2021 CalEITC+ Education and Outreach Grant
Notice of Funding Availability
Questions and Responses

The Department of Community Services and Development (CSD) provides the following formal responses to questions submitted by prospective 2021 CalEITC+ Notice of Funding Availability (NOFA) applicants by the October 15, 2021 submission deadline or submitted during the 2021 CalEITC+ NOFA Bidder's Conference held on October 21, 2021.

Response as of October 29, 2021

Question: Can you clarify what are allowable activities for ITIN Application Assistance?

Response: As detailed in the NOFA, applicants have the ability to use grant funds for a variety of ITIN Application Acceptance Assistance activities to meet grant requirements, including subcontracting with Acceptance Agents (paid), partnering with Acceptance Agents (volunteer or unpaid), and Acceptance Agent training and certification (including training to build ITIN Application Assistance capacity for future tax years).

Responses as of October 27, 2021

Question: The majority of our FTPA sites are virtual or hybrid due to COVID. I see there is a space for the number of hours a site is open that isn't applicable to virtual or hybrid sites. Would you prefer we leave that blank or submit a figure?

Response: It is not necessary for applicants to provide projected hours of operation for virtual FTPA sites. However, outcomes for virtual sites must be reflected in Columns K and L on the FTPA workplan "Federal returns Completed in Tax Year 2020" and "Projected Federal returns Completed in Tax Year 2021".

Question: Can you let us know how we should estimate the hours for a virtual site in our workbook application?

Response: Please see above response.

Question: A subcontractor applying for the CalEITC grant has told me they do not have their own EFIN (Electronic Filing Identification Number) from the IRS, but rather operate under a different organization's EFIN. Is this allowed? The subcontractor is a 501(c)(3) and operates VITA sites.

Response: The purpose of this Q&A document is to answer questions regarding the 2021 CalEITC+ Education and Outreach NOFA. CSD will address questions related to contractual procedures, including monthly program report requirements with awarded grantees during the contract process.

Question: Regarding indirect/admin costs: Can we apply indirect or admin costs to the entire budget, or are there any specific expenditures that we should remove from that calculation?

Response: Grant funds may be used to support an organization's indirect and personnel costs for the time spent on CalEITC+ activities only. This funding may not be used to supplant federal, state, or private funds allocated to conduct the same or similar work. Applicants should make every effort possible to minimize overhead/administrative costs to target available funding towards providing direct services for eligible Californians.

Question: We have been preparing to apply for two categories: Target Area 1: Statewide CalEITC+ and Target Area 1: Statewide CalEITC+ Free Tax Preparation Assistance. According to your announcement, we could only receive one of these awards, because they are both "Target Area 1." Was this your intention? Or did you mean to say that you cannot be awarded BOTH Statewide CalEITC+ awards?

Response: Correct. An applicant may only accept one grant award per target area. CSD issued an addendum to the 2021 CalEITC+ Education and Outreach Grant on October 21, 2021 that clarifies that if an applicant applies for a CalEITC+ Education and Outreach grant and a Free Tax Preparation Assistance grant in Target Areas 1 or 2, they are only eligible to accept one grant award per target area if both applications are successful.

Question: Is the intent for 21/22 to provide both Tax Preparation and Outreach within one contract? I believe this was the model a few years back. We entered this partnership shortly after as it separated outreach. Is that also the reason for increase in allocation?

Response: Yes. The intended purpose of this funding is to increase awareness of available tax credits (CalEITC, YCTC, federal EITC, and federal Child Tax Credit) and ITIN tax status eligibility, to make available ITIN application acceptance assistance to eligible noncitizen Californians, and to provide free tax preparation assistance services to low- to moderate-income individuals and families.

Question: Are they allowing stipends to help with VITA volunteers?

Response: This grant funding allows for VITA volunteers to be reimbursed for costs incurred to support grant activities that occur through normal business operations (mileage

or small expenses such as the purchase of printer paper, etc.). VITA volunteers may not be reimbursed for the time a volunteer is engaged in volunteer service (such as screening or tax preparation). CSD can address specific questions regarding the use of stipends with awarded grantees during the contract process.

Question: We are partnering here in LA County, for the free tax prep LA, the tax prep part with a county department, Department of Social Services. They are not a 501(c)(3), but one of the needs that they have is to update their technology, especially for remote VITA, things like that. If they are not a 501(c)(3) would we be able to provide their department with technology? Any thoughts around that, since we can't give them a grant, will be able to use the money for their upgrades? This would be equipment upgrades and software upgrades.

Response: Funds may be utilized to purchase equipment to support the filing of taxes for eligible filers. The awarded grantee (not the subgrantee) will be responsible for accounting for and retaining any equipment purchased with grant funds at the conclusion of the grant term. CSD can address specific questions regarding allowable uses of equipment with awarded grantees during the contract process.

Question: If clients are referred to Certified Acceptance Agents (CAA) outside of the operating organization/agency to provide ITIN acquisition services at cost, will it be possible to off-set those associated costs?

Response: Applicants may subcontract or partner with Certified Acceptance Agents to meet grant requirements. CSD cannot make a determination on whether such a model would be allowable without more details and can address this question during the contract process with awarded grantees.

Question: Can you speak a little bit about how coalitions can take advantage of this opportunity?

Response: One lead organization within a coalition who meets the NOFA eligibility requirements may apply for the grant funding on behalf of the coalition. If successful, the lead organization would assume responsibility for the new contract as the grant awardee. The lead organization may consider the use of subcontracts with its coalition members. All applicants are required to fully disclose the use of subcontractors on the Subcontractor Information Sheet (CSD 171SI). CSD will pay the grant awardee using the state's reimbursement/payment system per the information provided in the Payee Data Record (STD 204) completed by the applicant. Grant awardees are responsible for subcontractor payment and ensuring reporting requirements are met.

Question: Who should letters of reference be addressed to?

Response: All letters of reference may be addressed to the Program Development and Reporting Unit, Department of Community Services and Development, 2389 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833.

Question: Could you please clarify the definition or difference between direct mailers listed under Outreach Type "Collateral Messaging" on pg. 13 of the NOFA, and "Canvassing" on page 12? If we send direct mailers to targeted households, would that be considered a canvassing activity?

Response: Direct mailers may be considered either a Canvassing activity or a Collateral Messaging activity. It is up to the applicant how they would like direct mailers to be reflected in their workplan and budget.

Question: We are wondering if CSD intends to make one or more buses available that grantees can use to hold mobile FTPA and/or ITIN Application events? In past years, this has been very helpful, and would likely be even more beneficial in 2022, given the lack of availability of ITIN CAAs in many parts of the state.

Response: No. FTB will not be contracting for the use of the eBus during the 2021 tax year.

Question: The address of each mobile FTPA site is still up for debate. May we submit the application with TBD under the address column?

Response: Yes. The FTPA Workplan instructions indicate to list "to be determined" (TBD) if the address of the site is unknown at the time of application submission.

Responses as of October 22, 2021

Question: Is it possible to apply for this grant as a subcontractor for another applicant in addition to submitting our own application? If we are a subcontractor for a separate applicant, is it possible to still submit a separate application for one of the target areas (as referenced on page 19 of the NOFA)?

Response: Yes. The 2021 CalEITC+ Grant NOFA allows for applicants to use subcontractor(s) if the subcontract supports the outreach goals and the ability to reach the target population. It is allowable for an applicant to apply for a grant as the prime grantee while also being listed as a subcontractor on another grantee's application within the same target area.

Question: I am hoping to get clarification on the Certified Acceptance Agent (CAA) process. It seems that the hope is that these funds can help build ITIN assistance across the state. I reached out to an IRS Spec Agent and have heard that this process can take four months to get approval. So, if we were to receive funding in January, sites wouldn't become certified until April. In addition, the rules state that only full time permanent employees can become a CAA. This makes things difficult seeing as a large majority of FTPA programs are run by volunteers. Can you please let me know if this process will be updated? Will there be any assistance from CSD to try and speed this up?

Response: Certified Acceptance Agent rules, regulations, and timeframes are governed by the IRS. The NOFA ITIN assistance requirements were designed to provide applicants maximum flexibility to meet the need for these services based on applicant's capacity. For example, the NOFA (Section 9, Page 15) allows applicants to subcontract or partner with certified IRS Acceptance Agents (AA) to meet the requirements of this grant. AAs are entities (e.g., colleges, financial institutions, accounting firms, etc.) authorized by the IRS to assist applicants in obtaining Individual Taxpayer Identification Numbers (ITINs). The IRS has updated procedures that affect the AA and CAA programs. Please refer to the Acceptance Agent Program Changes and Publication 4393 (EN-SP), Become an IRS ITIN Acceptance Agent for more details.

Question: If partners don't have the capacity to take on the CAA process, can they partner with a local CAA or subgrant to them? Does the CAA have to be their actual employee? Is there a list we can provide our subgrantees? IRS requires that CAA sites be available year round. With funding only from December - June, how will partners finance that? In addition, the rules state that only full time permanent employees can become a CAA. This makes things difficult seeing as a large majority of FTPA programs are run by volunteers. Will CSD be helping update this process? Will there be any assistance from CSD to try and speed this up?

Response: See prior response.

Question: In reviewing the NOFA, there doesn't appear to be a list of counties which are included in Target Area 15: Rural Counties. The NOFA mentions Butte County has been added to that category and that the rural counties are identified in Appendix 1, but the only counties named in Appendix 1 appear to be the ones in other Target Areas (e.g. Los Angeles). Perhaps I am missing something, but if you could please provide the list of counties that are part of Target Area 15, that would be very appreciated.

Response: Refer to the Addendum issued on October 20, 2021 for a list of Target Area 15 Rural Counties.

Question: I was wondering whether applicants under CalEITC+ Free Tax Preparation Assistance solicitation must also complete form Timeline (CSD 171TL) found on page 19 in the Supplemental Workbook. It appears to focus almost exclusively on education and outreach activities.

Response: It is not necessary for applicants to complete the Timeline (CSD 171TL) if your agency is applying for CalEITC+ Free Tax Preparation Assistance (FTPA) funding (Target Areas 1 and 2) only. Although Statewide and Los Angeles CalEITC+ Free Tax Preparation Assistance (FTPA) applicants are not required to complete the first six sections of the Timeline, they are required to complete the "ITIN Application Acceptance Assistance" section as ITIN application assistance is a required element of the NOFA for all applicants.

Question: We are interested in being considered for either the Target Area 2: Los Angeles CalEITC+ Free Tax Preparation Assistance or for the Target Areas 2 through 14 CalEITC+: Regional Awards - Los Angeles County. I see the two are different in the emphasis of the activities (i.e., tax preparation vs. outreach). Would we need to submit two separate applications to be considered for both programs?

Response: An applicant must submit separate applications to be considered for an award for each grant. Each application is considered a single, standalone application and should be customized to meet the needs of the target area. Moreover, CSD issued an Addendum to the 2021 CalEITC+ E&O NOFA on October 20, 2021, clarifying that an applicant may only *accept* one grant award per target area which means that if an applicant applies for a CalEITC+ Education and Outreach grant and a Free Tax Preparation Assistance grant in Target Areas 1 or 2, they are only eligible to accept one grant award per target area if both applications are successful.

Question: It looks like the application is asking for a breakdown of the old categories-web, social, etc. I believe you told us a couple months ago that we didn't have to break each of these categories down by subcontractor- rather just putting all the subcontractors under their own line item. I want to ensure that this is okay. Can you please give us any guidance that might be helpful?

Response: There is a line item on both the Budget Summary (CSD 171A) and Budget Detail (CSD 171B) worksheets under each of the three required elements of the NOFA (Education & Outreach, Free Tax Preparation Assistance, and ITIN Application Acceptance Assistance) where an applicant is expected to list their anticipated subcontractor expenses.

Question: Section 13: On the bottom of page 20, it talks about providing personally identifiable information. Please clarify the expectation.

Response: To facilitate the evaluation of the efficacy of the education and outreach efforts, grantees may be required to provide information of individuals who have received education and outreach to help ascertain the impact it had on their behavior. Grantees would be required to collaborate with CSD and FTB by providing personally identifying data of individuals that were contacted during outreach efforts as well as information related to how these individuals were contacted to facilitate the evaluation of effective outreach strategies to reach the targeted populations upon request. This requirement is included to the NOFA to ensure applicants have an awareness that there may be an obligation to participate in these data sharing efforts during the contract term, the scope of which would be determined collaboratively. The sharing of information would be limited to activities where personally identifiable information (name, address, ZIP code, etc.) is already being collected.

Question: Section 13: Page 21; Re: equipment. Our experience with IRS laptops is that they are antiquated and slows down our overall ability to quickly and efficiently provide tax prep services. Please clarify expectations and approvals for Equipment purchases including our sub-grantees.

Response: Funds may be utilized to purchase equipment to support the filing of taxes for eligible filers. A Request for Purchase Pre-Approval (CSD 558FTPA) must accompany all equipment purchase requests having a per unit cost in excess of five hundred dollars ($500.00). In addition, three written bids obtained in an open and freely competitive process must be submitted and pre-approved by your assigned program analyst prior to purchase. The awarded grantee (not the subgrantee) will be responsible for accounting for and retaining any equipment purchased with grant funds at the conclusion of the grant term.

Question: Section 9: Page 17; As a regional applicant, please elaborate on expectations around providing 10-30% of ITIN related activities. If we partner with a local organization who provides ITIN applications and renewals, what results are expected? How is it tracked in the progress report?

Response: Regional and Rural CalEITC+ Education and Outreach grantees are required to dedicate 10 to 30 percent of their activities towards ITIN related activities. It is the responsibility of the applicant to detail how they will meet these goals in their application. These activities are indicated in the Workplan and supported in the Budget Detail (CSD 171B) worksheet. The purpose of this Q&A document is to answer questions regarding the 2021 CalEITC+ Education and Outreach NOFA. CSD will address questions related to contractual procedures, including monthly program report requirements with awarded grantees during the contract process.

Question: What does the monthly progress report for FTPA look like?

Response: The purpose of this Q&A document is to answer questions regarding the 2021 CalEITC+ Education and Outreach NOFA. CSD will address questions related to contractual procedures, including monthly program report requirements with awarded grantees during the contract process.

Question: Can subcontracts (and subcontracts provided by our direct subcontractors) be provided to for-profit tax preparation companies (e.g., Intuit, H&R Block), as long as low-income Californians being referred do not have to pay any fees and the companies follow all the rules about not soliciting business from tax filers assisted or using knowledge gained (from their tax information) about tax filers for any direct or indirect personal or company benefit?

Response: No.

Question: Statewide CalEITC+ awards: If an organization receives an award for both Statewide and a region (e.g., Los Angeles), will reporting for Statewide metrics include activities and results from both Statewide and the region activities, or will there need to be clear separation?

Response: Awarded grantees are required to report separate outcomes for each target area and grant in which they are awarded a contract. CSD will address questions related to contractual procedures, including monthly program report requirements with awarded grantees during the contract process.

Question: In the context of COVID-19, FTPA activities were very different for the 2020 tax year than in past years. For the FTPA Workplan in the Supplemental Worksheet, if an organization had an FTPA site active for the 2019 tax year, but not the 2020 tax year, should it be classified as a New or Existing site? If there was a gap, can we provide the number of returns completed in the 2019 tax year in column (K) instead of the number of 2020 tax year returns completed, as long as that is indicated? Does CSD have any other guidance on how to contextualize activities completed during this unique 2020 tax year?

Response: Applicants are required to provide outcomes for the tax year indicated on the Workplan. If a site was not active in 2020 it should be classified as a new site. If an applicant experienced gaps in service in 2020, they can provide additional context and data in their application narrative to that effect.

Question: The FTPA Workplan in the Supplemental Worksheet has a column (J) for "Total # of ITIN Application Acceptance Assistance for Tax Year 2021." Is this different than column B/C in the ITIN Workplan "Projected Number of ITIN Applicants Assisted (Referral or Direct Service)," or should the total for FTPA Workplan's column J equal the total in ITIN Workplan column B/C?

Response: Both Column J on the 2021 CalEITC+ FTPA Workplan and Columns B/C on the 2021 ITIN Application Acceptance Assistance Workplan are the number of ITIN applicants your agency **projects** to assist in the 2021 tax year. Although these two projections may be the same or similar, it is not intended for the two to be equal.

Question: On the Timeline in the Supplemental Worksheet, there is a separate row (15) for ITIN Application Assistance, but not for FTPA activities. Should we clearly differentiate between E&O and FTPA activities in the rest of the rows?

Response: The purpose of the 2021 CalEITC+ Education and Outreach Grant Timeline (CSD 171TL) is to provide CSD with information on an applicant's timeline for how, and more importantly, when it will achieve the goals indicated both in Education and Outreach and ITIN Workplans (CSD 171, 843) and Application Narrative Template (CSD 171ANT). CSD uses the Timeline to gauge applicant activities to ensure the applicant will remain on track to fully expend the contract amount by the end of the grant term.

Question: Rural CalEITC+ awards: What counties are included the Rural region? Appendix 1 does not list those counties.

Response: Refer to the Addendum issued on October 20, 2021 for a list of Target Area 15 Rural Counties.

Question: High Priority ZIP Codes: Can CSD supply updated lists of high-priority ZIP Codes in all regions like it has in previous years to help with targeting/prioritization? Having that both for general populations and specifically for low-income, noncitizen Californians eligible for an ITIN would be very helpful.

Response: The methodology used by CSD to determine the 2021 CalEITC+ Education and Outreach Grant target areas and funding allocations utilized household income data provided at the county level rather than census data supplied by ZIP code. CSD can explore providing additional information to grantees after awards are announced.

Question: Can CSD provide a reporting template that will be used to share metrics after the provision of the awards?

Response: The purpose of this Q&A document is to answer questions regarding the 2021 CalEITC+ Education and Outreach NOFA. CSD will address questions related to contractual procedures, including monthly program report requirements with awarded grantees during the contract process

Question: For the FTPA Workplan, can you clarify what counts as "Core" vs. "Extended" hours?

Response: "Core" hours are the hours an existing free tax preparation site maintains during the tax year. "Extended" hours are the hours the existing site will extend to due to the availability of this funding.

Question: For the Trusted Community Partners section, can that include elected officials, individual community leaders, and other non-501(c)(3) groups?

Response: Yes. Trusted community partners are engaged partners that have established trusted relationships with low-income community members, preferably with CalEITC, YCTC, the federal EITC and Child Tax Credit, ITIN, and/or tax preparation assistance experience. Trusted community partners are not subcontractors in that they are unfunded, collaborative, and have a positive, past working relationship with applicants.

Question: Does ITIN Application Acceptance Assistance cover assistance only for first-time ITIN applicants, or does assisting people in filing renewal applications also count?

Response: Yes. Assisting ITIN renewals is acceptable for this funding.

Question: Is the Statewide awardee expected to provide assistance to all or any people interested in obtaining an ITIN (whether directly or referred by a regional awardee), or is there a specific universe of priority individuals CSD (or we) can identify?

Response: The purpose of this funding is to assist low-income Californians with filing their tax return and claiming the credits. Therefore, the emphasis on ITIN application assistance acceptance should primarily focus on noncitizen Californians who are interested in acquiring an ITIN and need assistance with the application process.

Question: Will the Statewide awardee be expected to help people completely finish and submit ITIN applications, or will informational sessions, workshops, paid media driving people to resource pages, etc. satisfy the requirements?

Response: ITIN information sessions, workshops, paid media, etc. are all allowable activities to assist interested individuals with applying for and acquiring an ITIN that fall within the scope of this funding.

Question: CalEITC+ Education and Outreach Application Narrative asks the application in section "Experience Conducting Education and Outreach Activities" to describe

a) Experience conducting similar education and outreach campaigns in appropriate languages to low-income individuals and families in the specified target area. A minimum of three years of experience is required.

> b) Operational readiness and expertise in conducting, budgeting, and implementing similar scale outreach and free tax preparation assistance activities.

Do you want applicants to discuss their experience offering tax preparation assistance to low-income taxpayers? Question "a" appears to only ask for experience about education and outreach activities. However, Question "b" does inquire about operation readiness for outreach, education **and** tax preparation services. If you would like applicants to discuss experience with tax preparation services to low-income taxpayers, should applicants include that information in response to question "a" in that section? May graphs and charts be added to the narrative as an appendix?

Response: The first question (a) asks applicants to discuss their experience conducting *similar* education and outreach campaigns to low-income individuals and families in the specified target area. This may include free tax preparation assistance services and outreach activities to low-income Californians. The second question (b) asks the applicant to discuss their operational readiness and expertise in conducting a campaign of this scale. An applicant may use graphs and charts in their response but please remember that this is a narrative template, and any chart or graph should be placed in the proper context in the narrative.

Question: I have one question regarding receiving invoices for work done over several regions. For example, if one vendor did work that covers 2-3 regions, can we use their one invoice as backup documentation for each region's file?

Response: The purpose of this Q&A document is to answer questions regarding the 2021 CalEITC+ Education and Outreach NOFA. CSD will address questions related to contractual procedures, including monthly program report requirements with awarded grantees during the contract process.

Question: Free Tax Assistance
      a. If allowed this year, where should we indicate this activity in the workbook?
      b. If allowed, how much of the funds could be dedicated towards this activity?

Response: Target Area 1 Statewide and Target Area 2 Los Angeles CalEITC+ FTPA grantees are required to dedicate 10 to 30 percent of their activities toward ITIN related activities, up to 90 percent for free tax preparation assistance, and a maximum of 10 percent for free tax preparation education and outreach.

Regional and Rural CalEITC+ Education and Outreach grantees are required to dedicate 10 to 30 percent of their activities towards ITIN related activities, a minimum of 35 percent of their activities toward education and outreach, and a minimum of 35 percent of their activities toward free tax preparation assistance.

All of these activities are indicated in the Workplan and supported in the Budget Detail (CSD 171B) worksheet.

Question: 20% of Flexibility
   a. Is this 20% able to be allocated from all of the different activities or from a specific activity?
   b. Could this 20% be used to purchase equipment?

Response: Awarded grantees will have the flexibility to allocate 20 percent of funded activities towards any mix of the service categories (Education and Outreach, Free Tax Preparation Assistance services, and/or ITIN Application Acceptance Assistance) based on their assessment of community needs. Funds may be utilized to purchase equipment to support the filing of taxes for eligible low-income filers. All equipment purchase requests must be preapproved by your assigned program analyst prior to purchase and will require the completion of a justification form along with three written bids obtained in an open and freely competitive process.

Question: If $628,542 is allotted for target area 10, is there a limit per agency or can we apply for any amount?

Response: Per Section 11 *Funding Allocations* in the NOFA (Page 19) "An applicant may only apply for the full amount found under the "contract award" column. The applicant's proposed budget (CSD 171A and CSD171B) must reflect the full contract award." Therefore, an agency may not apply for any amount. They must apply for the full allocated amount for the target area in which they are applying.

Question: In regard to the Use of Planned Subcontractors (under Part A: 18. On page 23), is it allowable to use fixed price contracts for the subawards? In other words, the sub awardee would receive a set amount per return completed to cover their costs.

Response: While applicants may include fixed price contracts for subawards as an element of their application, CSD will address questions related to contractual procedures with awarded grantees during the contract process.