

Investment Connection Request for Proposal - Louisville

Response ID:61 Data

3. Enter Your Submission's Details

1. Project/Program Name:

Taxpayer Education and VITA Site Capacity Initiative

2. Organization's Legal Name (as shown on IRS Letter of Determination):

Louisville Asset Building Coalition, Inc.

3. Doing Business As (DBA - if name differs from legal name):

4. Organization Contact Info:

	Info
Street Address 1	701 W. Ormsby Avenue
Street Address 2	Suite 201
City	Louisville
State	KY
Zip	40203
Organization Phone Number	502-574-5972
Organization Website	labcservices.org
Organization Email Address	info@labcservices.org

5. Executive and Primary Contact Info:

	Info
Executive Director or Top Executive:	Christopher Murphree
Executive Phone Number:	502-574-5972
Executive Email Address:	Christopher.Murphree@louisvilleky.gov
Primary Contact for this proposal:	Christopher Murphree
Primary Contact's Phone Number:	502-574-5972
Primary Contact's Title:	Program Director
Primary Contact's Email Address:	Christopher.Murphree@louisvilleky.gov

6. Are you a 501(c)3?

Yes

7. Organization Mission Statement (Please limit response to 1,000 characters):

Building a brighter future by providing access to trusted financial services and resources with a focus on low-to-moderate income individuals.

8. Briefly summarize your organization's history (Please limit response to 1,000 characters):

Louisville Asset Building Coalition (LABC) is a 501(c)(3) organization that is a broad public/private collaboration dedicated to promoting financial stability and asset building for individuals and families. By providing direct services and linkages to other community resources, LABC envisions a community where everyone has economic opportunity to achieve financial independence. Based in Louisville, KY, LABC serves low-to-moderate income households in Jefferson and surrounding counties (KY and IN).

Since 2001, LABC has served over 98,000 individuals with free tax preparation and tax assistance services. Originally a program of Metro United Way, LABC incorporated as its own non-profit in 2012. Since that time, we have greatly expanded the reach of our coalition by serving more taxpayers and developing a wide range of partnerships with local non-profits, institutions, and municipal bodies including Louisville Metro Government, Louisville Urban League, Taxpayer Advocate Service, and more.

9. Briefly describe the organization's current programs and activities - Include examples of recent accomplishments, i.e., number of people served annual, housing units built, loans made, etc. (Please limit response to 1,000 characters):

Through the support of IRS-certified volunteers, LABC provides free, year-round tax preparation assistance to income-eligible individuals and families throughout the greater Louisville area. This program offers both self-file programs as well as volunteer-supported tax preparation. Under the volunteer-supported program, clients provide their information to a volunteer who fully prepares and electronically files their return. All services are provided free of charge and can be accessed at multiple sites, most of which are located in LMI neighborhoods. In 2019, we completed over 8,650 tax returns, serving over 13,000 individuals. Through this service, our families received over \$14,000,000 in federal and state tax refunds and secured over \$4,000,000 of the Earned Income Tax Credit. In addition to return preparation, we offer financial literacy classes and other financial services through our coalition partners.

10. Organizational Annual Budget:

\$235,599

11. Organization Fiscal Year:

From date (mm/dd/year) : 07/01/2019

To date (mm/dd/year) : 06/30/2020

12. Proposal Summary (Please limit response to 1,000 characters):

This project aims to increase LABC's taxpayer education program, while concurrently increasing the capacity of its VITA sites to meet the demand of LMI individuals needing tax prep services. The average LABC taxpayer has annual income of approximately \$26,500. In 2019, taxpayers making \$30,000 or less filed two million fewer tax returns nationwide. From interactions and survey responses from taxpayers during the last filing season, we found many LMI individuals felt uneasy about changes to the federal and Kentucky state tax codes. The taxpayer education program will help alleviate concerns held by LMI taxpayers about the tax code and will promote the benefits of filing a return. Additionally, LABC experienced an overwhelming demand for its VITA services. Many taxpayers had to schedule appointments months out and had already paid to have their taxes done or could not be contacted. Increasing capacity will allow more LMI taxpayers the opportunity to file and file for free.

13. Type of CRA eligibility for your proposed project (check all that apply):

Financial access, capability and empowerment

Community facilities/services

14. Is your project/program (check one):

Existing project

15. Type of request (select all that apply):

Grant

16. Amount Requested:

\$6,500

17. Total Project Budget:

\$8,199

18. Funding Period Requested:

From date (mm/dd/year) : 01/01/2020

To date (mm/dd/year) : 10/15/2020

19. Geographical Area(s) Served - Include specific counties MSAs, city(ies), neighborhood(s). (Please limit response to 1,000 characters):

Our organization primarily serves individuals in the Louisville Metropolitan area, with an emphasis in Jefferson, County, Kentucky. Our 11 tax sites are all located within the city of Louisville, with all of our sites located in or near LMI communities. Our largest site is located in Louisville's West End at the Louisville Urban League. We also have site locations in the Portland, Smoketown, Old Louisville, South Louisville, Clifton, and Edgewood communities.

20. Please list other funding secured or potential sources of funding for this project. (Please limit response to 1,000 characters):

We primarily receive funding from the IRS, Louisville Metro Government, and Metro United Way to sustain our current operations and our tax site offerings. However, the demand for our services, particularly at the beginning of the filing season, far exceeds our staff and operational capacity at our current funding levels. We recently received a grant from Prosperity Now to help develop a long term capacity building plan for our coalition. Funding through Investment Connection would assist LABC in increasing its capacity for the 2020 tax season. We have also applied for a capacity-building grant from the Community Foundation's Fund for Louisville to support volunteer recruitment and leadership development. We expect to receive a decision for that grant in December 2019.

21. Describe how you verify low- to moderate-income (80% of Area Median Income, or "AMI", status of program participants or geographies, i.e., percent/number receiving reduced or free school lunch, census tract data or other method). Please be specific! Listing low-income zip codes does not provide sufficient information. You must describe how you verify the income of individual program participants or in the case of geography, census-tract level data. (Please limit response to 1,000 characters):

We are able to verify our client's LMI status by reviewing their tax documents and completed tax returns. In order to qualify for the VITA program, clients must have an annual household income under \$66,000. If clients do not meet this threshold, our volunteers are trained to refer them to online resources where they can complete the return independently. Once clients complete their return, LABC can pull reports from our tax software to verify the income levels of our clients.

22. What community development needs or barriers will this project/program address? (Please limit response to 1,000 characters):

In 2019, individuals with income under \$30,000 filed 2 million fewer tax returns than in the previous tax year. We believe the changes to both the federal and Kentucky state tax code caused a sense of unease and uncertainty among this group of taxpayers. Our hope is to expand our capacity for this program year to better serve these individuals who may not have filed last year. Additionally, LMI neighborhoods are often target areas for predatory tax preparers. These preparers often charge high fees and offer high-interest refund anticipation loans. These preparers often receive a payout based on the size of the taxpayers' refund and have little incentive to prepare the return accurately. If the taxpayer is later audited, the burden falls on the taxpayer and there is little to no consequence for the preparer. Educating clients about the fees and structure of these predatory services is critical to ensuring that LMI families receive the full amount of the tax refund they deserve.

23. Is this project part of a larger initiative, i.e., special government designation or a larger collaborative community effort? If yes, please explain. (Please limit response to 1,000 characters):

The Volunteer Income Tax Assistance (VITA) program is a matching federal grant program sponsored by the Internal Revenue Service. VITA relies on local non-profit organizations and coalitions to implement the program locally in their communities. LABC has been operating the VITA program in Louisville for 19 years with the support of its local partners.

24. Describe who will be served through this proposed project/program including the percentage of clients currently served or the predicted percentage served who are either LMI or the percentage of small businesses with revenues of \$1 million or less. (Please limit response to 1,000 characters):

VITA services are available to anyone who makes \$66,000 or less. However, the vast majority of our client base have annual incomes well under that threshold. The average Adjusted Gross Income (AGI) of our clients is \$26,500, and over 95% of our clients have incomes that meet the LMI thresholds. These numbers have been consistent for the past several years, and are consistent with other VITA programs serving similarly sized cities nationwide. We anticipate that these numbers will continue for this program year.

25. What are the goals of this project? (Please limit response to 1,000 characters):

Our primary goal for this project is to prepare 8,950 tax returns during the 2020 tax season. To reach this goal, we will serve 3.5% more individuals than in 2019. This ensures that more LMI individuals will be able to keep the full amount of their tax return, without having to pay high preparation fees or be bound to high-interest loans. To achieve this, we have secondary goals to increase taxpayer education opportunities and increase our volunteer base. In completing these sub-goals, our hope is to educate more taxpayers about the VITA program and the benefits of filing a tax return, while increasing our ability to serve more clients at our tax sites.

26. What is the timeline for implementing this project? (Please limit response to 1,000 characters):

This project will begin in December 2019 with our volunteer and staff recruitment and training phases. During this time, we will be working to increase our volunteer base and training opportunities to ensure that all of our volunteers are certified with the IRS. Additionally, we will expand our outreach initiative and conduct "Tax Assistance Workshops," at community centers, schools, and libraries located in LMI communities. Both of these projects will continue in January 2020. In late January 2020-May 2020, we will be operating the VITA program at full capacity. During this time, we will be serving our LMI taxpayers, assisting and expanding the capabilities of our volunteers, and continue conducting an outreach and marketing campaign to encourage taxpayers to file. From May 2020-October 2020, we will continue operating our off-season tax preparation services, encouraging taxpayers to file prior-year returns and assisting with any other tax questions our LMI clients may have.

27. Significant Partnerships:

Does this project/program involve any external partners that may add capacity, programmatic experience and/or funding? (Please limit response to 1,000 characters):

Our local partners include Louisville Metro's Office of Resilience and Community Services, Metro United Way, and our tax site partners such as Louisville Urban League, Americana Community Center, Portland Promise Center, and others. Each of these partners supports our coalition by providing space or marketing and referral services to support our work. For this tax season, we will be working with Prosperity Now to develop a capacity building plan for our VITA and marketing operations. Prosperity Now assists service providers nationwide to develop, test, and scale proven approaches to building wealth and implement strategies that provide financial empowerment for low-to-moderate-income families. Prosperity Now supports a network of VITA programs to share best practices for promoting and operating free tax preparation services.

28. Who will be responsible for developing, documenting and reporting relationships with connections made through the Investment Connection? (Please limit response to 1,000 characters):

LABC's Program Director, Christopher Murphree, will be responsible for all reporting and documentation requirements.

29. What are the anticipated measurable outcomes of this project? (Please limit response to 1,000 characters):

Increase the number of LMI individuals served by the VITA program by 3.5%. This will increase the number of tax returns filed from 8,650 to 8,950
Educate 50 individuals at community centers in LMI neighborhoods about tax filing requirements, tax credits available, and preparation resources and services.
Increase volunteer capacity by recruiting and training 10 additional volunteers.

30. How do/will you evaluate this project? Describe the measurement tool(s). (i.e., participation checklists, pre/post

surveys, intake sheet, etc.) (Please limit response to 1,000 characters):

We will evaluate this project by capturing the number of individuals served by the VITA program using our reports from our tax preparation software and from the IRS. During our Tax Assistance Workshops, we will record the number of individuals who participate in the workshop. Additionally, we will conduct a post-workshop survey to gather information on the usefulness of the workshop. We will track our volunteer base numbers and certification levels through a volunteer management software.