



Tax Time Savings for Native Communities:

Ten Best Practices for Effective
Native VITA Programs



First Nations Development Institute

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Given the evolving nature of online information, please note that the links provided to websites were accurate as of October, 2012 but cannot be guaranteed accurate in the future.

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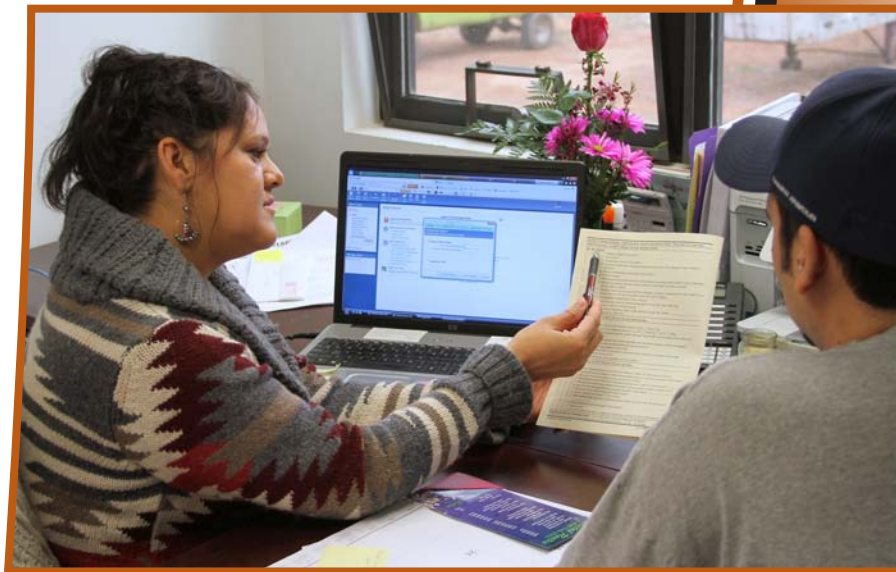
TAX TIME SAVINGS FOR NATIVE COMMUNITIES

I. INTRODUCTION

Native Volunteer Income Tax Assistance (VITA) sites provide free income tax preparation services to tribal members living on reservations and in rural communities. These sites reduce the cost of tax preparation for low-to-moderate income families and help them avoid predatory lending products such as high-cost loans against tax refunds. VITA programs also help tax filers access the Earned Income Tax Credit (EITC) and other credits. The EITC is a refundable tax credit for low and moderate-income individuals and families with children. Unfortunately, millions of EITC dollars go unclaimed each year, especially in Native communities. In 2007, First Nations estimated that in some Native communities as many as 70 percent of qualified tax filers failed to claim valuable EITC refunds.

Most low-to-moderate income individuals have few options available to them as they try to fulfill their legal obligation to file their federal tax returns each year. Many turn to high-cost tax preparation services that may encourage filers to take out expensive loans against tax refunds. Tax filers that qualify for the EITC use these high cost tax preparation services and loans at a higher rate than those who do not qualify, which means that they are more likely to lose a portion of their refund to unscrupulous or overpriced tax preparers. In an attempt to overcome these challenges, First Nations created this report to encourage tribes, tribally-based organizations and other Native leaders to implement VITA sites in their communities and persuade Native tax filers to take advantage of the EITC.

“Native VITA sites not only benefit individual taxpayers, but the entire community as well. The money saved on tax preparation fees is spent in the community and used to help build the tribe’s economy.” – Akwesasne Housing Authority



Most rural Native VITA sites, unlike urban VITA sites, face a unique set of challenges. The geographic isolation, low volunteer retention rates, economically distressed communities, and overall distrust of the federal government among many Native Americans can limit the success of traditional VITA site models (i.e., models developed by the IRS). In this report, we propose some best practices designed to address these unique challenges by developing culturally-relevant strategies, structures, and activities for launching and expanding successful VITA sites in Native communities.

The purpose of this report is to identify and document best practices that will help tribes, tribally-based organizations and others serving Native communities launch a successful VITA site or improve the services of an existing site. First Nations derived these best practices from surveys and in-depth interviews conducted with five successful Native VITA sites last year, including:

- Akwesasne Housing Authority (AHA);
- College of Menominee Nation (CMN);
- Lakota Funds Inc. (LFI);
- Native Community Finance (NCF);
- White Earth Investment Initiative (WEII).

The lessons and methods learned from these five model programs are important and valuable resources for tribes, tribally-based organizations and others serving Native constituents who are dedicated to improving the economic condition of their communities.

First Nations believes that sharing information and models is an effective yet underutilized tool in Indian Country. We hope the information shared by these five organizations will help other tribal leaders establish successful Native VITA sites in their communities, or build on the success of existing sites.

II. WHAT IS THE VITA PROGRAM?

The Volunteer Income Tax Assistance (VITA) program is an IRS initiative that helps qualifying nonprofit organizations provide free tax return preparation and filing assistance to families and individuals making less than \$50,000 a year. (This amount is expected to increase for future years.) VITA tax preparers serve in a volunteer capacity and are trained to help prepare tax returns electronically for low to moderate-income clients. They are provided free training and required to pass an IRS certification exam. Returns are quality reviewed to ensure accuracy. Volunteers also help inform taxpayers about special tax credits for which they might qualify, including the Earned Income Tax Credit (EITC). The EITC is a tax credit for workers with low to moderate wages. This tax credit helps vulnerable families build financial assets and move toward economic security. The EITC has been called the nation's largest federal anti-poverty program because this tax credit helps encourage work, reduce poverty, and boosts economic activity.



Starting a New VITA Site

If you are interested in starting a new VITA site, your first step is to contact the IRS territory manager for your area. The IRS has a program called Stakeholder Partnerships, Education and Communication (SPEC) that provides regional territory managers who can be of assistance in starting a site. The Center for Budget and Policy Priorities maintains a current list of territory managers on their website. The list can be found at <http://eitcoutreach.org>. Select *Outreach Tools & Materials* under the current year *Outreach Kit* then scroll to the *IRS Territory Manager List*.

The Center for Budget and Policy Priorities' *National Earned Income Tax Credit & Child Tax Credit Outreach Campaign* at [http://eitcoutreach.org/](http://eitcoutreach.org) is an excellent resource for successfully marketing the Earned Income Tax Credit (EITC), and these marketing materials are used by a number of Native VITA sites.

First Nations Development Institute produced a guide to promote the EITC in Native communities: *Building Native Communities: A Tribal Leader's Guide to Launching an Earned Income Tax Credit (EITC) Campaign*. This publication can be found by visiting the First Nations Development Institute website at www.firstnations.org and clicking on the *Knowledge Center*. Select *Finacial and Investor Education* then *EITC* from the menu at left.

Many guides to starting a VITA site may be found by simply entering "starting a VITA site" into a search engine. Links may change over time but at present, links to some specific sites are:

- *How to Start a VITA Site in Your Community: Bringing More Dollars into the Local Economy While Supporting Families* – This guide was produced by Raise Texas and can be accessed by searching for the title with your search engine or visiting their website at <http://raisetexas.org/>.
- *A Field Guide to Starting a Volunteer Tax Prep Site* – This guide was produced by the Just Money Project/Self-Help Credit Union. It can be accessed by searching for the title with your search engine.
- *Starting a Free Tax Preparation Site, A Guide to the Basics* – This guide was produced by the Money in Your Pocket Coalition of Allegheny County. It can be accessed by searching for the title with your search engine. You can also find it on the Community Tax Coalition website at <https://tax-coalition.org/program-tools> (select *Managing a Tax Site...Site Procedures and Management...Managing Tax Sites...How to Start a VITA Site in Your Community*.)

III. THE VALUE OF VITA SITES TO TRIBES AND NATIVE COMMUNITIES

“Native VITA sites save tribal members \$50-\$350 on tax preparation fees, which they can then spend on the reservation. Refund Anticipation Loans, on the other hand, are typically filed off the reservation – costing our community money. Native VITA sites ensure that money continues to flow through the reservation, which is good for our economy.” – Native Community Finance

Native VITA sites provide free income tax preparation to tribal members and others in the community and can help reduce the cost of tax preparation for low-to-moderate income families. Furthermore, Native VITA sites help families keep more of their refunds by avoiding predatory financial services such as Refund Anticipation Loans (RALs) and, more common today, Refund Anticipation Checks (RACS), and also help keep refund revenue in local economies. High-cost tax preparation services continue to cost Native community members thousands of dollars each year. A recent research report by First Nations documented that RALs and paid tax preparation fees cost Native community members over \$22 million in 2007 in ten states with high Native American population.¹ While the overall number of loans against tax refunds has declined due to new regulations that limit a bank’s ability to offer these loans, holiday loans and RALs are still common in many Native communities and continue to strip assets from Native families. In addition, First Nations’ research suggests that many tax practitioners have found new ways to siphon funds from taxpayer refunds using hidden fees, or pushing people to use bank products, such as Refund Anticipation Checks (RACs), that they don’t need.

Native VITA sites effectively reduce the costs associated with paid tax preparation and can help promote financial stability in Native communities. For example, the five Native VITA programs cited in this report estimate they saved their tribal communities between \$310,000 and \$360,000 per year in tax preparation fees alone.² In the past three years, Lakota Funds, Inc. saved the Pine Ridge Indian Reservation – one of the poorest communities in the country – more than \$110,000 in tax preparation fees. Clearly, the economic impact that Native VITA sites have on Native communities is tremendous.

Native tax filers have begun to recognize the economic value of these services. In 2011, Native VITA sites served more than twice as many individuals and families as in the past. For example, the Native VITA sites surveyed for this report are six years old or less; nevertheless, they all served two, three, even four times as many tax filers in 2012 as in the past.

¹ See First Nations Development Institute’s report *Borrowed Time: Use of Refund Anticipation Loans Among EITC Filers in Native American Communities*.

² AHA estimates they saved tax filers \$28,000 per year; CMN estimates that they saved tax filers \$48,400 per year; LFI estimated that they saved tax filers \$37,000; NCF estimates that they saved tax filers between \$100,000 and \$150,000 per year; and WEII estimated that they saved tax filers \$100,000. These aggregated totals range from \$310,000-\$360,000.



The following table documents the rapid growth of these five model programs from their first tax season to their last tax season:

Native VITA site	Clients Reported First Year	Clients Reported 2012	Percent change
Akwesasne Housing Authority	500	1000	100%
College of Menominee Nation	81	176	117%
Lakota Funds, Inc.	61	245	302%
Native Community Finance	291	684	135%
White Earth Investment Initiative	200	500	150%

These figures demonstrate both the demand and the need for Native VITA sites. Clearly, Native tax filers are willing to take advantage of free tax preparation services – when they are available. Unfortunately, they are not always readily available. This report is intended to increase the number of Native VITA sites in reservation and Native communities by raising awareness of their value and promoting their effective development.



Among the five VITA programs we interviewed, their impact in the community varies depending on the resources that were available to them.

However, the reach of all of the organizations is significant when considering the resources involved, which indicates a high level of dedication in each organization. Our research indicates that existing Native VITA sites are growing rapidly – so rapidly that Native VITA site coordinators often struggle to accommodate more and more tax filers each year. In addition to helping tribal and Native community leaders launch successful Native VITA sites, this report is also intended to help Native VITA site coordinators expand and improve existing sites. The rest of this report will highlight 10 best practices for launching or expanding successful and innovative Native VITA sites.

IV. BEST PRACTICES: AN OVERVIEW

Below is a list of ten best practices, identified by the five model VITA programs we interviewed, that we believe will help launch or enhance successful Native VITA sites. These best practices are suggestive, rather than prescriptive. In other words, they are intended to act as a guide that can be used and tailored by tribal leaders and community organizations to fit the needs of their communities.

Native VITA Sites: 10 Best Practices

1.) Make Native VITA Sites a Community-Wide Effort: Native VITA sites are more successful if they involve the whole community. Tribal members not only benefit from free tax preparation services; they often help coordinate and promote these services in their communities and even serve as volunteers.

2.) Start to Prepare for Tax Season Early: Prepare for tax season 4-6 months in advance to develop partnerships with tribal leaders and Native businesses; recruit and train volunteers; and develop marketing strategies. The tax season itself is much shorter than the time commitment actually required to plan and organize a successful VITA site.

3.) Develop Partnerships with Tribal Government Programs, Financial Institutions, the IRS, and Community Based Organizations: Partnerships are the key to Native VITA site success.

4.) Identify a Site Location that is Popular and Convenient: VITA sites should be offered in a convenient location. Multiple sites and mobile sites are effective ways to help to serve more Native tax filers.

5.) Recruit and Retain Volunteers with Assistance from the Tribe: Use partnerships to help recruit Native VITA site volunteers. Tribal partnerships, in particular, tend to have the strongest impact on volunteer recruitment and retention.

6.) Utilize Traditional IRS Online Training Courses and Tribally-Relevant Classes and Workshops: Train Native VITA site volunteers early using a combination of both online and classroom-based training. The IRS offers an online tax preparation and certification course. However, model programs also recommend classroom-based training that focuses on tribally-relevant methods and strategies to better serve the needs of tribal members and includes Native-specific tax issues when relevant.

7.) Create Effective Marketing Strategies: Develop marketing strategies that target different demographics. For example, launch a marketing campaign in Native languages to recruit tribal members in isolated areas or use social media marketing tools to grab the attention of a younger audience. Make outreach materials culturally relevant.

8.) Conduct Post-Tax Season Assessments and Evaluations: Treat Native VITA sites as a year-long process. The post-tax season is the perfect time to reassess and make plans to improve your program.

9.) Find or Establish a Native VITA Site Coalition in Your Area: Join or establish a Native VITA site coalition. Collaborations provide much needed support and allow Native VITA site coordinators to share resources, research and knowledge.

10.) Link VITA Site to Other Asset-Building Programs: VITA programs offer a “teachable moment” to help clients save some of their refunds and learn about other asset-building programs such as financial education classes, IDA programs, or other savings programs.

A common theme identified by the five model programs included in this report is that tribes play an integral role in the success of Native VITA sites. Indeed, tribal leaders have the potential to impact every aspect of Native VITA sites – from providing a site location to influencing volunteer retention to promoting Native VITA programs before, during, and after the busy tax filing season.

V. NATIVE VITA SITES: TEN BEST PRACTICES

Research indicates that successful Native VITA sites match the needs of tax filers in Native communities. The five VITA programs we consulted for this report – Akwesasne Housing Authority, College of Menominee Nation, Lakota Funds, Inc., Native Community Finance, and White Earth Investment Initiative – developed sophisticated and innovative methods to meet the needs of their clients. For example, Akwesasne Housing Authority targeted young tribal members by launching a social media campaign. College of Menominee Nation recruited tribal college students to earn course credits at their multiple Native VITA sites. Lakota Funds, Inc. developed and offered mobile sites to assist Native tax filers across nine separate districts.

Similarly, Native Community Finance offered mobile tax services to tribal elders at the local senior center and nursing rehabilitation center. Additionally, the volunteer program implemented

by White Earth Investment Initiative is a smart and creative solution that will help other Native VITA sites meet their most pressing challenge – volunteer recruitment and retention. The information learned from these five model programs is useful and provides vital insights that can be used by tribal and Native community leaders to launch or enhance successful Native VITA sites in their own communities.

The 10 best practices outlined below include tips and suggestions for the entire tax season – from pre-tax season preparation through the busy tax filing season to post-tax season assessments. These tips and suggestions are intended to help Native VITA site coordinators and volunteers organize and operate better and more successful tax preparation sites.



BEST PRACTICE #1: MAKE NATIVE VITA SITES A COMMUNITY-WIDE EFFORT

“Native VITA sites don’t just benefit individual tax payers. They have a positive impact on the entire community.” – Akwesasne Housing Authority

Successful Native VITA sites are a community-wide effort tailored to address the needs of community members. For example, College of Menominee Nation is a tribal college on the Menominee reservation that offers associates and bachelor’s degrees in business and accounting. College of Menominee Nation provided their tribal college students with professional, hands-on training by recruiting them to help organize and operate up to four Native VITA sites per year on the Menominee reservation. This strategy is mutually advantageous: students build their resumes and earn college credit and College of Menominee Nation provided students with the education and training to succeed after graduation. Furthermore, this strategy allows both students and Native VITA site coordinators to improve and revitalize the reservation economy. It was observed that the college class should be offered concurrent with filing season.

In 2008, College of Menominee Nation managed four Native VITA sites: one at the College of Menominee Nation main campus, another at the Menominee Tribal Business Center, one at Co-Vantage Credit Union (Shawano), and one at Menominee Tribal Enterprises. Together, these four sites prepared 752 returns free of charge and brought over \$492,905 of EITC funds into the community. By providing tax services free of charge, the VITA sites saved local community members a combined total of \$120,725 that would have otherwise been paid to commercial tax preparers.³

³ The cost of paid tax preparation was estimated to be \$160.00.

College of Menominee Nation successfully developed a model that best fit the needs of their student body and Native tax filers in their community. However, it is also important to note that this community-wide effort extends well beyond the college and the adult population. College of Menominee Nation invited tribal youth to participate in this initiative as well. In 2009, middle school and high school students at Menominee Tribal Schools participated


“Native VITA sites teach our students how to give back to the community and help them gain valuable learning experience. One student was even promoted to Native VITA site coordinator at one of our four sites.” – College of Menominee Nation

in presentations and marketing contests intended to educate students and community members about the benefits of Native VITA sites. Students produced posters to market the VITA services, which helped the children and their families learn about VITA, and also helped provide marketing materials for the VITA program.

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Menominee County 2003 approx \$170,000 Was Paid by Your Families. Because Rapid Refunds.

Artist: Shaunda Williams, Menominee Indian High School Student

Call for your appointment today at the following locations:

- Menominee Community Center in Neopit
Charlotte Wagner 756-2218
- College of Menominee Nation
Annette Tourillott 799-6226 x 3097
- CoVantage Credit Union 524-8200
- And for small business tax returns:
- Menominee Business Center
Carrie Grignon 799-5720

Partners








Including Menominee Community Center in Neopit and the Internal Revenue Service

This drawing and the following drawings were created by Menominee Indian High School students who participated in a poster contest to promote VITA sites.


NO VITA!

you could be
throwing a few
Ben Franklin's away!



VITA!

you can have him
were ever you go!



JANUARY 2008 MILANDRA MARKSMAN - 7TH GRADE

These initiatives are examples of unique community-wide efforts intended to benefit members of a specific tribal community. The other four model programs also tailored their Native VITA sites to meet the needs of tax filers in their communities and also reach out to a broad range of community members. It is essential for new and existing Native VITA site coordinators to evaluate the unique needs of community members and develop creative strategies and methods to meet those needs.

BEST PRACTICE #2: START PREPARING FOR TAX SEASON EARLY

“Prepare early and be prepared for more volume than you think. Native VITA sites serve more and more tax filers every year.” – College of Menominee Nation

The five model programs consulted for this report recommend preparing for tax season at least four to six months in advance. The tax season is much shorter than the time commitment required to plan and organize a successful VITA site. To prepare for tax season, College of Menominee Nation held regular meetings with volunteers to ensure understanding of roles and to review procedures to ensure consistency. Furthermore, the model programs interviewed for this report warn that Native VITA sites are growing rapidly and that volume is usually higher than expected. To meet the needs of Native tax filers, site coordinators often extend hours, schedule appointments, and increase site locations during the busy tax filing season.

The five model programs note that flexibility is crucial to Native VITA site development, especially during the first few years of the program. New partnerships allow Native VITA sites to be more flexible and to operate more efficiently. It is important to establish new partnerships and renew and re-evaluate existing partnerships before the tax season officially kicks off in January.

BEST PRACTICE #3: DEVELOP PARTNERSHIPS WITH TRIBAL GOVERNMENT PROGRAMS, FINANCIAL INSTITUTIONS, THE IRS, AND OTHER COMMUNITY-BASED ORGANIZATIONS

“Collaborative efforts benefit both Native VITA sites and their partners. We work hard to ensure that our partnerships are strengthened and renewed every year.”
– College of Menominee Nation

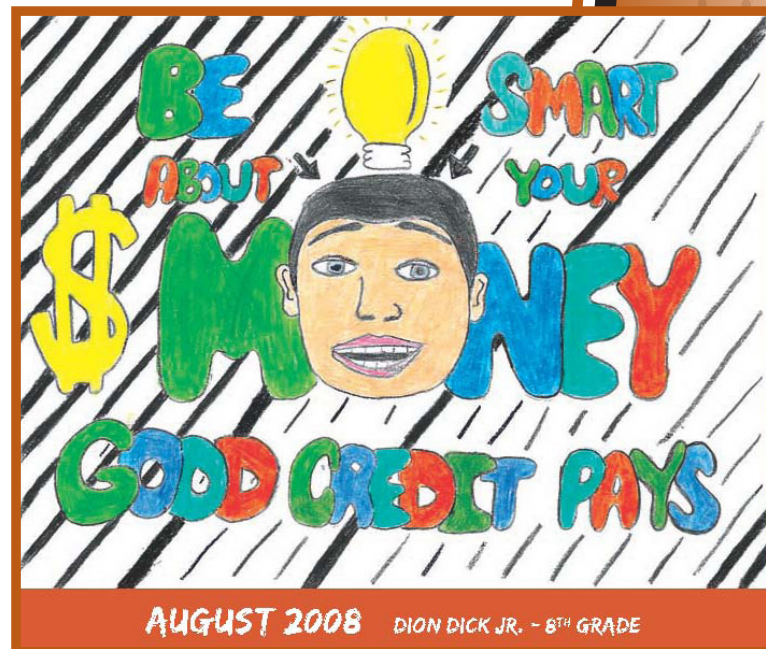
Establishing a successful Native VITA site begins with partnerships. Partnerships have the potential to meet a wide variety of needs – from improving participant recruitment and attendance to contributing volunteers or other resources such as computers, space, tax software, and outreach assistance. The five model programs surveyed for this report identified four key partners: tribal leaders and tribal government programs, financial institutions, the IRS, and community-based organizations.

1. **Tribal leaders and tribal government programs** are vital to Native VITA site success. Four of the five model programs surveyed for this report note that the success of their sites is directly or indirectly related to the partnerships they develop with tribal leaders. For example, the Saint Regis Mohawk Tribe provided Akwesasne Housing Authority with the \$5,000 start-up funds they needed to establish their Native VITA site in 2007. College of Menominee Nation approached tribal leaders for approval and other support before they officially launched their program. As a result, the Menominee Tribe of Wisconsin provided them with several volunteers and a convenient site location. Similarly, the White Earth Band of Ojibwe accommodated White Earth Investment Initiative’s request for assistance with a prime location at the Shooting Star Casino and also provided technical and marketing assistance. Once tribal leaders understand the positive economic impact VITA programs have on their

citizens and local economy, they are likely to provide support for the program. This is why it is useful to have data on how much money can be saved by helping people avoid tax preparation fees or expensive loans against tax refunds. Providing this information for existing sites helps continue the support too.

Tribes don't just impact the success of Native VITA sites directly. Native Community Finance notes that they received indirect support from their tribe. Native Community Finance attributes the popularity of their small Native VITA site to the support of the tribal council who encourages tribal members to take advantage of Native Community Finance's free tax preparation services. The strong support of the Laguna Pueblo tribal council substantially increased the number of Native tax filers at Native Community Finance's site – so much so that the rapid increase began to overwhelm the two tax preparers who manage the site. Encouraging tribal leadership can influence other tribal programs to help advertise and even to provide volunteers. Some tribal leaders have approved time off for VITA service.

- 2. Financial institutions** also make great Native VITA site partners. These partnerships are advantageous because they provide Native VITA sites with additional support such as funding and technical assistance. In addition, VITA sites help financial institutions explore new community outreach efforts. Native VITA sites offer credit unions and banks a great opportunity to increase the financial security of unbanked tribal members by helping them open a bank account. For example, Akwesasne Housing Authority and SeaComm Federal Credit Union developed "Fresh Start," a new program for tax filers with credit issues that prevent them from opening traditional bank accounts. "Fresh Start" allows Native tax filers to open a checking account at SeaComm Federal Credit Union under special guidelines. This innovative program is an example of two partners who saw a community need and addressed it. Opening bank accounts for unbanked VITA clients also enables them to e-file returns and receive refunds much faster than through paper filing. These types of strategic partnerships have the potential to enhance Native VITA sites.
- 3. IRS** support is necessary for volunteer training certification, and may be helpful with equipment and supplies. The IRS has a program called Stakeholder Partnerships, Education and Communication (SPEC) that provides regional territory managers who can be of assistance in starting a VITA site. Furthermore, IRS representatives can provide Native VITA sites with tax preparation software, manuals, and in some cases on-site training. IRS representatives are particularly helpful during the initial start-up phase of the program. Akwesasne Housing Authority notes that they contacted their IRS representative frequently during the first year of the program. The IRS also offers a competitive grant program each year that can provide funds to operate a VITA program. More information about this program can be found by visiting the IRS website or entering "IRS VITA grant program" into your search engine.



4. Community-based organizations offer the opportunity for unique partnerships that Native VITA site coordinators can establish with social service organizations, businesses, schools, and other institutions to meet the needs of tribal communities. For example, some of the model programs partnered with insurance companies, utility companies, daycare centers, and senior centers to offer services and market programs. Other potential partners include:

- Temporary Assistance for Needy Families (TANF) agencies
- Workforce Development Programs
- Community Development Financial Institutions (CDFIs)
- Individual Development Account (IDA) programs
- Financial Education Providers
- Headstart Programs/K-12 Schools/Colleges & Universities
- Major Employers

The key to a successful partnership is to be creative and to explore different types of opportunities that will benefit Native tax filers while contributing to the mission of the partner.

The benefits of Native VITA site partnerships are mutual. These partnerships allow Native VITA sites to increase their capacity and serve more Native tax filers. In addition, they allow their partners to promote their own interests while also providing a public service to the community. It is notable that each of the successful organizations profiled in this report had an organization they could look to for support, either IRS representatives or larger organizations already experienced in VITA. And for the partnerships to continue successfully, care should always be taken to nurture the partnership and to maintain open communication.

Innovative VITA Programs

In 2011, First Nations Development Institute received funding from the Paul G. Allen Foundation and the Bill and Melinda Gates Foundation, two philanthropic organizations committed to building assets for low-income and underserved Americans. Both organizations work to provide Native Americans in the Northwest region with a variety of asset-building tools to lift people out of poverty and create long-term financial prosperity. To complement the missions of these organizations, and to meet the needs of low-to-moderate income Native Americans, First Nations designed a two-year grant program to connect Volunteer Income Tax Assistance (VITA) site clients, many of whom are low-to-moderate income, to a number of public benefits programs and asset-building services. In partnership with our grantees, First Nations Development Institute has coordinated the *Building Native American Family Economic Security* project, which in the second year of the grant, 2013, continues support of two existing VITA sites and has added one new VITA site committed to providing asset-building services and public benefits screening to their tax clients.

In addition to returning over \$1 million in refunds and about \$430,000 in Earned Income Tax Credit (EITC) back to the community in 2012, one of the grantees, **Chief Dull Knife College**, successfully linked their tax clients to a number of asset-building services and benefits programs. Primarily serving the Northern Cheyenne community in Montana, Chief Dull Knife College (CDKC) partnered with another local Native organization, People's Partner for Community Development (PPCD), to provide one-on-one counseling to review clients' credit reports upon request and sign them up for additional services including financial education classes, Individual Development Accounts (IDAs) and/or a credit builder program to establish or repair credit. In partnership with PPCD, CDKC was also able to utilize the online

portal, *Bridge to Benefits* (B2B), to screen clients on their eligibility for various public benefits programs available in Montana. In total, 35 of their clients were screened for benefits via the B2B website. CDKC also facilitated opening bank accounts for 6 unbanked clients, and they connected 20 clients to the *US Bank AccellaPay Card*, a free debit card that replaces costly products for unbanked taxpayers such as Re-fund Anticipation Checks (RACs).

Another grantee, **Northwest Native Development Fund** (NNDP) in Washington State, returned over \$100,000 in refunds and brought over \$35,000 in EITC money back to the Spokane and Colville communities in 2012. NNDP also connected several tax clients to asset-building programs and several to public assistance programs. A survey utilized during VITA intake identified some clients who were interested in an IDA program and one individual successfully qualified for this asset-building tool. Two other individuals were referred to Temporary Assistance to Needy Families (TANF), including a small business owner who was facing financial hardship. NNDP reported an instance where its financial education training and benefits screening resulted in locating housing and work for another client. He was also connected to a legal advocate who assisted him in finding adequate housing and a job.

The second year of the grant is currently underway, which includes the launch of a new VITA site operated by the **Chehalis Tribal Loan Fund** and the expansion of services offered by the two existing sites. First Nations intends to share best practices and lessons learned from this project to equip other Native VITA sites with new ways to empower Native American families and individuals across North America.

Best Practice #4: Identify a Location that is Popular and Convenient

Successful Native sites are located in areas that are popular and convenient for clients. For example, White Earth Investment Initiative launched their first Native VITA site at the Shooting Star Casino Hotel and Conference Center. This location is ideal because the casino employs nearly 1,000 people. Furthermore, with hundreds of slot machines and hotel rooms, this location serves a number of people in and around the community. This location is popular and convenient and is also an example of a smart marketing strategy. The Shooting Star Casino allows White Earth Investment Initiative to provide free tax preparation services to casino employees *and* guests.

In 2006, White Earth Investment Initiative filed 200 tax returns at the casino and later expanded the site to include five other villages on the White Earth Indian Reservation. Native VITA site coordinators discovered that the initial site at the Shooting Star Casino helped them build trust in the community and encouraged tribal members in remote villages to take advantage of their other sites. Ultimately, they consolidated at the casino location but found that the experience of serving people in their home communities built trust and those clients now come to the Shooting Star Casino. From 2008-2011, White Earth Investment Initiative filed nearly 2500 tax returns.

Convenience is an important component of Native VITA site success. However, convenience isn't always a reasonable expectation in remote, rural communities. Therefore, all five of the model programs developed innovative strategies to meet the needs of tax filers in their unique communities. Some model programs established multiple VITA sites while other model programs launched mobile Native VITA sites that serve remote areas.



The following table outlines the Native VITA site configurations these five model programs developed in an effort to meet the needs of their individual communities:

Native VITA Site	Number of Locations
Akwesasne Housing Authority	2 sites
College of Menominee Nation	4-5 sites
Lakota Funds, Inc.	1 main site + 8 mobile sites
Native Community Finance	1 main site + 1 informal mobile site
White Earth Investment Initiative	1 main site and 8 mobile sites consolidated to 2 sites as of October 2012

The Pine Ridge Indian Reservation is home to nearly 17,000 tribal members and spans nearly 3,500 square miles. The median family income is \$20,477 – meaning that a majority of residents qualify for the EITC and free tax preparation services. In an effort to meet the needs of the many Native tax filers on the Pine Ridge Indian Reservation, Lakota Funds utilized mobile VITA sites. During tax season, volunteers travel to nine different districts and utilize community facilities to promote and deliver Native VITA services and other Lakota Funds services such as lending, financial education, and technical assistance.

Native Community Finance also developed a mobile site to meet the needs of tribal elders who cannot travel to their main site because of illness or disability. Their approach is far less formal than Lakota Funds’ sites. Volunteers at Native Community Finance periodically take laptops to the local senior center and nursing home to assist tribal elders with their taxes. Mobile Native VITA sites allow Native VITA site coordinators to reach tax filers in remote areas. They also ensure that tribal elders have the opportunity to access free tax preparation services. In another example, when Akwesasne Housing Authority needed some assistance with a question related to international tax issues, the IRS territory manager made arrangements for another site to prepare the return remotely because Akwesasne Housing Authority had no one certified to address the question. Native VITA site coordinators can expand their sites and their outreach efforts by adopting some of these creative and innovative methods.

Many of the coordinators interviewed also stressed the importance of operating during hours convenient to clients. If only business hours are observed, it is much more difficult for working families to access the service.

Innovative New VITA Delivery Methods

Providing VITA services to remote locations can be challenging, especially for VITA sites serving remote Native and rural communities. There are several new tax preparation models that have low overhead and can be easy to staff and manage. These models allow VITA programs to assist clients to self-prepare their tax returns. These new models include:

- 1. Facilitated Self Assistance** - Facilitated Self Assistance (FSA) is similar to other forms of assisted self-service (e.g. gas stations, grocery stores). Taxpayers input their own return data using interview-based software. Certified volunteers are available to assist at all times (VITA Basic is the minimum volunteer certification for this model). Computers can be set up as a stand-

alone model or at an existing VITA site to increase capacity at peak times.

The benefits of Facilitated Self Assistance to a taxpayer seeking tax preparation assistance are:

- Leveraging personal computer skills
- Access to brand-name tax software
- Ability to consult with a certified VITA volunteer for questions
- Increased knowledge about their return
- Increased confidence upon completion of return
- First step towards self-sufficiency in return filing

The adoption of Facilitated Self Assistance has several advantages to a developing VITA site. Since the clients input returns, no intake process or screening is needed. There is no quality review of completed returns, although a cursory review of returns has proven beneficial for taxpayers and sites. Volunteer training requirements are fewer. In short, it's easier.

Other Facilitated Self Assistance models and resources include:

- Beehive (myfreetaxes.thebeehive.org/)
- I-CAN (www.icanefile.org/)
- The Benefit Bank (www.thebenefitbank.org/)

Utilizing FSA could help extend the reach of existing sites to remote areas of the community or enable you to serve more people at your existing site(s). The site the client visits needs only a certified greeter for intake and to connect with the preparation software.

2. Free Assisted Self-Service Tax Preparation - This model is also known as Free File VITA. Taxpayers utilize online software provided by members of the Free File Alliance (FFA), including H&R Block, Intuit (TurboTax), TaxSlayer, TaxAct, and FileYourTaxes (New software providers may be added to this program each year). Provider links are customized with the embedded site identification number (SIDN) to allow for return counts.

3. Virtual VITA - Virtual VITA is another model that may be of use. Virtual VITA is known by some as remote filing. Two organizations partner - one as an intake site, the other as the preparation site. The sharing of information may be accomplished through video conferencing or fax or email. This method may be used to provide tax preparation at a site without capacity to offer one-to-one VITA counseling or it may be used to provide assistance in more complicated tax returns. Some IRS territory managers will facilitate partnerships for remote filing for more complex returns, such as those with international tax issues. Also, established Native sites could help Native communities in very remote locations with little access to resources by agreeing to partner in a virtual VITA site.

A conversation with your local IRS SPEC territory manager would help you decide which approach is best for you or whether you want to try a combination of approaches. Before contacting the IRS, you should make a plan for the number and location of sites you wish to support. This helps you plan for the number of computers, the hours of operation, the number of volunteers you will need, and your marketing initiatives. A video of alternative filing methods is available at the IRS website. Enter "Alternative Filing Methods IRS" into your search engine to learn more.

Best Practice #5: Recruit and Retain Volunteers with Assistance from the Tribe

“Volunteers are so important to the success of Native VITA sites. Some of our volunteers drove for more than an hour to serve tax filers in remote areas of the community. That type of commitment is extraordinary.” – White Earth Investment Initiative

Successful Native VITA sites recruit and retain volunteers with the assistance of tribes and other partners. The biggest challenge facing most Native VITA site organizers is volunteer recruitment and retention. On average, most organizers are lucky to recruit 2-4 volunteers. White Earth Investment Initiative avoided this problem by developing a partnership with the tribal council that awarded tribal employees limited comp time in exchange for volunteer activity. As a result of this initiative, White Earth Investment Initiative averages 10 volunteers per week, which is substantially more volunteers than the other VITA sites surveyed for this report.



In addition to successfully recruiting volunteers, White Earth Investment Initiative is also committed to utilizing the same volunteers year after year by actively improving their volunteer program. White Earth Investment Initiative formed a volunteer leadership group. Volunteer leaders serve as tax site mentors during the training season and as tax site advisors during the busy tax filing season. Volunteer leaders help streamline the volunteer process. They help train new volunteers, offer unique insider knowledge, and provide insight to improve operational performance.

“I developed the first Native VITA site in this area. At the time, I was a single, working mother and had just learned how to prepare my own taxes to avoid expensive tax preparation fees. The success of my program helped me realize that other tribal members – and not just me – could benefit from these services as well.” – Akwesasne Housing Authority

Without volunteers Native VITA sites would not be able to effectively serve the community. Therefore, it is important for Native VITA site coordinators to show their appreciation to volunteers who graciously contribute their time and expertise to the success of Native VITA sites. After the busy tax filing season, some site coordinators host appreciation lunches or dinners for their volunteers. White Earth Investment Initiative’s volunteer leaders are rewarded with theater tickets and other incentives. Also, it is important to remember that a simple thank you goes a long way and lets volunteers know that their assistance is appreciated.

Recruiting Volunteers: Some Ideas

There are a wide variety of resources available to assist VITA sites. The following may be useful:

- A radio spot for volunteer recruitment and/or site advertisement: visit <http://www.irs.gov/uac/VITA-Sites--Radio-PSA-text-script>
- A YouTube video to recruit volunteers. One example can be seen at: <http://www.youtube.com/watch?v=F1GXxZODTg>

BEST PRACTICE #6: UTILIZE TRADITIONAL IRS ONLINE TRAINING COURSES AND TRIBALLY-RELEVANT CLASSES AND WORKSHOPS

Online and classroom-based training help counter volunteer retention problems and encourage volunteers and Native tax filers to come back every tax season. After recruiting volunteers, the next step towards developing a successful Native VITA site is training. Typically, VITA site volunteers are simply trained and certified by the IRS via “Link & Learn,” a self-paced training program that introduces volunteers to the tax preparation process.

However, all five of the model programs interviewed for this report note that they augment the IRS online training course with classroom training that provides Native VITA site volunteers with hands-on training and exposes them to tribally-relevant issues. For example, Lakota Funds, Inc. hires a former IRS representative to conduct their annual classroom trainings. Similarly, an accounting instructor at College of Menominee Nation helped train their volunteers. Native Community Finance takes advantage of free classes offered by Tax Help New Mexico to receive training and certification for their VITA employees. And as previously indicated, White Earth Investment Initiative relies on seasoned volunteers to train and mentor their new volunteers year after year and conducts advanced training off-season, often by a paid outside instructor.

Online and classroom-based training ensure that all Native VITA site volunteers are comfortable with the basics of tax preparation and can effectively meet the unique needs of Native tax filers. Proper training ensures that volunteers know their responsibilities in advance and reduces a potentially stressful situation. It also increases the likelihood that volunteers will return next tax season.

Neither an accounting nor a financial background is necessary to volunteer at Native VITA sites. Akwesasne Housing Authority notes that their initial site stemmed from the desire of a single individual to help the community. Akwesasne Housing Authority’s first Native VITA site coordinator recalls:

I took this initiative on myself, for personal reasons and as a way to give to my community. I was a single, working parent and used to have to pay for expensive tax preparation fees. Then I started to prepare my own. When I learned of the VITA program, I thought it was something that was needed in our community.

In addition to tax preparers, volunteers can also serve as greeters, interpreters and intake specialists. According to the five model programs we spoke with, Native tax filers return to Native VITA sites year after year specifically because of their relationships with the volunteers. Proper training is essential. It simplifies the tax preparation service for volunteers and tax filers. Furthermore, qualified volunteers help build trust in the community and increase the use of Native VITA sites overall.

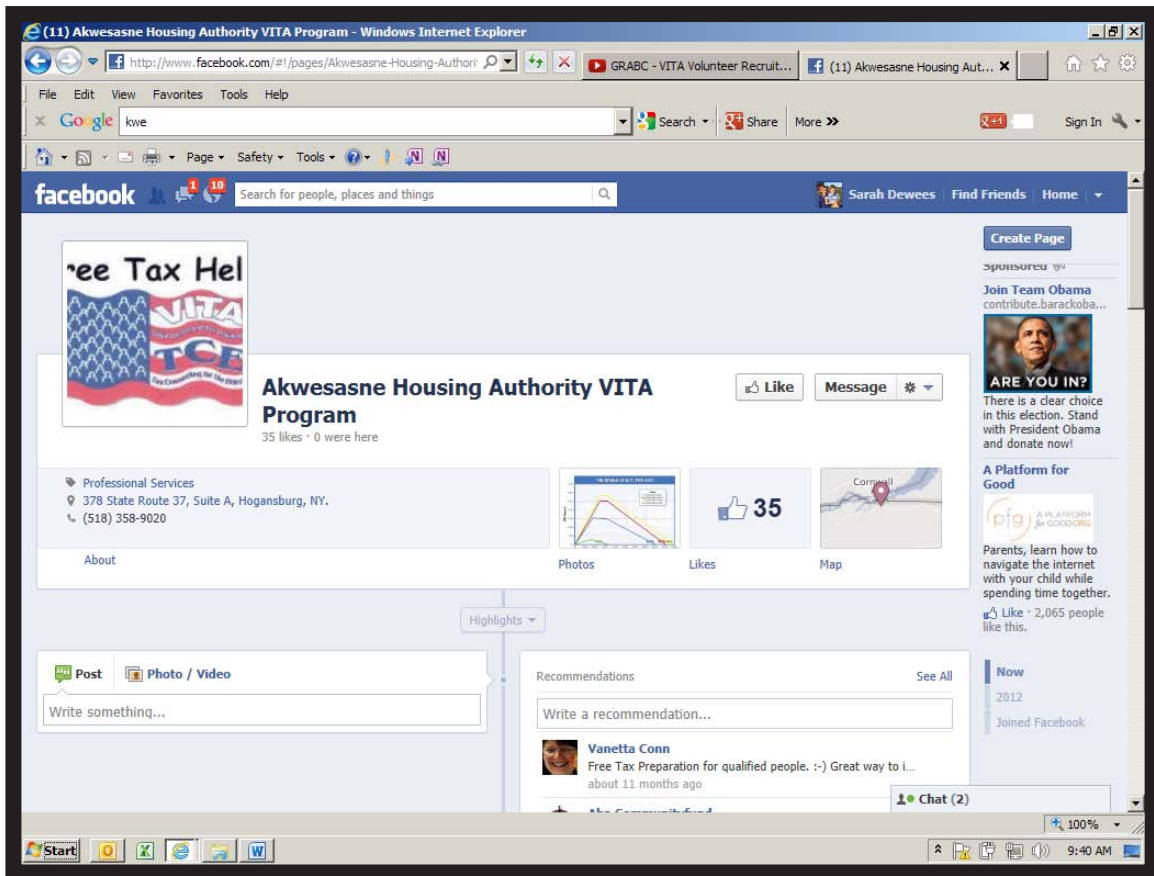
BEST PRACTICE #7: CREATE EFFECTIVE MARKETING STRATEGIES

The most effective marketing strategies are creative and target a range of different demographics. The five model programs interviewed for the report noted that they created marketing strategies directed at specific audiences. For example, White Earth Investment Initiative hung posters throughout the Shooting Star Casino and advertised in the casino newsletter to draw the attention of casino employees and guests. They designed simple paycheck stuffers to persuade casino employees to take advantage of their free tax preparation services.

College of Menominee Nation made presentations at the tribal college to encourage the student body to take advantage of their free tax preparation services and distributed posters to various tribal businesses and organizations to reach other tribal members. Lakota Funds and Akwesasne Housing Authority advertised on the radio and discussed the negative impact that loans against tax refunds, or RALs, can have on Native individuals and families. College of Menominee Nation held a poster contest among students and used the winning poster for their outreach material. They also developed a calendar made up of student drawings that encouraged the use of VITA.



Akwesasne Housing Authority also used an easy and effective tool to reach a younger generation of Native tax filers – social media. Social media and email are simple, cost-effective marketing tools. Only two of the five model programs had a marketing outreach budget and they both indicated that budget was very small. Akwesasne Housing Authority created a Facebook page that includes EITC information; site locations and hours; and other tax filing requirements.



Furthermore, word-of-mouth recommendations help build trust and participation in Native VITA sites. Most Native tax filers trust word-of-mouth recommendations more than any other marketing strategy. Native Community Finance says that their Native VITA site gained momentum primarily from word of mouth recommendations as they did not have an outreach budget.

The Center for Social Development suggests that Native VITA site coordinators should adopt bi-lingual marketing campaigns. They argue that more than half of Native tax filers speak indigenous languages. Therefore, Native language posters, flyers, brochures, and advertisements should be designed to promote Native VITA sites.⁴ It is unclear whether any of the five model programs implemented this strategy. However, they did advertise their free tax preparation services in tribal newspapers and newsletters. They also advertised on the radio and distributed culturally relevant brochures and flyers.

Five Effective Marketing Strategies for Native VITA Sites

1.) **Word-of-Mouth Recommendations.** Referrals from family and friends are still the most trusted form of advertising, especially when it comes to sensitive financial situations like tax preparation.

2.) **Paycheck stuffers.** Paycheck stuffers are an easy way to educate employees about the benefits of the EITC and Native VITA sites. These fliers can also be inserted in utility bills, HeadStart communications, etc.

3.) **Social Media and Email.** Electronic marketing allows Native VITA site coordinators to reach a broader market. Furthermore, this form of marketing can be offered at a fraction of the cost of traditional marketing strategies.

4.) **Radio.** Tribal radio stations help keep tribal members up-to-date about events in their community. Native VITA site coordinators can use these radio stations as a platform to inform tribal members about the dangers of RALs and now more commonly RACs, and the benefits of free tax preparation services.

5.) **Posters, flyers, brochures.** Be creative and get the community involved in the design process! Also, partner with organizations willing to help offset the cost of printing and distributing expensive marketing materials. Post and distribute in locations frequented by the target market.

VITA marketing season is also a good time to market the Earned Income Tax Credit (EITC). The report *Building Native Communities: A Tribal Leader's Guide to Launching an Earned Income Tax Credit (EITC) Campaign*, available on First Nations' website at www.firstnations.org, provides detailed information about marketing possibilities specific to Native communities. In addition, a short webcast by the IRS provides many tips on marketing the EITC. You can access the webinar by entering "IRS webinar marketing made easy" into your search engine or using the following link: <http://www.irsvideos.gov/EITCMarketingMadeEasy/>

To prepare for a successful tax season, Native VITA site coordinators need to plan early, carefully recruit and train their volunteers, and advertise their sites extensively. The tax season officially runs from January to April. However, there is little down time between tax seasons for Native

⁴ See the Center for Social Developments working paper: **VITA Sites: Linking Tax Returns and Asset Building Strategies in Indian Country.**

VITA site coordinators. In fact, many Native VITA site coordinators begin assessing and re-evaluating their efforts as soon as the tax season ends. The next section discusses how to best prepare for the tax season by conducting post-tax season assessments.

Create a Fundraising Committee to Research Grant Opportunities

It is helpful to create a fundraising committee to research grant opportunities and develop a revenue generation plan. Fundraising is key to help raise money for important equipment such as computers and printers and for activities like tax education classes, marketing workshops, and Native VITA site coalitions.

There are many resources available to support VITA sites. The following is a partial list:

- VITA Grants: The IRS also offers a competitive grant program each year that can provide funds to operate a VITA program. More information about this program can be found by visiting the IRS website (www.irs.gov) or entering "IRS VITA grant program" into your search engine.
- Tax Counseling for the Elderly (TCE) Grants: You can find out more about this program by visiting the IRS website (www.irs.gov).
- Assets For Independence (AFI) Grants (for IDAs but recent emphasis on VITA- visit www.acf.hhs.gov/assetbuilding/)
- National Credit Union Administration (NCUA) has grants for eligible low-income designated credit unions to offer VITA to their members and communities. Enter "NCUA grants low-income designated VITA" into your search engine to find more information. NCUA also has information about starting a VITA site and about the IRS VITA grant on their website.
- Community Services Block Grants for Community Action Agencies (www.acf.hhs.gov/programs/ocs/csbg/)
- National Community Tax Coalition (NCTC) provides information on available grants (www.tax-coalition.org)

Some grant making non-profit organizations may also provide grants for VITA and/or related asset-building programs.

There are many resources for tips on developing grant applications. One can be found at <http://www.nctc.edu/FOUNDATION/GRANTS>.

The National Credit Union Administration offers advice to credit unions applying for their grants that could be applicable to any organization- <http://cuna.org/newsnow> ... select *Archive...August 29, 2012...* "NCUA's OSCUI advises CUs on grant applications".

Ensure the Sustainability of Your VITA Program

Over the years, as the VITA program has grown in Indian Country, there have been many successes but there have been site losses, too. More than one Native VITA site closed from lack of funding or resources. For some, the loss of a few volunteers from an already small staff of volunteers meant that sites couldn't be open enough hours to serve community needs. For some, a tribal funding stream was lost because priorities changed. Some new sites were unprepared for volume and demand or training was inadequate to create a comfort level for continuing. Even established sites may struggle if resources are insufficient to support the program fully. It's a good idea to have more than one funding source for your program, and to have an active fundraising strategy.

BEST PRACTICE #8: CONDUCT POST-TAX SEASON ASSESSMENTS AND EVALUATIONS

The post-tax season provides the perfect opportunity to regroup, reassess, and plan for next tax season. During the post-tax season, successful VITA programs host appreciation events for volunteers; review data from the previous tax season; discuss the previous tax season to identify lessons learned; and begin to develop new partnerships. The post-tax season is also a good time to organize training sessions, conduct Native VITA site presentations at financial conferences, and make plans for fundraising for next tax season. See the text box *Making Evaluation Work: White Earth Investment Initiative* for one site's continuing self-evaluation and resulting revisions and enhancements.

The post-tax season allows Native VITA site coordinators to assess the data they collected throughout the tax filing season. TaxWise is a tax preparation software tool used by most tax preparers and it measures the number of tax filers served at VITA sites, their total income, the total amount of their federal and state refunds, and the total amount of their EITC and other refunds. The five model programs use this software to track the impact of their programs and plan for the coming year. Impact data are especially important when Native VITA site coordinators begin developing partnerships and start fundraising. Often, they need these numbers to demonstrate the success of their tax preparation site. *Building Native Communities: A Tribal Leader's Guide to Launching an Earned Income Tax Credit (EITC) Campaign* (available at www.firstnations.org) contains useful information about data gathering and impact indicators.

Best Practice #9: Find or Establish a Native VITA Site Coalition in Your Area

“Working with a coalition was very helpful in terms of getting access to training and other resources.” – Native Community Finance

VITA coalitions provide members with financial, technical, and marketing support and offer other solutions to expand and improve existing Native VITA sites. Several of the model programs surveyed for this report expressed a desire for increased collaboration with other VITA organizations. Lakota Funds joined and, in fact, leads a Native VITA Site Coalition that includes the Pine Ridge Chamber of Commerce, Sinte Gleska University, and several tribes and many different community development financial institutions (CDFIs). As the coalition lead, Lakota Funds is responsible for training coalition members and working with them to share information. Native Community Finance is a member of a statewide New Mexico VITA coalition coordinated by Tax Help New Mexico. This statewide coalition helps coordinate trainings and VITA site start up; they can also provide assistance in applying for the IRS grant program and securing the equipment needed for running a VITA program.

Other advantages of VITA coalitions include help in recruiting volunteers, networking and information sharing, more effective and efficient delivery of tax preparation services, professional development, better needs assessment, and increased availability of resources. All five of the model programs highly recommend joining or establishing a Native or non-Native VITA site coalition. *Building Native Communities: A Tribal Leader's Guide to Launching an Earned Income Tax Credit (EITC) Campaign* (available at www.firstnations.org) has information about building coalitions.



Resources to Support Native VITA Programs

A wealth of resources is available through National Community Tax Coalition. It is a good idea to join, and if the cost is prohibitive for your organization, you may wish to attend a conference and speak to the NCTC leadership to see if fees can be lowered. More information on membership, including individual membership, is available here: <https://tax-coalition.org>, select *Our Coalition* (tab) then *Membership...Fees*.

The National Community Tax Coalition Online University is designed for members to build the capacity to deliver financial education and asset-building services to their communities, and can be a very useful resource.

First Nations Development Institute's website has links to research on Native VITA sites, EITC, and tax-time predatory lending. Visit www.firstnations.org and go to the Knowledge Center.

Making Evaluation Work: White Earth Investment Initiative

White Earth Investment Initiative has made an effort to conduct an evaluation of its work every year so that it can better design its program for the next year. White Earth Investment Initiative uses both quantitative and qualitative data to help understand the impact of their tax site. The site's start with VITA was driven by data: the Children's Defense Fund and AccountAbility Minnesota visited the White Earth Investment Initiative office to discuss a report that documented the high rate of Refund Anticipation Loans in reservation villages. White Earth Investment Initiative found a way to respond to the community need for free tax preparation.

Like most VITA sites, White Earth Investment Initiative's **White Earth Tax Service** tracks the number of tax returns prepared and total refunds returned to the community as well as asset-building services delivered. In addition, White Earth Investment Initiative developed an internal tracking sheet that over the years has recorded impact in terms of estimated taxpayer savings. This analysis takes into account average tax preparation and tax loan fees, new savings accounts opened at the tax site, number of tax loans and total loan amounts, average income, number of volunteers, and number of volunteer hours. White Earth Investment Initiative generates the information from National Tax Assistance (NTA) Application software available from National Community Tax Coalition, Taxwise reports, and surveys. (For more information about National Tax Assistance software, enter "National Tax Assistance (NTA) Application NCTC" into your search engine.) Demographic data also has been collected to ensure that they are serving their target market. This information is collected in a survey that asks whether taxpayers are reservation residents, Native American, and enrolled with a Tribe.

White Earth Investment Initiative uses the results of their data collection and other reviews (including the feedback they receive from the IRS each year) to evaluate their VITA site's accuracy and efficiency in completing returns. This data can also be used to determine what training is needed for the next year and what procedural changes should be made. White Earth Investment Initiative's information tracking and continuous improvement were incorporated into program design from the onset, and have progressed over time:

- In their learning partnership with the Mahube Community Action Agency AARP tax aide site, the organization added a volunteer to the Mahnomen Mahube site and increased returns by 50.
- The Mahube Community Action Agency expanded to the Shooting Star Casino the following year. The 10 community volunteers provided to the Mahube Community Action Agency site completed 200 returns. This information provided the justification necessary to start an independent White Earth Investment Initiative site, which completed 380 returns in the first year.
- The results of outreach to remote villages to prepare returns and the associated problems with roving sites were evaluated against the resources required, informing a decision to centralize operations. Comparison of return volume reinforced the decision - volume increased after centralizing services.
- The increase in clientele by approximately 100 resulting from the offering of an alternative to refund anticipation loans was tracked and used to evaluate whether to continue offering the product.
- The date of issuance of casino W-2s drives when the site will open because prior evaluation demonstrated this population is their key customer base.
- Tracking of average volunteer hours per week against clients served helps the administrator know how to adjust schedules. For example, the observation that many were turned away during the initial weeks led to asking volunteers to work extra hours in the first 3 weeks of the filing season. Evaluation of timing of demand led to a decision to provide service for more hours early in the season in exchange for a shorter working season for volunteers.
- Tax site marketing methods are also tracked. As a result, the White Earth Investment Initiative knows which are the most effective outreach methods and which don't justify the effort.
- The site coordinators and tax site administrator monitor the types of returns prepared and the skill sets needed so they can tailor their training efforts for next season.
- In the filing season just passed, the White Earth Investment Initiative tracked the demand for debit cards to determine whether to offer them in the coming season.

TaxWise, the return preparation software provided by the IRS, provides survey fields for local use. The White Earth Investment Initiative customizes these fields and the resulting information is shared with the

organization's asset-building committee which includes members from Tribal HeadStart, Childcare and Human Services, the partnering banking operation, and other partners including the Shooting Star Casino.

The site coordinator at White Earth Investment Initiative reports that collecting information is not without difficulty. Consistency of input of information is problematic, though improvements have been made. Some tracking requires an extra form to complete, tempting volunteers or clients not to take the time to answer all the questions. The site coordinator also talked about the challenges of developing questions to capture desired information easily and then inputting in the data to a database. The site administrator reports, "We start preparing for the next year in June. Most of the off-season activity is evaluating, planning and training for the next year."

There are many ways that data gathering and evaluation can help improve a Native VITA site. The administrator at White Earth Investment Initiative demonstrates that you can find a way to make data gathering work for you. She was able to collect and analyze data to improve her site in a way that is comfortable to her. As a result of her constant gathering and evaluating, she has effectively expanded her program to serve the community.


BEST PRACTICE #10: LINK VITA SITE TO OTHER ASSET-BUILDING PROGRAMS

"Tax time is the perfect time to reach out to low to moderate-income community members and help them learn about additional services." – Native Community Finance

Across the nation, VITA program leaders have realized that helping people file their tax returns provides a great opportunity to expose clients to other financial education and asset-building opportunities. For example, many VITA programs have begun to offer a tax-time savings bond product that helps clients save a part of their tax refund. Other sites are helping their clients open a bank account so they can receive direct deposit of their refund, or are helping them acquire a low- or no-fee debit card. Other sites link their clients to financial education programs, credit counseling, social service benefits, and programs like Individual Development Accounts (IDAs) and entrepreneurship training.

White Earth Investment Initiative and Akwesasne Housing Authority both use tax time as an opportunity to help their clients open bank accounts. Due to a special grant program available one year, White Earth Investment Initiative offered a free loan against the tax refund to some clients so they wouldn't have to take out an expensive Refund Anticipation Loan. Native Community Finance makes sure people are aware of the other services they offer, including financial education classes and the Individual Development Account (IDA) program. Another Native VITA program, hosted by Chief Dull Knife College, offered tax time savings bonds and a low-cost debit card product last year (see text box *Linking to Banking Services: Chief Dull Knife College VITA Program*.) The following are examples of practices in VITA programs that have been shown to link clients successfully to other asset-building programs:

- 1. Linking People to Banking Services:** Many sites are helping their clients open bank accounts to receive their refunds via direct deposit. Other sites offer a low-fee or no-fee debit card option so that the clients don't have to pay a fee to cash their refund check. The text box *Linking to Banking Services: Chief Dull Knife College VITA Program* provides information about one site's effort to open bank accounts and connect clients to no-fee debit cards.

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- 2. Linking People to Asset-Building Programs:** Many VITA programs are operated by community development financial institutions and other nonprofits that also offer financial education, entrepreneurial training, IDA programs, credit counseling, and credit repair loans. Increasingly, these organizations are finding ways to encourage VITA clients to use these other services.
 - 3. Linking VITA Clients to Social Service Programs:** An increasing number of VITA programs are using tax preparation time as an opportunity to educate their clients about social service resources that may be available to them. Several foundations are providing resources to help VITA programs conduct benefit screening for interested VITA clients, thereby linking them to valuable programs such as TANF, Food Stamps, Low Income Heating Assistance Program, and tribal resources such as housing, medical care, and educational benefits.
 - 4. Tax-Time Savings Bonds:** The IRS has made it easy to turn one's tax refund into a savings bond. Several sites nationally have been encouraging tax filers to opt for saving all or part of their tax return using this option. You can enter "Tax Time Savings Bonds" into your search engine to find out more about how to implement this program, or you can visit <http://bondsmakeiteasy.org/>.

Links to Banking Services: Chief Dull Knife College VITA Program

Chief Dull Knife College has run a successful VITA program for many years. In 2011, the Chief Dull Knife College site coordinator wanted to open bank accounts for VITA clients. She was hoping to help people get "banked" and also help them use direct deposit to receive their tax refund. Initially, she encountered some challenges. Local banks would reject clients if they had a poor credit score or problems indicated in the ChexSystem program. They also charged fees to open bank accounts that were not affordable to VITA clients. So the site coordinator explored other alternatives.

The alternative she found was the US Bank AccelaPay card. It was available for refunds to be directly deposited on a free debit card. No enrollment costs or monthly fees were associated with this card. Clients could set up direct deposit for payroll, add to the card and track income and expenses.

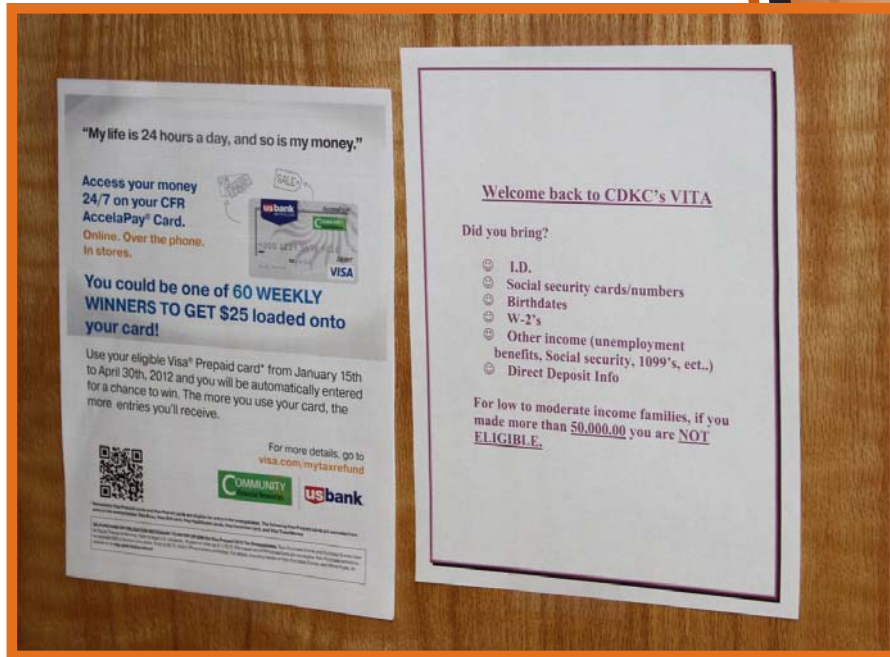
The Chief Dull Knife College site coordinator happened to serve on an advisory board with the manager of one of the local banks, First Interstate Bank. When the bank manager learned the VITA sites would be offering the debit card, she asked why the site coordinator had not come to their bank for a partnership. The site coordinator explained the previous difficulties she had encountered with the banking system. As a result, First Interstate Bank offered a program to VITA clients that included lower initial deposit requirements and relaxed ChexSystem requirements.

Because the Chief Dull Knife College site coordinator was willing to think outside the box and enjoyed good working relationships in the community, her site clients had access to new banking services. Six unbanked VITA clients opened First Interstate Bank checking or saving accounts and used direct deposit for their tax refunds. Twenty clients utilized the US Bank AccelaPay Card for refunds. Experience with the card did reveal that one downside to the US Bank AccelaPay Card is that funds deposited are frozen for 3 days and it's difficult to go to the bank to load extra funds. The site coordinator is considering alternatives for next year.

Both the new bank and new pay card clients received their refunds faster than they would have by mail and now have access to banking services they may not have been able to use earlier. Some VITA clients still chose to receive a check because they wanted it in hand, but it was their choice, not one made for them by rigid banking requirements or general lack of access.

The Chief Dull Knife College VITA coordinator is exploring options for next year but is happy that a total of 26 VITA clients now have access to banking services and have the option of receiving their tax refund using direct deposit.

Tax time is a great time to help VITA clients learn more about asset-building programs in the community. The potential windfall offered by a tax refund and the Earned Income Tax Credit presents an opportunity to encourage people to save part of their refunds. In addition, VITA clients are often interested in banking products so they can receive their refund quickly through direct deposit, and therefore tax time represents an opportunity to assist unbanked clients. Finally, VITA clients are often interested in additional services available to them, including financial education classes, credit counseling, IDA programs, or benefits programs. Increasingly, Native VITA sites are successfully offering these products and services to their clients.



VI. CONCLUSION

“Native VITA Sites increase income for working families and help Native tax filers become more financially stable.” – Lakota Funds, Inc.

First Nations strongly supports VITA sites in Native communities. They are community-wide efforts that have the potential to help families improve financial security and improve the economic conditions in Native communities. Furthermore, tax time represents one of the few, or possibly only, times of the year that low-income families will receive a large sum of money that can help them achieve financial security. Therefore, it is important to help these vulnerable families hold on to as much of their valuable tax refund as possible.

Starting a VITA site is not without its challenges. Each of the VITA sites we interviewed for this report indicated some challenge or barrier encountered. However, the common theme was not to be daunted by obstacles but to continue to look for ways to work around or overcome them. Thus, to the list of best practices, we might add the traits of tenacity and dedication and refusing to be defeated. Participants expressed pride in what they do and how they serve their communities. So another best practice might be the strong desire to build a better community.

The models documented in this report have been successful at supporting economic development and personal financial independence in their communities. We hope the information provided by the five model programs in this report will help tribal and other Native community leaders launch or expand Native VITA sites in their own communities. We also hope that this report will help address some of the unique challenges facing rural and Native VITA site coordinators and help increase the number of Native VITA sites in Indian Country.

APPENDIX A: ORGANIZATION PROFILES

The model programs showcased in this report are five reservation-based organizations that successfully established Native VITA sites in their communities. Information gathered for this report is based on questionnaires and interviews. First Nations disseminated a questionnaire on key variables in successful VITA sites serving Native communities. First Nations also conducted interviews with program representatives to confirm responses and collect additional information about each site.

AKWESASNE HOUSING AUTHORITY

Organization Background

The Akwesasne Housing Authority (AHA) has been in operation for 27 years. They are responsible for directly administering and monitoring HUD grants awarded to the St. Regis Mohawk Tribe. The grants range from \$45,000 to \$4 million dollars. They serve roughly 400 clients in their lease-to-own program. They also assist 40 tribal elders as part of their senior citizens' rental assistance program. In addition to increasing homeownership and rental opportunities for tribal members, AHA assistance has been instrumental in establishing the Akwesasne Boys & Girls Club, Akwesasne Senior Center, and Partridge House, a drug and alcohol rehabilitative center.

Organization Mission

As stated on their website: "The mission of the Akwesasne Housing Authority and the St. Regis Mohawk Tribe is to develop a comprehensive housing program that will address the needs of all Mohawks living on and around our designated Indian area. We will seek to generate and promote community strength and prosperity through safe housing, supportive ventures, economic development, and program efficiency. In the spirit of this mission, we will strive to protect and educate our future generations."

Native VITA Site Description

In 2007, AHA developed the Akwesasne Housing Authority VITA Program. Initially, one person – with the desire to serve the community – established this site and managed the day-to-day operations including tax preparation; research and development; volunteer recruitment; and marketing strategies and promotion. AHA is the first and only reservation-based VITA program in the state of New York.

AHA operates two Native VITA sites. The main site is located on the St. Regis Mohawk Reservation and the second site is located in Malone, a small town 25 miles east of the reservation. In addition to free tax preparation services, they also offer free financial literacy and asset-building classes. In 2011, they prepared approximately 500 tax returns and estimate that they saved tax filers in their community nearly \$30,000 in tax preparation fees.

COLLEGE OF MENOMINEE NATION

Organization Background

The College of Menominee Nation (CMN) is an accredited, tribally controlled, two-year community college and 1994 Land Grant Institution. CMN serves the Menominee Nation as well as neighboring tribal nations and surrounding communities. The college was chartered by the tribe in 1993 and serves more than 650 students at two locations: the main campus on the Menominee Indian Reservation and a second site in Green Bay, WI.

The majority of students at CMN are Native American students representing twenty different tribes. Many of the students have families, employment and other responsibilities, which is atypical of the average college student. More than 60% of these students are low-income, first generation college students. In the 2000 U.S. Census, the Menominee family poverty rates were six times higher than other regional communities – meaning that the majority of individuals and families living on the Menominee Reservation are eligible for free tax preparation services.

Organization Mission

As stated on their website: “The College Of Menominee Nation’s mission is to provide opportunities in Higher Education to its students. As an institution of higher education chartered by the Menominee people, the college infuses this education with American Indian culture, preparing students for careers and advanced studies in a multi-cultural world. As a land grant institution, the College is committed to research; promoting, perpetuating and nurturing American Indian Culture; and providing outreach workshops and community service.”

Native VITA Site Description

The Native VITA site at CMN opened in 2005 to serve low and middle income families that are usually targeted by rapid refund loan suppliers. By 2008, they had opened three additional sites on the reservation. Today, they have a site located on the College of Menominee Nation Green Bay/Oneida campus. Their partners offer VITA services at the Menominee Tribal Enterprises Inc., Menominee Tribal Housing, Menominee Small Business Center, and CoVantage Credit Union. They estimate that their Native VITA sites saved community members \$102,725 in tax preparation fees that otherwise would have been paid to commercial tax preparers.

LAKOTA FUNDS, INC.

Organization Background

Lakota Funds, Inc. (LFI) is a community development financial institution (CDFI) on the Pine Ridge Indian Reservation that plays a vital role in improving life for the Oglala Lakota people. LFI was established in 1986 with assistance from First Nations Development Institute and Oglala Lakota College and was the first Native American CDFI. They are dedicated to developing culturally appropriate strategies that will improve the quality of life on the Pine Ridge Indian Reservation. LFI plays a vital role in placing capital with new and growing businesses on the Reservation. To date, LFI has loaned over 5.7 million dollars to over 400 businesses resulting in the creation of over 1,200 jobs. Currently the active portfolio of loans outstanding is \$1,168,705.

Organization Mission

As stated on their website: “Lakota Funds is a community development financial institution (CDFI) leading an economic resurgence of the Oglala Lakota Oyate on the Pine Ridge Reservation through culturally appropriate strategies reigniting the traditional Lakota spirit of productivity, commerce, and trade.”

Native VITA Site Description

LFI hosts an annual Native VITA that provides free income tax preparation to residents of the Pine Ridge Indian Reservation. During tax season a VITA site is offered during normal business hours during the week at the Lakota Funds offices in Kyle, and a mobile VITA site travels throughout the nine reservation districts to offer free tax preparation by IRS-certified volunteers reservation wide.

In 2010, LFI's certified VITA volunteers prepared 245 free tax returns resulting in \$453,000 in refunds, with an average refund of \$1,849. Earned Income Tax Credits comprised \$227,344 of that total. In addition, LFI estimates these families saved over \$50,225 in potential tax preparation fees. By increasing income to working families, the VITA program directly allows Native individuals and families to become and remain financially stable.

NATIVE COMMUNITY FINANCE

Organization Background

Native Community Finance (NCF) is a newly certified non-profit CDFI. They received CDFI and 501(c)(3) certification in 2010. Primarily, they focus on loans and financial education. However, they also specialize in credit repair; VITA; IDAs; mortgage processing assistance; and home buyer education and counseling.

Native VITA Site Description

The Executive Director at NCF began operating a VITA Site at Laguna Housing four years ago. In the first year, he prepared 291 tax returns. Last year, he moved the site with him to NCF and prepared 684 tax returns with the help of another staff member. NCF attributes this dramatic increase to word-of-mouth recommendations and notes that the key to managing a successful VITA site is trust. NCF builds trust in the community by gaining the support of the tribal council and their clients. On average, they estimate that they save Native tax filers between \$50-\$250 in tax preparation fees.

WHITE EARTH INVESTMENT INITIATIVE

Organization Background

The White Earth Investment Initiative (WEII) was founded in June 2002 and received certification as a CDFI in 2007. In the past five years, they have provided more than \$1.3 million in business loans that have created more than 60 jobs on and off the White Earth Reservation. WEII also provides a number of development services including community beautification, zoning, and governance as well as culturally-relevant training in business and financial education. The primary goal of WEII is poverty alleviation and wealth creation for residents of White Earth Reservation.

Organization Mission

According to their website: "The mission of White Earth Investment Initiative is to engage in community, economic, and housing development, solely focused on the White Earth Reservation."

Native VITA Site Description and Best Practices:

WEII's involvement in free tax-preparation services began in 2004 as an extension of a local AARP tax service. It grew into an independent VITA site in 2006 solely focused on tribal members. Today, the site operates from the Shooting Star Casino on the White Earth reservation.

WEII's Native VITA site is unique because their site serves Native tax filers who earn less than \$60,000 per year – as opposed to \$49,000. The unemployment rate on the White Earth Reservation is higher than average. Therefore, many tax filers support multiple family members that may not have a job. WEII increased their income requirements to accommodate this need.

WEII refers to their program as a "Super Site." In addition to providing free tax preparation services, they also offer other asset-building programs such as financial planning; saving bonds;

FAFSA assistance; credit report analysis and benefits screening. They also provide facilitated online tax preparation assistance which allows the site to serve more clients. In 2011, they estimate that they saved Native tax filers approximately \$86,000.⁵

APPENDIX B: NATIVE VITA SITE SAMPLE TIMELINE

Native VITA Site Timeline		
August or earlier	Pre-Tax Season	Native VITA Site Development meetings. Identify a site and start to recruit volunteers.
September	Pre-Tax Season	Identify potential partnerships and re-evaluate existing partnerships.
October	Pre-Tax Season	Develop marketing strategies. Start to recruit and train volunteers.
November	Pre-Tax Season	Certify volunteers. Finalize and prepare to launch marketing campaign.
December	Pre-Tax Season	Fully launch marketing campaign.
January	Tax Filing Season	Native VITA is operational. Focus on quality control.
February	Tax Filing Season	Native VITA is operational. Focus on quality control.
March	Tax Filing Season	Native VITA is operational. Focus on quality control.
April	Tax Filing Season	Native VITA is operational. Launch a second, intensive media campaign for last minute tax filers. Expect a heavy influx of tax filers to beat the April tax deadline.
May	Post-Tax Season	Host Volunteer Appreciation events.
June	Post-Tax Season	Evaluate the success and failures of Native VITA site(s). Brainstorm strategies to address failures and shortcomings. Join or establish a Native VITA site coalition.
July	Post-Tax Season	Hold tax education classes, workshops, and trainings.

⁵ The cost of paid tax preparation was estimated to be \$200.00.



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