Behavior

In most cases, unethical behavior is acted upon with the intent to disregard the established laws, procedures, or set policies.

Not conforming to agreed standards of moral conduct, especially within a particular profession.

- Do not confuse an unethical action with a lack of knowledge or a simple mistake.



6 Volunteer Standards of Conduct

1. Follow the 10 Quality Site Requirements (QSR) – next slide.
2. Not accept payment or solicit donations for any return prepared.
3. Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any benefit.
4. Not knowingly prepare false returns.
5. Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.
6. Treat all taxpayers in a professional, courteous, and respectful manner.

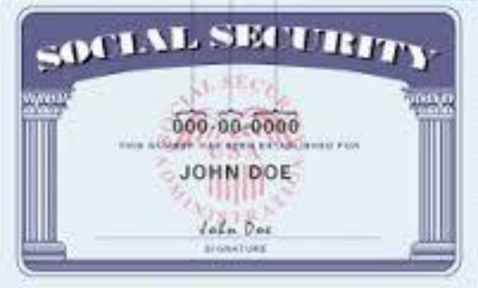
10 Quality Site Requirements

1. Certification: Code of Conduct for all volunteers, Quality reviewers certified in Advance level & Site Coordinators attend site coordinator training.
2. Use the Intake & Interview form (Pub 13614-C) and process.
3. Use the Quality Review form (Pub 13614-C) and process.
Reference materials (Publication 4012 & 17) are available to preparers.
4. Volunteer Agreements: All volunteers must submit a signed Volunteer
5. Standards of Conduct Agreement (form 13615).

6. Timely Filing with Signed E-file Authorization (8879 prints w/ tax return)
7. “Title VI: Your Civil Rights are Protected” sign is posted
8. Site Identification Number is on all returns (template on all tax returns)
9. Electronic Filing Identification Number is on all returns (template)
10. Privacy and Confidentiality
    - Volunteers to wear name badges
    - All tax payers must substantiate their identity & social security numbers
    - Do not use or share tax payer information or conversation details

We will review this one more time at the end of training

Interview Process - Before Starting the Return



- Introduce yourself and make small talk.
- Explain to them all the steps of the tax preparation process.
- Substantiate taxpayer identity, socials/ITIN, and all tax forms.
- Verify and confirm each question on the interview sheet.
- Let them know when a tax return does not fall into scope.
- Prepare the tax return. Ask for help, it's okay!
- Inform the client they are responsible for the tax return.
- Work to minimize errors or putting a tax client in a jeopardy of an e-file rejection, audit or owing money back to the IRS.

Your job is to provide a quality accurate return - not the largest refund.

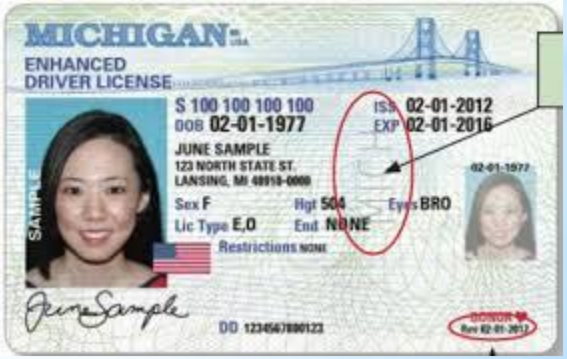
Before starting the return

Substantiate Identity
Both tax payers are present with:
Valid Government Issued ID

Social Security cards or Individual Tax Payer Identification Number (ITIN) cards/letter.

Letters from IRS, Social Security Statements (like 1099 SSA), and Medicare Cards with letter “A” adjacent to the Social Security Number.

Verify dependents
Taxpayer must bring Social Security card or ITIN and accurate birthdates for ALL dependents



Tips for a successful interview

You will need:
- Tax Information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for all persons on your tax return.
- Picture ID (such as valid driver's license) for you and your spouse.

- Please complete pages 1-2 of this form.
- You are responsible for the information on your return. Please provide complete and accurate information.
- If you have questions, please ask the IRS certified volunteer preparer.

Part I – Your Personal Information

1. Your first name	M.I.	Last name		Are you a U.S. citizen? ☐ Yes ☐ No
2. Your spouse's first name	M.I.	Last name		Is your spouse a U.S. citizen? ☐ Yes ☐ No
3. Mailing address	Apt #	City	State	ZIP code

4. Contact information — Telephone number(s) — Email address

5. Your Date of Birth	6. Your job title	7. Last year, were you: a. Full time student ☐ Yes ☐ No b. Totally and permanently disabled ☐ Yes ☐ No c. Legally blind ☐ Yes ☐ No
8. Your spouse's Date of Birth	9. Your spouse's job title	10. Last year, was your spouse: a. Full time student ☐ Yes ☐ No b. Totally and permanently disabled ☐ Yes ☐ No c. Legally blind ☐ Yes ☐ No

11. Can anyone claim you or your spouse on their tax return? ☐ Yes ☐ No ☐ Unsure

12. Have you or your spouse: a. Been a victim of identity theft? ☐ Yes ☐ No b. Adopted a child? ☐ Yes ☐ No

- Read the form out loud to the client, make corrections, and confirm all information
- Point to items and try to preserve confidentiality as much as possible

Before starting the return

Tips for a successful interview

Part II – Marital Status and Household Information

1. As of December 31 of last year, were you:
- ☐ Single
- ☐ Married — Did you live with your spouse during any part of the last six months of 2013? ☐ Yes ☐ No
- ☐ Divorced or Legally Separated — Date of final decree or separate maintenance agreement ______
- ☐ Widowed — Year of spouse's death ______

2. List the names below of:
- everyone who lived with you last year *(other than you or your spouse)*
- anyone you supported but did not live with you last year

If additional space is needed check here ☐ and list on page 4

Name *(first, last)* Do not enter your name or spouse's name below (a)	Date of Birth *(mm/dd/yy)* (b)	Relationship to you *(for example: son, daughter, parent, none, etc)* (c)	Number of months lived in your home last year (d)	US Citizen *(yes/no)* (e)	Resident of US, Canada, or Mexico last year *(yes/no)* (f)	Single or Married as of 12/31/13 *(S/M)* (g)	Full-time Student last year *(yes/no)* (h)	Totally and Permanently Disabled *(yes/no)* (i)	To be completed by a Certified Volunteer Preparer: Can this person be claimed by someone else as a dependent on their return? *(yes/no)*	Did this person provide more than 50% of their own support? *(yes/no)*	Did this person have less than $3900 of income? *(yes/no)*	Did the taxpayer(s) provide more than 50% of support for this person? *(yes/no)*	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? *(yes/no)*

Volunteers are trained to provide high quality service and uphold the highest ethical standards.

To report unethical behavior to the IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2013)

Majority of errors occur when dependent information is not confirmed.

Determine filing status after confirming all information in Part 2.

Tips for successful interview

Yes	No	Unsure	Check appropriate box for each question in each section
			Part III – Income – Last Year, Did You *(or Your Spouse)* Receive
☐	☐	☐	1. B) Vages or Salary? (Form W-2) If yes, how many jobs did you have last year?
☐	☐	☐	2. A) ip Income?
☐	☐	☐	3. B) cholarships? (Forms W-2, 1098-T)
☐	☐	☐	4. B) nterest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
☐	☐	☐	5. B) Refund of state/local income taxes? (Form 1099-G)
☐	☐	☐	6. B) limony income?
☐	☐	☐	7. A) elf-Employment income? (Form 1099-MISC, cash)
☐	☐	☐	8. A) Cash/check payments for any work performed not reported on Forms W-2 or 1099? City.
☐	☐	☐	9. A) ncome (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B
☐	☐	☐	10. B) isability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
☐	☐	☐	11. A) istribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
☐	☐	☐	12. B) Jnemployment compensation? (Form 1099-G)
☐	☐	☐	13. B) ocial Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
☐	☐	☐	14. M) ncome (or loss) from Rental Property?
☐	☐	☐	15. B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify

Identifies the certification level of the income source: Basic, Advanced, Military

Tips for successful interview

There are questions regarding health care coverage for the client to fill out. Tax payers typically need a little assistance. This is an important section to review tax payer information.

Yes	No	Unsure	Check appropriate box for each question in each section
Part VI: Health Care Coverage ***(includes CHIP, Medicare, Medicaid, Employer-Sponsored Insurance, Individual Health Insurance, etc.)***			
☐	☐	☐	1. Last year, did you have health care coverage for you, your spouse, and all qualifying dependents? (Forms W-2, 1099 SSA and Form 1095 series)
☐	☐	☐	2. Last year, did you or your spouse receive an advance payment from the Marketplace to help you pay for your monthly health care payments? (Form 1095A)

Visit http://www.healthcare.gov/ or call 1-800-318-2596 for more information on health insurance coverage options and assistance.

If you're receiving advance payments of the premium tax credit to help pay for your health insurance coverage, you should report life changes, such as income, marital status or family size changes, to your marketplace. Reporting changes will help to make sure you are getting the proper amount of advance payments.

To be completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating the health care coverage status for everyone listed on the return)

Had Health Care Coverage	(B) For the Entire year *(12 months)*	(B) For part of the year *(Less than 12 months)*	(B) No Health Care Coverage at all	(B) Qualify for an exemption
Taxpayer				
Spouse				
Dependent number 1 *(page 1)*				
Dependent number 2 *(page 1)*				
Dependent number 3 *(page 1)*				
Dependent number 4 *(page 1)*				

Key Interview Points

Due Diligence

Get to know your clients … ask them for details…

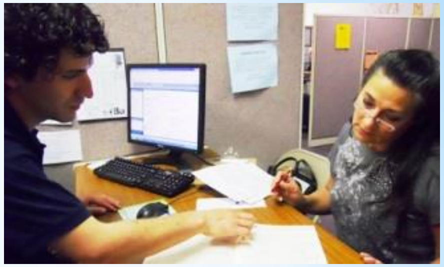
Living situation who lives in home?
Number of months lived in home?
Relationship?
Dependent?

If married, lived together all year? If not full year, how long and when

Seek assistance from the site coordinator or a certified volunteer preparer with more experience if you are uncertain.

Clients appreciate a thorough tax preparer!

Interviewing Techniques



Due Diligence

- Speak clearly, simply, and loud enough
- Reassure the taxpayer (“I understand”)
- Ask effective questions, e.g., probing and open-ended
- Ask the taxpayer for clarification if you’re unsure
- Allow the taxpayer time to respond and listen
- Involve the taxpayer in the process
- Ask if they have questions

When reviewing information for its accuracy, you need to ask yourself if the information is unusual or questionable.

Quality Review Checklist

Review the tax return with the taxpayer to promote accuracy.

- Taxpayer (and Spouse's) identity verified with a photo ID.
- The volunteer return preparer/quality reviewer are certified to prepare/review this return.
- All unsure boxes were discussed with the taxpayer & correctly marked yes or no
- The information on pages one and two was correctly addressed and transferred to the return.
- Names, SSNs, ITINs, and EINs, were verified and correctly transferred to the return.
- Filing status was verified and correct.
- Personal and Dependency Exemptions are entered correctly on the return.
- All Income (including income with or without source documents) checked "yes" in part III was correctly transferred to the tax return.
- Adjustments are correct.

Quality Review Checklist

Review the tax return with the taxpayer to promote accuracy.

- Standard, Additional or Itemized Deductions are correct.
- All credits are correctly reported.
- Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.
- Direct Deposit/Debit and checking/saving account numbers are correct.
- SIDN is correct on the return.
- The taxpayer(s) was advised that they are responsible for the information on their return.

Section C. To be completed by a Certified Quality Reviewer

After reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer, check the final item.

1. **Sections A & B** of this form are complete.
2. **Taxpayer's Identity, Address and Phone Number** were verified.
3. **Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents** match the supporting documents.
4. **Filing Status** is correctly determined.
5. **Personal** and **Dependency Exemptions** are entered correctly on the return.

Accuracy and Due Diligence

E-file Rejections - errors by preparer, quality reviewer & clients

- Slow the refund process
- Will cause audits for clients and tax site

Common E-File Rejections:

- Dependents claimed already on another return
- Social and Name do not match with SSA Database
- EIN on W-2 was entered incorrectly
- The client needs to provide Identity theft PIN
- Tax filer is someone else's dependent.

Congratulations! This is the end of section one.

Next Step: Take the Standards of Conduct Certification and go through the Intake and Interview Information on the Link and Learn website. Go through Part 2 module.