**2016 Volunteer Standards of Conduct – Exam**

1. Prior to working at a VITA/TCE site, ALL VITA/TCE volunteers (greeters, client facilitators, tax preparers, quality reviewers, etc.) must:
	1. Annually pass the Volunteer Standards of Conduct (VSC) certification test with a score of 80% or higher.
	2. Sign and date the Form 13615, Volunteer Standards of Conduct Agreement, agreeing to comply with the VSC by upholding the highest ethical standards.
	3. Pass the Advanced tax law certification.
	4. All of the above
	5. **A and B**

1B. Which volunteers must pass the Volunteer Standards of Conduct (VSC) certification test?

a. Site coordinators/local coordinators

b. Quality reviewers and tax return preparers

c. Greeters or client facilitators

**d. All VITA/TCE site volunteers must pass the VSC certification test**

1. Failure of a VITA/TCE volunteer to comply with the Volunteer Standards of Conduct could result in which of the following?
	1. The volunteer’s removal from the VITA/TCE Programs.
	2. Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely.
	3. Termination of the sponsoring organization’s partnership with the IRS.
	4. **All of the above may be considered an appropriate action depending on the type of violation and the sponsoring partner’s corrective actions.**

2B. Can a volunteer be removed and barred from the VITA/TCE programs for violating the Volunteer Standards of Conduct?

**a. Yes**

b. No

1. Is having a donation/tip jar at the quality review station within the VITA/TCE site a violation of the Volunteer Standards of Conduct?
	1. **Yes**
	2. No

3B. Which of the following is a violation of the VITA Standards of Conduct?

a. Knowingly preparing a false return

b. Having a donation/tip jar in the waiting area at the site

c. Using taxpayer’s personal information to ask for a date

**d. All of the above**

1. Maggie wants her tax refund quickly; however, she doesn’t have a bank account for direct deposit. She asks Josh, the tax law-certified preparer, to deposit her refund into his checking account and turn the funds over to her when received. If Josh agrees to do this, has he violated any of the Volunteer Standards of Conduct?
	1. **Yes**
	2. No
2. Pat is a paid tax preparer in the community; he also gives back to the community by serving as an IRS tax law-certified volunteer tax preparer at a VITA/TCE site. While conducting the interview with the taxpayer, Pat discovers the taxpayer’s small business will generate a loss, making the return out of scope for the VITA/TCE Programs. Pat explains to the taxpayer that the tax return cannot be prepared at the VITA/TCE site, but he will offer the taxpayer a discount at his paid tax preparation business down the road. Has Pat violated the Volunteer Standards of Conduct (VSC)?
	1. **Yes, it is a violation of the VSC for Pat to solicit business from any taxpayer at the VITA/TCE site.**
	2. No, it is not a violation since the return cannot be prepared at the site.
	3. No, none of the VSC addresses soliciting business while volunteering at the VITA/TCE site.
3. Ann, an IRS tax law-certified tax preparer, told the taxpayer that cash income does not need to be reported because the IRS will never know about it. Ann prepared the return without the cash income. The designated quality reviewer simply missed this omission and the return was printed, signed, and e-filed. Did the designated quality reviewer violate the Volunteer Standards of Conduct?
	1. Yes
	2. **No**
4. Jan, a greeter, overheard an IRS tax law-certified volunteer, Jim, trying to sell insurance to a taxpayer he was helping. Jim is an insurance agent in the community. Jan feels like Jim was pushy, made the taxpayer uncomfortable, and violated Volunteer Standard of Conduct #3. What should Jan do?
	1. Make an announcement to the taxpayers in the waiting room to ignore Jim if he tries to sell them insurance.
	2. **Tell the site coordinator what she heard, so he can immediately remove Jim from the site and report the incident using the external referral process by sending an email to** **WI.Voltax@irs.gov****.**
	3. Mind her own business and do nothing
5. Explaining the intake/interview and quality review process is important so the taxpayer understands they are expected to:
	1. Have a completed Form 13614-C, Intake/Interview & Quality Review Sheet, prior to having the return prepared.
	2. Answer the tax preparer’s additional questions during the interview.
	3. Participate in the quality review of their tax return.
	4. **All of the above**

8B. Heidi, a VSC-certified volunteer, is working at the intake station. As part of her duties, she is required to explain to the taxpayer what they are expected to do today as part of the return preparation process. What should Heidi tell them?

a. Form 13614-C, Intake/Interview & Quality Review Sheet, must be completed prior to having the return prepared.

b. You will be interviewed by the return preparer and asked additional questions as needed.

c. You need to participate in a quality review of your tax return by someone other than the return preparer.

**d. All of the above**

1. During the intake process, which of the following should the volunteer verify that the taxpayer and spouse, if applicable, have with them to ensure the taxpayers can be served that day?
	1. Photo identification for both
	2. Social Security or taxpayer identification number verification documents for everyone listed on the return
	3. All tax statement documents, including Forms W-2, 1099-R, etc.
	4. **All of the above**

9B. During the intake process, the volunteer should verify the taxpayer and spouse, if applicable, have photo identification. Additionally, taxpayers must provide verification of taxpayer identification number (SSN or ITIN) for everyone who will be on the tax return.

1. **True**
2. False
3. To ensure quality service and accurate return preparation, every site is required to have a process for assigning taxpayers to IRS tax law-certified preparers who are certified at or above the level required to prepare their tax return.
	1. **True**
	2. False

10B. Mary, a VSC-certified greeter, reviews the taxpayer’s completed Form 13614-C, page 2, to identify what potential volunteer certification level is needed for this tax return. Mary sees the taxpayer has checked the “yes” box indicating he has self-employment income and the certification level next to the question is (A). All other questions answered “yes” have a (B) certification. When Mary assigns the return to a tax preparer, what tax law certification level should the tax preparer have?

**a. Advanced**

b. Basic

1. It doesn’t matter, any level is fine
2. No tax law certification is necessary

**2016 Intake/Interview and Quality Review Exam**

1. When should an IRS-certified volunteer preparer participating in the VITA/TCE Programs perform a complete interview of a taxpayer?
	1. Only when the taxpayer has questions
	2. Only if the taxpayer has never visited your site
	3. Only when the site is not busy
	4. **For every return prepared at the site**

1B All IRS-certified volunteer preparers participating in the VITA/TCE Programs must use Form 13614-C along with an effective interview for every return prepared at the site.

**a. True**

b. False

1. What should the certified volunteer preparer do before starting the tax return?
	1. Make sure all questions on Form 13614-C are answered.
	2. Change “Unsure” answers to “Yes” or “No” based on conversation with the taxpayer
	3. Verify the return is within your certification level
	4. **All of the above**

2B The certified volunteer preparer should verify the return is within their certification level as part of the Intake/Interview process.

**a. True**

b. False

1. When reviewing Form 13614-C, you see the “Interest” question is marked “Yes” and the taxpayer gives you Form 1099-INT. You should ask the taxpayer if they had any other interest income.
	1. **True**
	2. False

3B When reviewing Form 13614-C, you see the "Interest" question is marked "Yes" and the taxpayer gives you a Form 1099-INT. What should you do next?

a. Input Form 1099-INT into tax software

b. Go to the next question on Form 13614-C

**c. Ask the taxpayer if they had any other interest income**

1. VITA and TCE sites are required to conduct quality reviews of every return prepared at the site.
	1. **True**
	2. False

4B VITA and TCE sites are required to conduct quality reviews:

a. Of all the returns prepared by volunteers who have less than two years of experience preparing returns

**b. Of every return prepared at the site**

c. Only when there is a Quality Reviewer available

d. Of all returns prepared by volunteers with certifications levels below Advanced, Military, or International

1. A taxpayer tells you that they had health insurance coverage for the entire year, but they did not bring proof of the coverage. This information along with all other information gathered during your interview does not seem unusual or questionable. As a tax preparer, you should:
	1. Send the taxpayer home to get their insurance card
	2. **Prepare the return using the information without seeing any proof of insurance coverage**
	3. Prepare the return without giving them credit for having health insurance coverage

5B You do not need to see proof of insurance coverage for a taxpayer if you feel that this information is not unusual or questionable.

**a. True**

b. False

1. What information must a volunteer review to deter the possibility of identity theft?
	1. Form W-2
	2. **Photo identification**
	3. Last year’s tax return
	4. Medicaid card

6B A volunteer must review photo identification for every taxpayer to deter the possibility of identity theft.

**a. True**

b. False

1. When does the taxpayer sign the tax return?
	1. Before quality review and before being advised of their responsibility for the accuracy of the information on the return
	2. Before quality review and after being advised of their responsibility for the accuracy of the information on the return
	3. After quality review and before being advised of their responsibility for the accuracy of the information on the return
	4. **After quality review and after being advised of their responsibility for the accuracy of the information on the return**

7B The taxpayer signs the tax return after quality review and after being advised of their responsibility for the accuracy of the information on the return.

**a. True**

b. False

1. The site is busy with many taxpayers waiting for assistance. All volunteers are busy preparing tax returns. Can you quality review the return you just prepared instead of waiting for someone else to quality review the return?
	1. Yes, if it is a returning taxpayer
	2. Yes, with approval of the Site Coordinator
	3. **No, self review is never an acceptable quality review method**
	4. No, unless you are certified at the Advanced level

8B You can quality review a tax return you just prepared instead of waiting for someone else to quality review the return.

a. True

**b. False**

1. Which of the following four critical processes for quality review is not correct:
	1. Engaging in the taxpayer review process
	2. **Using Google as a main reference for tax law determinations**
	3. Using Form 13614-C, Part VIII as a guide while conducting the quality review
	4. Comparing source documents provided by the taxpayer

9B Which of the following is true?

a. Quality review can be conducted by a volunteer preparer certified at Basic when the tax return required an Advanced certification to prepare

b. Quality review is conducted after the taxpayer signs the tax return

**c. Quality review is an effective tool for preparing an accurate tax return**

d. Taxpayers do not need to be involved in the quality review process

1. Completing a thorough interview before entering taxpayer information into the software helps avoid which of the following potential problems?
	1. The volunteer may not have the required certifications to prepare the return
	2. The return may be out of scope
	3. The taxpayer may not have all the information needed to prepare the return
	4. **All of the above**

10B As part of the intake process, each site must:

1. Have a process to ensure a return is within the scope of the VITA/TCE Programs
2. Identify the certification level needed to prepare a return
3. Have a process to ensure volunteers have the certification needed for the returns they prepare
4. **All of the above**

**Basic Certification Test**

**Scenario 1: Calvin Albright**

**Interview Notes**

* Calvin is 22 years old, single, and a U.S. citizen with a valid Social Security number.
* On Calvin’s Intake and Interview sheet, he answered “Unsure” to the question, “Can anyone claim you or your spouse on their tax return?”
* During the interview with Calvin, you determine the following facts:
	+ Calvin was a full-time student during 2016.
	+ He earned $7,000 in wages and had interest income of $10 from a savings account.
	+ He lived with his parents all year, but they told him they will not claim him on their 2016 return. Calvin's parents are required to file a return.
	+ Calvin does not provide more than half of his own support.

**Test Questions**:

1A). Which of the following statements is correct?

A. Calvin must claim 0 exemptions, because his income was less than $10,000.

**B. Calvin must claim 0 exemptions, because his parents can claim him as a dependent on their tax return.**

C. Calvin can claim 1 exemption, because he had earned income.

D. Calvin can claim 1 exemption, because his parents have decided not to claim him.

1B). Calvin can claim one personal exemption on his 2016 tax return.

True

**False**

2. Using Publication 4012, Who Must File tab, Chart B, Calvin has a filing requirement and must file a tax return.

**True**

False

**Scenario 2: Dana Glendale**

**Interview Notes**

* Dana is 32, unmarried, and earned $40,000 in wages.
* Dana's 67-year-old single father, Tom, lives in his own apartment in Seattle.
* Dana provided more than half of her father's support and all the cost of keeping up her father's home.
* Tom's only income was $6,800 in Social Security benefits.
* None of Tom's Social Security income is taxable, and he is not required to file a tax return.
* Dana had qualified employee health insurance coverage for all of 2016. Tom had Medicare Parts A and B coverage all year.
* Dana and Tom are U.S. citizens and have valid Social Security numbers.

**Test Questions:**

3A). Dana’s most advantageous allowable filing status is Single.

True

**False**

3B). Dana's most advantageous allowable filing status is:

1. Married Filing Jointly
2. Qualifying Widower
3. **Head of Household**
4. Single

4A). Who has health insurance coverage that qualifies as minimum essential coverage?

A. Only Dana

B. Only Tom

**C. Both Dana and Tom**

D. Neither Dana nor Tom

4B). Both Dana and Tom have qualifying health insurance coverage (also known as minimum essential coverage) as defined under the Affordable Care Act.

**True**

False

**Scenario 3: Julia Hillsdale**

**Interview Notes**

* Julia is 46 and made $32,000 in wages in 2016. She is single and pays all the cost of keeping up her home.
* Julia's daughter, Beth, lived with Julia all year.
* Beth is 27, single, and had no income in 2016. She is not disabled.
* Beth's baby, Piper, was born in November 2015. Piper lived in Julia's home since birth.
* Julia provides more than half of the support for both Beth and Piper.
* Julia, Beth, and Piper are all U.S. citizens with valid Social Security numbers.

**Test Questions**:

5A). Julia can claim Piper as a dependent.

 **True**

False

5B). Who can claim Piper as a dependent?

A. Beth can claim Piper because she is Piper’s mother.

**B. Julia can claim Piper; Beth cannot claim Piper because Beth qualifies as Julia’s dependent.**

C. Julia cannot claim Piper because Piper is not Julia’s child.

D. No one can claim Piper.

6A). Who can Julia claim as a qualifying child(ren) for the earned income credit?

A. Julia has no qualifying children.

B. Julia can claim Beth, but not Piper.

**C. Julia can claim Piper, but not Beth.**

D. Julia can claim both Beth and Piper.

6B). Julia has no qualifying children for the earned income credit.

 True

 **False**

**Scenario 4: Everett and Catherine Brescia**

**Interview Notes**

* Everett and Catherine lived in the U.S. all year and have Individual Taxpayer Identification Numbers (ITINs). They are not U.S. citizens and are not lawfully present in the U.S.
* Everett, age 24, and Catherine, age 22, are married and want to file a joint return.
* They have one child, Emory, who is 3 years old and lived with them all year.
* Everett earned $32,000 in wages. They had no other income.
* Everett and Catherine provided all the support for Emory.
* Emory has a Social Security number and is a U.S. citizen.
* Everett and Catherine did not have any health insurance in 2016. Emory had minimum essential coverage (MEC) all year.

**Test Questions**:

7A). Review Publication 4012, ACA tab, the Coverage Exemptions chart. Because they did not have health insurance, Everett and Catherine must make a shared responsibility payment.

True

**False**

7B). Review the Coverage Exemptions chart in Publication 4012. Everett and Catherine qualify for a health insurance coverage exemption.

 **True**

 False

8A). Everett and Catherine are not eligible to claim the earned income credit.

**True**

False

8B). Are Everett and Catherine eligible to claim the earned income credit?

1. Yes, because Emory is a U.S. citizen.
2. Yes, because they have earned income.
3. **No, because Catherine had no earned income.**
4. No, because Everett and Catherine have ITINs.

9A). Which of the following benefits can Everett and Catherine claim on their tax return?

A. They can claim Emory as a dependent.

B. They can claim the child tax credit for Emory.

**C. They can claim Emory as a dependent and take the child tax credit**.

D. They cannot claim either the dependency exemption or the child tax credit.

9B). Everett and Catherine can claim Emory as a dependent on their tax return.

**True**

False

9C). Everett and Catherine may claim Emory as a dependent and as a qualifying child for the child tax credit on their return.

 **True**

 False

**Scenario 5: Ed Bard and Kara Crowder**

**Interview Notes**

* Ed and Kara, both 24 years old, are not married. They lived together all year.
* Kara had $5,000 in earned income during 2016. Ed earned $30,000 in wages.
* Ed has two children from a previous relationship; Jason is 5 years old, and Trevor is 3.
* Jason and Trevor lived with Ed and Kara for all of 2016.
* Jason and Trevor did not provide over half of their own support.
* Ed paid all the rent, utilities, groceries, and other household expenses. Kara paid none of the household expenses.
* Ed, Kara, Jason, and Trevor are all U.S. citizens with valid Social Security numbers.

**Test Questions:**

10A). Ed and Kara can both file as Head of Household on their individual returns.

True

**False**

10B). What are the correct filing statuses for Ed's and Kara's individual returns?

A. Both can file as Head of Household.

B. They can choose which one files as Head of Household.

**C. Ed can file as Head of Household and Kara, if she chooses to file a tax return, must file as Single.**

D. Both must file as Single.

11A). Who qualifies to claim earned income credit?

**A. Only Ed**

B. Only Kara

C. Both Ed and Kara

D. Neither Ed nor Kara

11B). It is allowable for both Ed and Kara to each claim one qualifying child for the earned income credit on their individual returns.

True

**False**

**Scenario 6: Linda Findlay**

**Interview Notes**

* Linda is married but did not live with or have contact with her spouse this tax year. She does not know where he is. She indicated on her intake sheet that she is not legally separated.
* Linda does not have children or any other dependents.
* Linda worked as a clerk and earned $47,000 in wages. She had no other income.
* In 2016, she took a computer class at the community college to improve her job skills.
* She has a student account statement showing she paid $900 for tuition.
* She paid $300 for a course book that she ordered from an online bookseller. Purchase of the book was not a requirement of enrollment.
* She also paid $50 for a parking permit that was not a requirement of enrollment.
* Linda does not have enough deductions to itemize.
* Linda is a U.S. citizen with a valid Social Security number.

**Test Questions:**

12A). What is Linda’s most advantageous allowable filing status?

**A. Married Filing Separately**

B. Head of Household

C. Single

D. Qualifying Widow

12B). Linda’s filing status is Single.

True

**False**

13A). Which education benefit is Linda eligible to claim?

A. American opportunity credit

B. Lifetime learning credit

C. Tuition and fees deduction

**D. She does not qualify for any education benefit**

13B). Linda is qualified to claim the Lifetime Learning Credit.

True

**False**

**Scenario 7: Gordon Ferris and Ellen Mercer**

14A). Gordon has an Identity Protection PIN. How does this affect his return preparation?

1. **The Identity Protection PIN must be entered during return preparation.**

B. This return cannot be prepared at a volunteer site.

C. The return must be filed as a paper return

D. All of the above.

14B). Because Gordon has an Identity Protection PIN, Gordon and Ellen must file a paper return.

True

**False**

15A). The $9 of savings account interest is NOT required to be included on the return since no Form 1099-INT was issued.

 True

 **False**

15B). The $9 of savings account interest is required to be included on the return even though no Form 1099-INT was issued.

 **True**

 False

16A). The taxable amount of Gordon's Social Security income is $7,402.

True

**False**

16B). What is the taxable amount of Gordon's Social Security? $\_\_\_\_\_\_\_.

 **20000**

17A). Gordon is over 65, therefore, what is the amount of the Graves' standard deduction?

A. $15,100

**B. $13,850**

C. $12,600

D. $9,300

17B). Gordon is over 65. How does that affect their tax return?

1. There is no effect.
2. **It increases their standard deduction**
3. It increases their personal exemptions
4. They must itemize their deductions.

18A). Gordon and Ellen want to avoid having a balance due next year. Gordon can submit a Form W4-P to have tax withheld on his pension.

**True**

False

18B). Gordon and Ellen want to avoid having a balance due next year. Which of the following can they do?

A. They can make estimated tax payments.

B. Gordon can submit Form W-4V to have taxes withheld from his Social Security.

C. Ellen can submit Form W-4 to have additional tax withheld from her pay.

**D. All of the above.**

19A). Gordon and Ellen are not required to make a shared responsibility payment on Form 1040, page 2.

True

**False**

19B). Is there a shared responsibility payment on Gordon and Ellen’s Form 1040, page 2?

**Yes**

No

**Scenario 8: Valerie Sinclair**

20A). Is Head of Household the most advantageous allowable filing status Valerie can use?

Yes

**No**

20B). Which allowable filing status is most advantageous to Valerie?

A. Single

B. Head of household

**C. Qualifying Widow(er)**

D. Married filing jointly

21A). Ethan is Valerie’s qualifying child for which of the following benefits?

A. Exemption for a dependent

B. Child tax credit

**C. Earned income credit**

D. All of the above

21B). Valerie can claim Ethan as a qualifying child for the earned income credit.

**True**

False

22. What is the total federal income tax withholding for Valerie's tax return? $\_\_\_\_\_\_\_.

 **3120**

22B). What is the total federal income tax withholding on Valerie's tax return?

**A. $3,120**

B. $2,820

C. $2,600

D. $2,300

23. What is Valerie’s credit for child and dependent care expenses shown in the tax and credits section of her tax return?

$\_\_\_\_\_\_\_\_.

**352**

23B). What is Valerie’s credit for child and dependent care expenses shown in the tax and credits section of her tax return?

1. 336
2. **352**
3. 368
4. 384

24. Valerie and Patrick did not have Minimum Essential Coverage (MEC) for two months of the tax year. How does this affect her tax return?

**A. She must complete Form 8965 to claim the short coverage gap exception**.

B. She must make a Shared Responsibility Payment for herself.

C. She must make a Shared Responsibility Payment for herself and Patrick.

D. None of the above.

24B). Valerie and Patrick qualify for the short coverage gap exemption.

 **True**

 False

25. What is the amount of additional tax on the distribution from Valerie's 401(k), shown in the Other Taxes section of Form 1040?

A. $0

B. $130

**C. $260**

D. $650

25B). Valerie must pay a 10% additional tax on the distribution from her 401(k) because she is under 59 1/2 years old and does not qualify for an exception.

**True**

False

**Scenario 9: Justin Reedley**

26. Justin's total for itemized deductions on Schedule A, line 29 is $12,646.

True

**False**

26B). What is the total of Justin's itemized deductions on Schedule A, line 29?

A. $10,692

B. $12,406

C. $12,646

**D. $13,246**

27. Justin must file Married Filing Separately.

True

**False**

27B). Can Justin claim Head of Household filing status?

**A. Yes, because Justin is considered unmarried, has a qualifying person and meets all the other required tests**

B. Yes, anyone who pays all the costs of keeping up their home can claim Head of Household filing status.

C. No, because Sierra did not live at home for the whole year.

D. No, because he is married.

28. To compute the American opportunity credit, which of Sierra’s expenses qualify?

A. Tuition and fees paid by the scholarship

B. Room and board

**C. Course-related books**

D. All of the above

28B). Room and board costs are qualifying expenses for the American Opportunity Credit.

 True

 **False**

29. What is Justin's retirement savings contributions credit? $\_\_\_\_\_\_\_\_.

**$400**

29B). The amount of Justin’s retirement savings contributions credit shown in the tax and credits section on page 2 of Form 1040 is $400.

 True

 **False**

30. Justin's student loan interest deduction from Form 1040, page 1 is $700.

**True**

False

30B). What is the amount of Justin's student loan interest deduction from Form 1040, page 1? $\_\_\_\_

 **$700**