

EITC eNewsletter Funders Network

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A Note from the Coordinator

Dear EITC Funders Network Members,

As many of you know, January 29, 2010 was National EITC Awareness Day. On this day thousands of EITC outreach and free tax preparation supporters across the nation worked to raise awareness of the EITC in their local community.

Seeing all of the outreach and communications efforts reminds me just how far we have come as a movement.

Back in the old days, EITC outreach was limited to fliers in utility bills and posters hung in local community centers. But, as the field grew so did the field's methods of ensuring that as many eligible people as possible know about the EITC and options for free tax preparation.

We now have eye-catching materials tested by target audiences to ensure the messages are clear and persuasive. Materials are produced in dozens of languages. These are shared broadly through the networks of organizations working to help more families access the EITC and achieve economic stability.

Some of your grantees are even using new media techniques including YouTube, Facebook, and Twitter to help connect to families, volunteers, and supporters.

It is because of your support as funders that the EITC field has been able to grow, become more sophisticated, and help ensure that millions of low-income working families get the support they need.

Thank you for your vision.

Sincerely,
Ami Nagle
Coordinator
EITC Funders Network

Visit our website at:
www.eitcfunders.org

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About the Network

The EITC Funders Network brings together funders interested in the Earned Income Tax Credit, free- and low-cost tax preparation, and asset building. The Network seeks to increase awareness of EITC-related projects, foster collaboration, share information about the current status of EITC-related work, and help shape the future of the field.

**The EITC Funders
Network is generously
supported by...**

The Annie E. Casey Foundation

The W.K. Kellogg Foundation

Bank of America

C.S. Mott Foundation

Upcoming Events

Working with Colleges and Universities

The EITC Funders Network will host a webinar exploring efforts to work with colleges and universities to recruit and train students as free tax preparation volunteers. We hope to hold this webinar in March. Check our website for more information.

www.eitcfunders.org

IRS Regulating Paid preparers

On January 4, the Internal Revenue Service (IRS) announced for the first time its intent to license the nation's vast and growing tax preparation industry. While this oversight does not cover all settings, those working on EITC and free tax preparation strategies understand that the vast majority of EITC filers are using paid preparers. According to data from the Brookings Institution, in 2006 410,291 EITC returns were filed. In Arizona Of these, 281,52—or 68.8%—were filed through a paid preparer. By announcing their intent to license the industry, the IRS has taken an important first step.

For more information, visit Tax Buzz at <http://hosted.verticalresponse.com/564170/ead5fae951/316857079/e5515589ee/>.



EITC Funder Spotlight Erie Community Foundation

Shiloh Turner, Vice President for Programs

How did the Erie Community Foundation come to the EITC?

Like many community foundations, Erie Community Foundation (ECF) is evolving from an organization that was strictly a reactive grantmaker to one that is fully engaged with many community partners around a variety of critical issues. Our staff learned about EITC at a conference in Cleveland. We reviewed the work of a number of other community foundations and then brought a proposal to our trustees for approval.

This project was also supported by an advisory panel we had formed to assist with identification of local needs. This group developed a strong focus on poverty and supported the recommendation to bring the EITC project to our trustees for approval.

We started supporting EITC strategies four years ago and are now going into our fourth tax season. Last year we granted about \$200,000 to support EITC efforts—this included funding for a program director and the strategies initiated by the coalition. Our return on that investment was about \$1.3 million in EITC, \$2.5 million in total returns.

What kind of EITC-related work does your foundation support?

In our four years of EITC support, we have utilized four different funding strategies. Accordingly, there have been many lessons learned. Our first approach was to release an RFP to identify a community organization to assume the lead role in an EITC campaign. Lack of clarity on roles and expectations led to conflicts between ECF staff and the selected lead organization. This resulted in the grantee resigning as the lead organization.

In our second year we tried a different strategy. We released an RFP to develop a coalition approach. About six organizations were involved in this and we were able to offer VITA services across the county. While this collaborative model had value, it lacked needed focus.

In our third year of funding we recognized that in order to really maximize the coalition model, we needed a director—someone to ease the lines of communication and keep all parties in the loop. We brought this position “in-house” with ECF assuming more visible ownership of the project.

(Continued on page 4)

IRS Awards \$8 Million in VITA Grants

In late 2009, the IRS made nearly \$8 million in grants to support VITA strategies in communities nationwide. The IRS Grant Program is intended to provide direct funds to organizations to:

- Enable VITA Programs to extend services to underserved populations in hardest-to-reach areas, both urban and non-urban
- Increase the capacity to file returns electronically
- Heighten quality control
- Enhance volunteer training
- Significantly improve the accuracy rate of returns prepared at volunteer sites

To review a list of IRS VITA grant awardees, please visit:

http://www.irs.gov/pub/irs-utl/2010_vita_grants.pdf.

Community Foundations and the EITC

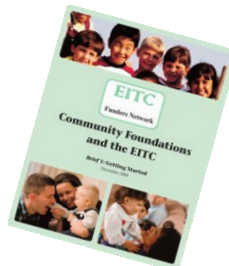
In 2009 the EITC Funders Network interviewed staff of 15 community foundations in order to learn more about the strategies community foundations use in their EITC and free tax preparation work. Based on the interviews we created Briefs summarize our findings, share promising practices, and provide advice from community foundation staff on the most effective first steps in supporting an EITC effort in the community. Click on the links below to download the Briefs.

Brief 1: Getting Started

A look at the EITC and first steps in getting involved:

- Step 1—What is the EITC?
- Step 2—How does the EITC impact families and communities?
- Step 3—How is EITC-related work aligned with community foundation mission, goals, and structure?
- Step 4—What do your colleagues in the field say about best first steps?

Tools and Resources



Brief 2: Building and Expanding

A look at how community foundations launch and sustain

EITC-related efforts:

- Step 5—What is your role?
- Step 6—Who are your partners?
- Step 7—What do your colleagues say about initiating and supporting the work?
- Step 8—What are the challenges?

Tools and Resources



Working with a community foundation that supports EITC strategies? Sign up now to help us connect you with your colleagues nationwide

Last year the EITC Funders Network launched an initiative to build, connect and support community foundation EITC strategies. As part of this project, we are developing a list of community foundations engaged in EITC work so you can more easily:

- Network with other community foundation colleagues,
- Collaborate with regional funding partners,
- Share best practices, and
- Support each other's EITC strategies.

If you would like to be a part of this list, please type the following in your browser and complete the brief survey—<http://tinyurl.com/y9hklh9>

Did you miss the Community Foundations webinar on December 16, 2009?

View it online today!

Visit:

www.eitcfunders.org/communityfoundation.html

EITC
Funders Network

(Shiloh Turner, continued from page 2)

For our fourth year of supporting EITC strategies we have opened up the coalition to other community partners and focused on establishing group outcomes and processes, and formalizing roles and responsibilities. We have also engaged in a strategic planning process and have created a Community Advisory Panel to help guide the work. We have asked our local United Way to host the project coordinator in hopes that they can assist with sustainability strategies. This year our broader coalition will host sixteen VITA sites in our region.

What advice do you have for other foundations supporting EITC strategies?

Think creatively, up-front, about the various models that could be implemented. The other thing that's important to think about from the start is an exit strategy. How long can your foundation be involved and at what level? What funding partners can you bring to the table at the start to help ensure sustainability?

Where do you see your EITC work going in the future?

Our original goal was to shepherd this work in our community and we'll continue with that in the short-term. Eventually we would like to see this spin off into its own 501c(3), or become integrated into the work of a lead agency.

Are there any EITC issues that you've been struggling with that you'd be interested to hear your colleagues in the field address?

We would like a better understanding of our performance relative to peers and peer communities. We struggle with the "how good is good" question. What penetration rate should we expect? If we doubled our commitment, or cut it in half, what would be the result?

Evaluation

For foundations engaged in EITC work, having access to data on program performance is crucial. However, the data that can best tell us about progress in helping more low-income families access the EITC (essentially data from the IRS) lags far behind. This inhibits the ability of foundations to really know whether they are moving the dial. And, as we are all struggling to evaluate our efforts, there is a sense that foundation staff nationwide spend hours creating evaluation models for EITC programming. Wouldn't it make life easier if we shared these resources?

Over the next year the EITC Funders Network would like to host a series of conversations on these issues. If you would like to continue the dialog and work together toward answers to these issues, please contact us at info@eitcfunders.org.