***Volunteer Income Tax Assistance Program***

2017 Training Packet

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**CHINESE PROVERB:** “Tell me, I’ll forget. Show me, I may remember. But involve me and I’ll understand.”

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Bring this packet with you to all future trainings and filing days!!!

**Basic Training – Overview of Federal Taxation**

**a. INDIVIDUAL TAX MODEL:**



\*\*\*TaxSlayer will carry most of these calculations for you, but it is better for you (the volunteers) to understand how the tax system works.

**b. DEFINITIONS:**

**Income Broadly Conceived** **–** Income is defined as some event that increases net worth. Common examples include salary income, self-employment income, interest income, dividend income, capital gain, etc.

**Exclusions** – Some items of income are not subject to tax. Common examples are municipal bond interest, gifts, and inheritances.

**Deductions –** A deduction is an expense allowed to reduce taxable income. There are two types of deductions:

**Deductions *for* Adjusted Gross Income (AGI) –**the following are the *most common*

1. Net capital loss (limited to $3,000)
2. Traditional IRA (Individual Retirement Account) contributions
3. Expenses related to self-employment
4. Moving expenses
5. Interest on student loans
6. Alimony

**Deductions *from* Adjusted Gross Income (AGI):**

**Standard Deduction –** The amount of the standard deduction depends on filing status[[1]](#footnote-1). TaxSlayer will handle all of this for you.

Filing Status 2016 Standard Deduction

Single $6,300

Married Filing Separate $6,300

Married Filing Joint $12,600

Head of Household $9,300

**Itemized deductions –** Note that the taxpayer can only itemize their deductions if the **total is greater than the taxpayer’s standard deduction.** The following are the *most common*:

1. Medical expenses (only the portion >10% of AGI is deductible)
2. State income taxes
3. Property taxes
4. Charitable contributions
5. Casualty and theft losses (only the portion >10% of AGI is deductible)
6. Home mortgage interest

**EXAMPLE 1:** Sheldon Cooper’s filling status is single with no dependents. In 2016, he had salary income of $70,000 and municipal bond interest income of $300. He made a $500 contribution to a Traditional IRA, paid property taxes of $ 1,000, made a charitable contribution of $900, and paid state income tax of $8,000.

1. What is his taxable income for the year 2016?
2. Suppose state income tax paid is $2,000, what’s his taxable income for 2016?

**c. FILING STATUS** (see Part IV for the definitions of exemption and the terms in italic):

Taxpayers fall into one of the following categories (which are arranged from most attractive to least attractive).

**Married-Joint –** Generally, taxpayers who are married at the end of the year are entitled to this status. In the case of death, there are the following special rules:

1. The taxpayer qualifies as married joint in the year of the spouse’s death (and receives 2 personal exemptions)

2. **IF** the surviving spouse maintains a *dependent child*, she qualifies for married joint for two additional years after the year of the spouse’s death (without an exemption for the deceased)

**Head of household –** In general, to claim this filing status, a taxpayer must:

1. Be unmarried
2. The person must provide at least half the cost of a household in which at least one dependent relative lives. Note that in the case of a dependent parent, the parent need not live with the taxpayer.

**Abandoned spouse rule:** A taxpayer may use the head of household rates, even if she is married, if she meets all of the following conditions:

1. She must pay at least half of the cost of maintaining her home.
2. Her spouse did not live in the household for the last six months of the year.
3. The home was the principal residence of the taxpayer’s child for more than half the year
4. The taxpayer could claim the child as a dependent

**Single –** Unmarried taxpayers who do not qualify for head of household status.

**Married–Separate –** Married taxpayers who choose to file separately (seldom beneficial).

**EXAMPLE 2:** Stacey and Michael are married with one child from Michael’s previous marriage. In August *2015*, Michael went to get a beer and never returned. The child continues to live in Stacey’s home.Michael did not return for the whole year of 2016.

1. What is Stacey’s filling status for 2015?
2. What is Stacey’s filling status for 2016?

**d. PERSONAL EXEMPTIONS AND DEPENDENTS:**

In 2016, a taxpayer gets an exemption of $4,050 for herself, her spouse and each of her dependents. Note that if the person may be claimed as a dependent by someone else (such as a parent), *the taxpayer does not get to use the exemption for herself*. See the rules below to determine if someone is a dependent.

**Rules for Claiming an Exemption for a Dependent:**

|  |  |
| --- | --- |
| **In order to be a dependent, the person must:**   * Not file a joint return with her spouse (unless filed *only* to receive a refund). * Be a US citizen, US resident, resident of Mexico, **OR** resident of Canada. (Note: The citizenship/residency test is waived for a “qualifying child” who is adopted as long as she lives with a US citizen.) * Be either a “qualifying child” or “qualifying relative” | |
| **Tests To Be a Qualifying Child** | **Tests To Be a Qualifying Relative** |
| 1. The child must be your son, daughter, stepchild, eligible foster child, brother, sister, half-brother, half-sister, stepbrother, stepsister, or a descendant of any of them. 2. The child must be (a) under age 19 at the end of the year, (b) under age 24 at the end of the year and a full-time student, or (c) any age if permanently and totally disabled. 3. The child must be younger than the taxpayer unless permanently and totally disabled. 4. The child must have lived with you for more than half of the year.[[2]](#footnote-2) 5. The child must not have provided more than half of his or her own support for the year. | 1. Cannot be a “qualifying child” of any other taxpayer 2. The person must be either (a)a member of the household (live with the taxpayer for entire year), or (b) a relative (relationship test). Relative is defined as parents, children, grandchildren, grandparents, sisters/brothers, uncles/aunts, nieces/nephews and in-laws. (Notes: In-laws from a divorced marriage still are considered “qualifying relatives.” Cousins are **not** considered “relatives”; however a cousin who lives with the taxpayer could be a “qualifying relative”.) 3. The person's gross income for the year must be less than $4,050. 4. The taxpayer must provide more than half of the person's total support for the year. |

**EXAMPLE 3:** John and Jane are married with a 3-year-old son. At 11:59 pm on December 31, 2016, Jane gives birth to a daughter. How many exemptions do they get for the 2016 tax period?

**e. CHILD CREDIT**

In addition to the exemption, the taxpayer may take a credit of $1,000 for each child that meets the following tests:

1. The taxpayer’s *qualifying child*
2. The child is under age 17 at the end of 2016.
3. The child is a citizen or resident of the US.
4. The child lived with you for more than half of 2016.
5. The child did not provide more than half of his/her own support.

**EXAMPLE 4:** Determine if the following individuals are dependents (assume that the support test is met for all of them and that they all are US citizens). Also, indicate if they qualify for the child’s credit.

1. Uncle John who has income from City of St. Louis bonds of $100,000. There is a particular provision in the Internal Revenue Code which exempts this income.
2. Uncle Bob who has income from renting an apartment of $4,500 and rental expenses of $2,000.
3. Cousin Julie who lives with the taxpayer and has no income.
4. Peter, the taxpayer’s son, who is 20, a full-time student and has gross income of $5,000.
5. Same as 4, except Peter is 25.
6. Katie, the taxpayer’s granddaughter, who is 12 and has no income and lives with the taxpayer.
7. Allison, the taxpayer’s child, who is 25 and has no income.

**EXAMPLE 5:** Determine Judy’s filing status and number of exemptions for each of the following years:

2013—She is married to Jeff and has a 5 year old child

2014—Jeff dies in April 2014; she continues to maintain the support for the child

2015—She continues to provide support for her child

2016—She continues to provide support for her child

2017—She continues to provide support for her child

**Special Rules for Claiming an Exemption for a Dependent:**

In cases of divorce, the custodial parent is allowed the exemption for the child **unless** the custodial parent agrees to allocate the exemption to the non-custodial parent. The non-custodial parent also gets the rights to the child tax credit described above.

**EXAMPLE 6:** Adam and Whitney are married. They have one child, Ellie, who is 7 years old. In 2015, they get a divorce. The divorce papers are silent as to who gets to claim Ellie as a dependent.

1. Whitney is Ellie’s custodian. Who gets to decide who claims Ellie as a dependent?
2. Let’s suppose Whitney claims Ellie. What is her filing status and how many exemptions does she get?
3. Whitney signed papers saying that Adam can claim Ellie as a dependent. Whitney still is Ellie’s custodian. What’s Adam’s filing status and how many exemptions does he get?

**Thursday Training – Special VITA Topics**

**f. SCHOLARSHIPS:** the general rule of scholarships **FOR ALL STUDENTS** is as follows:

**Exclude** scholarships if the **all** of the following conditions are met:

* The taxpayer is seeking a degree
* The money is used for tuition, books, etc. **(NOT for lodging and meals)**
* The taxpayer is not expected to render any service in return. (Note: “**Scholarship hours**” worked by students at Truman **ARE** taxable but are reported on a W-2).

Scholarships in excess of tuition and books are taxable income. In other words:

* Scholarship **>** Tuition, books, etc. 🡪 The excess scholarship is taxable
* Scholarship **<** Tuition, books, etc. 🡪 May be eligible for a credit (see below)

**g. EDUCATION TAX CREDITS:**

There are two credits for education expenses. One is the American Opportunity Credit and the other is the Lifetime Learning Credit. Both credits cannot be used for the same student.

**Note:** Many of our clients will NOT qualify for this credit because they are dependents of their parents (for most Truman students, their parents would qualify for the credit but the student would not qualify) or are international students. *As the choice between the two credits is somewhat complex, if you have a client you believe qualifies for the education credit,* ***call a reviewer for assistance***.

**EXAMPLE 7:** Joe and Jane are both full-time students at Truman State University and have qualified education expenses of $6,500 and scholarships of $5,500. Joe is claimed as a dependent by his parents, and Jane claims an exemption for herself. Who is entitled to claim an education credit?

**EXAMPLE 8:** The client is not claimed as a dependent on someone else’s return, and has the following form that details the amount of tuition and scholarship. How much is included in income? Are they eligible for an education credit? Place your answer in the table below.



**EXAMPLE 9:** The client is not claimed as a dependent on someone else’s return, and has the following form that details the amount of tuition and scholarship. How much is included in income? Is he/she eligible for an education credit? Place your answer in the table below.



**h. EARNED INCOME CREDIT:**

It is a refundable credit (means that the taxpayer can get a “refund” even if they have paid no tax) to provide tax relief to the working poor. The taxpayer must meet **all** the qualifications:

1. The taxpayer must have “earned income” which is basically income from salary **or** self-employment, but not unemployment compensation. Social Security is not earned income.
2. There are various income limits. TaxSlayer will handle this for you.
3. Cannot be married filing separately.
4. Must be US citizen or resident alien all year.
5. Investment income must be $3,400 or less.
6. **Must be over the age of 24 and under 65 (thus, between the ages of 25 and 64)**, not a dependent of another, and lived in the US more than half the year if the taxpayer does not have a qualifying child

**-OR-**

**Any age if the taxpayer has a “qualifying child” which is defined as:**

* 1. The taxpayer’s son, daughter, stepchild, eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them
  2. Under the age of 19 **or** under age of 24 if full time student **or** any age if permanently and totally disabled
  3. Younger than the taxpayer unless permanently and totally disabled
  4. Lives with the taxpayer for more than half of the year
  5. Note the support test is waived for EIC
  6. Have a valid SSN that allows her to work
  7. Not used by another taxpayer for EIC
  8. Only eligible for custodial parent and cannot be transferred with a divorce decree

**i. DEPENDENT CARE CREDIT:**

To qualify for this credit, the following tests must be met:

1. The child-care expenditure must be for a qualifying person which is generally defined as **one** of the following:
   1. The taxpayer’s qualifying child under the age of 13 when expenses were incurred and for whom a dependency exemption can be claimed.
   2. The taxpayer’s spouse if physical or mentally unable to care for themself.
   3. The taxpayer’s dependent if disabled (regardless of age) – note that the gross income test is waived in this case.
2. The taxpayer must maintain the home in which they live.

1. The taxpayer (and spouse) must both have earned income. This rule is waived if the spouse is either disabled or a full-time student.
2. Payments must be made to another person that is not the taxpayer’s dependent, spouse, or parent of the qualifying person, for care for the qualifying person.
3. The taxpayer *must provide* tax information for the provider (social security number in the case of an individual or Employer Identification Number (EIN) in the case of a corporation). Note that in the case of a tax-exempt care provider such as a church, this tax information is not required.

The credit will be computed by TaxSlayer.

**j. INTERNATIONAL ISSUES:**

In general, US citizens and residents (i.e. those with a green card) are taxed on worldwide income. Non citizen/residents are taxed ONLY on US income. Note the following special rules:

* 1. A non-resident with a citizen/resident spouse will be treated as a resident **IF** they file a joint return.
  2. Non-residents with a tax liability file 1040NR. If the client does not have any tax liability for the current year and therefore does not need to mail in paper tax forms, we will have them fill out Form 8843 and mail in the 8843 to IRS.
  3. Generally, non-residents **are not** entitled to the following:
     1. Head of household filing status
     2. Married Joint filing status
     3. Education credits
     4. Dependent-care credits (unless the child is a US citizen)
     5. Standard deduction (there is an exception for India under the US-India tax treaty). Don’t worry, TaxSlayer knows this.
     6. Earned income credit.
  4. Persons in the US on a student visa **are not** subject to FICA taxes. Often employers do not know this and will withhold the FICA anyway**. If you see an international student with a W-2 that shows FICA tax withheld, call a reviewer and we will explain to the student how to get a refund of FICA taxes.**
  5. Recall that the general rule of scholarships **FOR ALL STUDENTS** is as follows:

**Exclude** scholarships if the following conditions are met:

* The taxpayer is seeking a degree
* The money is used for tuition, books, etc. **(NOT for lodging and meals)**
* The taxpayer is not expected to render any service in return. (Note: “**Scholarship hours**” worked by students at Truman **ARE** taxable).
  1. By tax treaty, some student wages and scholarships (for undergraduate study, unless otherwise specified) are exempt; please see the table on the next page.

**Tax Treatment of International Students (Pub 901 and 4011)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Maximum**  **Presence** | **Salary**  **Exclusion** | **Scholarship**  **Exclusion** | **Comments** | **Treaty Article** |
| Bangladesh | 2 years | $8,000 | No limit |  | 21 |
| Belgium | No limit | $9,000 | N/A |  | 19 |
| Bulgaria | No limit | $9,000 | N/A |  | 19 |
| China, People’s Republic of China | No limit | $5,000 | No Limit | Does not apply to Hong Kong | 20 |
| Cyprus | 5 years | $2,000 | No Limit |  | 21 |
| Czech Republic | 5 years | $5,000 | No Limit |  | 21 |
| Egypt | 5 years | $3,000 | No Limit |  | 23 |
| Estonia | 5 years | $5,000 | No Limit |  | 20 |
| France | 5 years | $5,000 | No Limit |  | 21 |
| Germany | 4 years  No limit - scholarship | $9,000 | No Limit |  | 20 |
| Iceland | 5 years | $9,000 | No Limit |  | 19 |
| Indonesia | 5 years | $2,000 | No Limit |  | 19 |
| Israel | 5 years | $3,000 | No Limit |  | 24 |
| Kazakhstan | 5 years | N/A | No Limit |  | 19 |
| Korea, South | 5 years | $2,000 | No Limit |  | 21 |
| Latvia | 5 years | $5,000 | No Limit |  | 20 |
| Lithuania | 5 years | $5,000 | No Limit |  | 20 |
| Malta | No limit | $9,000 | N/A |  | 20 |
| Morocco | 5 years | $2,000 | No Limit |  | 18 |
| Netherlands | No Limit- Salary  3 years - Scholarship | $2,000 | No Limit |  | 22 |
| Norway | 5 years | $2,000 | No Limit |  | 16 |
| Pakistan | No limit | $5,000 | No Limit |  | 13 |
| Philippines | 5 years | $3,000 | No Limit |  | 22 |
| Poland | 5 years | $2,000 | No Limit |  | 18 |
| Portugal | 5 years | $5,000 | No Limit |  | 23 |
| Romania | 5 years | $2,000 | No Limit |  | 20 |
| Russia | 5 years | N/A | No Limit |  | 18 |
| Slovak Republic | 5 years | $5,000 | No Limit |  | 21 |
| Slovenia | 5 years | $5,000 | No Limit | Can apply to graduate school | 20 |
| Spain | 5 years | $5,000 | No Limit |  | 22 |
| Thailand | 5 years | $3,000 | No Limit |  | 22 |
| Trinidad & Tobago | 5 years | $2,000 | No Limit |  | 19 |
| Tunisia | 5 years | $4,000 | No Limit |  | 20 |
| Venezuela | 5 years | $5,000 | No Limit | Can apply to graduate school | 21 |

**EXAMPLE 10:** For the following Truman students, determine the student’s taxable income. (Remember that the personal exemption amount is $4,050, that the standard deduction is only available to taxpayers from India, the standard deduction for a single person is $6,300). In the following examples, assume that the student is an unmarried undergraduate. For simplicity, also assume that the taxpayer has no book expenses or withholdings unless otherwise indicated.

1. A student from India has salary income of $10,950, scholarships of $7,000, and tuition of $5,000.
2. A student from India has salary income of $10,950, scholarships of $4,000, and tuition of $5,000.
3. A student from China has salary income of $10,950, scholarships of $5,000, and tuition of $7,500.
4. A student from China has salary income of $10,950, scholarships of $12,000, and tuition of $8,000.
5. A student from Hong Kong has salary income of $6,950.
6. A student from Veitnam has salary income of $7,950, scholarships of $10,000, and tuition of $8,000.

**k. MISSOURI ISSUES:**

The following is a summary of the Missouri rules:

1. If a Missouri resident has income outside of Missouri, she will have to pay Missouri tax on her entire income. However, she may take a tax credit against Missouri taxes for out-of-state taxes paid. Note that this provision is not unique to Missouri.
2. **Missouri property tax credit:** The taxpayer must meet both of the following criteria:
3. In order to be a qualified taxpayer, the taxpayer must meet at least **one** of the following:
   1. Taxpayer or spouse is at least age 65
   2. Taxpayer or spouse 100% disabled.
   3. Taxpayer must be at least 60 and receiving surviving spouse social security benefits.
4. They must pay real estate tax –OR– rent the homestead in which they live.

**NOTE:** Property tax paid on personal property does not qualify for the credit.

There is an income limit, *but TaxSlayer will detect this for you*.

Documentation required:

i. If renting, the taxpayer must provide a copy of their rent receipts and a signed letter from their landlord.

ii. If paying real estate taxes, the taxpayer must provide a receipt for property taxes paid.

**EXAMPLE 11:** Determine if the individuals in the following situations qualify for the Missouri Property Tax Credit and what documentation is required if they receive the credit. Note that TaxSlayer will calculate the credit if the taxpayer does qualify.

1. Rob is 25 years old and pays real estate taxes on his home that he owns.
2. Rob is 25 years old, disabled, and pays real estate taxes on his home that he owns.
3. Lucy is 68 years old and pays rent on her apartment.
4. Lucy is 68 years old and pays property taxes on her car.
5. Lucy is 68 years old and pays property taxes on her car and on her home that she owns.

**Appendix**

**I. CLIENT DOCUMENTS**

|  |  |
| --- | --- |
| 1040 | Individual Tax Return-all US citizen and resident aliens |
| 1040 NR | Individual Tax Return-International Student |
| 1095-A | Health Insurance Marketplace Statement |
| 1095-B | Health Insurance from Individual Market or Government Plan |
| 1095-C | Health Insurance from Applicable Large Employer |
| 1098-E | Student Loan Interest Statement |
| 1098-T | Tuition Statement |
| 1099-C | Cancellation of Debt |
| 1099-DIV | Dividends and Distributions |
| 1099-G | Unemployment Compensation |
| 1099-INT | Interest Income |
| 1099-MISC | Self-employment Income and Other Miscellaneous Income |
| 1099-OIT | Early withdrawal of savings |
| 1099-Q | Qualified Education Programs (529 plan) |
| 1099-R | Distribution from Pension, Annuities, IRAs, Insurance Contracts, etc |
| 1099-SA | Health Savings Account |
| 5498-SA | Health Savings Account |
| SSA-1099 | Social Security Benefit Statement |
| W-2 | Wages and Tax Statement |

**II. STATE RETURNS WE CANNOT E-FILE**

**(We will provide client with paper copy to mail.)**

|  |  |  |
| --- | --- | --- |
| California | Georgia | Kentucky\* |
| Louisiana | Mississippi | New Jersey |
| Rhode Island | Utah | Wisconsin |

\*We can e-file a Kentucky return if the client is a full-year resident.

**III. STATES with no income tax**

|  |  |  |
| --- | --- | --- |
| Alaska | Florida | Nevada |
| New Hampshire\*\* | South Dakota | Tennessee\*\* |
| Texas | Washington | Wyoming |

\*\*New Hampshire and Tennessee tax dividends and interest.

**IV. STATE ABBREVIATIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| Alabama | **AL** | Montana | **MT** |
| Alaska | **AK** | Nebraska | **NE** |
| Arizona | **AZ** | Nevada | **NV** |
| Arkansas | **AR** | New Hampshire | **NH** |
| California | **CA** | New Jersey | **NJ** |
| Colorado | **CO** | New Mexico | **NM** |
| Connecticut | **CT** | New York | **NY** |
| Delaware | **DE** | North Carolina | **NC** |
| Florida | **FL** | North Dakota | **ND** |
| Georgia | **GA** | Ohio | **OH** |
| Hawaii | **HI** | Oklahoma | **OK** |
| Idaho | **ID** | Oregon | **OR** |
| Illinois | **IL** | Pennsylvania | **PA** |
| Indiana | **IN** | Rhode Island | **RI** |
| Iowa | **IA** | South Carolina | **SC** |
| Kansas | **KS** | South Dakota | **SD** |
| Kentucky | **KY** | Tennessee | **TN** |
| Louisiana | **LA** | Texas | **TX** |
| Maine | **ME** | Utah | **UT** |
| Maryland | **MD** | Vermont | **VT** |
| Massachusetts | **MA** | Virginia | **VA** |
| Michigan | **MI** | Washington | **WA** |
| Minnesota | **MN** | West Virginia | **WV** |
| Mississippi | **MS** | Wisconsin | **WI** |
| Missouri | **MO** | Wyoming | **WY** |

**V. ADMINISTRATIVE DETAILS**

**a. EXPECTATIONS OF VOLUNTEERS**

* Volunteers should arrive **15 minutes** before their assigned shifts dressed in **appropriate business casual**. **DO NOT PARK IN FRONT OF VIOLETTE HALL.** These spaces are for clients.
* **Clients should be treated in a courteous manner at all times.**While it is true that we are providing them a free service, it is also true that they are giving us valuable experience. Therefore, it can be argued that we benefit more than they do.
* Volunteers are expected to conduct themselves in a **professional manner** at all times. All information from clients should be handled confidentially and professionally. Do not tell clients their refund or tax due. Reviewers will do that after reviewing the return.
* All volunteers **are required to bring their training materials** (Basic, Thursday, TaxSlayer Demonstration) on the filing date. If volunteers have any questions, they should attempt to find the answer themselves in their handout materials. If they are unable to do so within a reasonable time, they should ask one of the reviewers for help.
* Volunteers should **be prepared to stay beyond their shift** if it is necessary to finish a return. This is part of being a professional.
* As it cannot be predicted when and how many clients will come, volunteers should **bring something to study during slow periods**. During busy periods, volunteers should work diligently, but never rush.
* **WE ARE INTERESTED IN QUALITY NOT QUANTITY.** (Hurry up, but take your time).

**b. RESOURCES WHICH ARE AVAILABLE AT THE SITE:**

* 1. Reviewers for tax help and software questions
  2. Volunteer Coordinator in the volunteer room
  3. Graduate Students – to help with return assembly
  4. This handout and FAQ sheet (bring to the session with you).

**Please bring this handout with you to the other training sessions, as well as to your assigned shift. This is necessary for your certification test, and will help you during the filing session if you have any questions.**

**c. OVERVIEW OF PROCEDURE**

**Room Assignment**

1424 – Client Greeted

1428 – Assembly Process

1404 – Volunteer Waiting Room

1432 – Filing Room

1. **Volunteer arrives** at VH 1404, 15 min before beginning of shift, dressed in business casual, with the training and reference materials. Report to the volunteer coordinator.
2. **Client Greeted**

As clients arrive, a student greeter will meet them. The greeter will make sure clients have all necessary information, and assist the client in filling out an intake sheet. The greeter will assemble a folder for the client as well. Once the intake process is complete, the greeter will take the folder to VH 1404 (the volunteer waiting room) and ask the volunteer coordinator to review the documents for complexity and assign a volunteer to the return. The volunteer coordinator will introduce the client and volunteer.

1. **Preparation of Returns**

* Escort the client(s) to the computer room
* Prepare the tax return using the TaxSlayer software.
* After the return is completed, ask a reviewer to review the return. After the return has been reviewed, the client will be informed of their refund (or tax due) and asked if they have any questions. Then the reviewer will give TaxSlayer print instructions and sign the client time card.
* Retrieve the return from the printer. Remember that many people will be using the same printer; hence, **it is very important that you get your client’s return only.**
* Take the return and escort the client to VH 1428 for assembly. The assemblers consist of graduate tax students who have been trained to compile the returns.
* Introduce the client to the assembly assistant and return to the waiting room for another client.

1. **After Finishing Return**

Return to VH 1404 and report to the volunteer coordinator.

1. **End of Shift**

Sign out in VH 1404 at the end of your shift. You will be asked to complete a survey to share your experience shortly after your filing date. Please respond to the survey, as it provides valuable information for VITA improvements.

**VI. VITA POSITION DESCRIPTIONS**

**VP of VITA**

I am the VP of VITA. I am in charge of all of the logistics and volunteers of VITA. I will be available to answer all questions related to VITA.

**Social Greeter**

I am the first person to meet the client and I introduce the client to the next part of the process. I can answer any simple questions the client may have about our service. I will give the client the appropriate intake sheet and start their client folder.

**Greeter**

I am the greeter. I make sure that the client has all of the necessary documentation (social security cards, W2s, etc). When the client has finished filling out the intake sheet, I explain the rest of the process to the client. Then, I enter the social security numbers into the computer at the front of the room and take the folder to the volunteer coordinator.

**Volunteer Coordinator**

I am a Volunteer Coordinator. I review the difficulty of the return and match the return with a volunteer of the appropriate skill level. I go over the client information with the volunteer and then introduce the volunteer to the client. If there is a large increase of clients, I will call the on-call volunteers after consulting with the VP of VITA.

**Volunteer**

I am a Volunteer. I handle the frontline interaction with the clients. I arrive at VH 1404, dressed in business causal, 15 minutes before my shift begins and sign in with the volunteer coordinator. When assigned a client, the volunteer coordinator or his assistant takes me to meet the client. I then lead the client to VH 1432, where I enter all of the information into TaxSlayer while explaining the basics of the process to the client. When finished with the return, I raise my hand and wait patiently for the reviewer to come check the return. Once the return has been checked, the reviewer hands me the tax return and I escort the client to the assembly room. Here, I introduce the client to the assembly assistant and return to 1404 to await another client. I am assigned to work a 4 hour shift, but being a professional I will remain until released by the volunteer coordinator.

**Reviewer**

I am a reviewer. I am the tax expert in VH 1432. If the volunteer has any questions while completing the return, they will ask me and I will know the answer or use my resources to find the answer. After the volunteer completes the return, I go through the return and double check the work of the volunteer. After I am satisfied, I print the return for the client and send the volunteer and client to the assembly room.

**Assembly Assistant**

I am the assembly assistant who works in the assembly room. When the clients are brought in, I greet the clients and have them take a seat. I also keep track of the order in which the clients enter, being sure to keep an orderly line for the assemblers. I will make any copies that the assembler needs for the tax return. When I am not greeting new clients or making copies, I will make small talk with the clients. I also hand out the VITA survey to the clients.

**Assembler**

I am the assembler. I put together the client’s return. I also take all of the printed information and organize it for the client’s record. I tell the client what they need to mail in if they were not able to file electronically and where to mail the check if they have any tax due.

**On Call Volunteer**

I am an on-call volunteer. I will be used if the site has a large influx of clients. If called in, I am expected to report to VH within 10 minutes, dressed in business casual. I am required to be on call for two hours. However, if I am called in, I will stay until the volunteer coordinator releases me.

**VII. FAQ SHEET**

|  |  |
| --- | --- |
| 1099-C (Cancellation of debt) | * **Call reviewer.** |
| 1099-G | * This is unemployment compensation. * Type “1099g” * Select “Go to Form 1099-G, Box 1 now” |
| 1099-Misc Form | * This is self-employment income. * **Call reviewer.** |
| 1099-Q (529 Plans) | * A 529 plan is a qualified tuition program. * **Call reviewer.** |
| Affordable Care Act | * **Call reviewer.** |
| Alimony, paid | * Type “alimony” * Select “Go to Form Alimony Paid now” * Enter spouse's SSN and amount paid. |
| Alimony, received | * Type “alimony” * Select “Go to Form Alimony Received now” * Enter amount of alimony received. |
| Capital gains | * **Call reviewer.** |
| Charitable contributions | * **Call reviewer.** |
| Child care expenses (dependent care credit) | * Type “2441” * Select “Go to Form 2441 now” * The client should have proper documentation in regards to the care provider. * TaxSlayer will calculate the credit. |
| Dividend income (1099 Div) | * Type “1099” * Select “Go to Form 1099-DIV now” * Click “Begin” next to Interest or Dividend Income * Select “Dividend Income, Form 1099-DIV” |
| Early withdrawal of savings | * Type “early” * Select “Go to Form Early Withdrawl Penalty now” * Follow the 1099-INT or 1099-OIT and enter the amount of the penalty. |
| Education credits | * Type “8863” * Select “Go to Form 8863 now” * **Call reviewer to determine which credit the client qualifies for.** |
| Educator expenses (K-12) | * Type “educator” * Select “Go to Form Educator Expenses now” * Enter the amount of qualified educator expenses. |
| Energy credit | * **Call reviewer.** |
| Foreign taxes (Form 1099-Div, Box 6) | * Type “1099” * Select “Go to Form 1099-DIV now” * Click “Begin” next to Interest or Dividend Income * Select “Dividend Income, Form 1099-DIV” * Enter the foreign tax paid found in Box 6 on the 1099. |
| Health savings account | * **Call reviewer.** |
| Health insurance premiums | * **Call reviewer.** |
| Insurance Mandate | * **Call reviewer.** |
| Interest income (1099 INT) | * Type “1099” * Select “Go to Form 1099-INT now” * Click “Begin” next to Interest or Dividend Income * Select “Interest Income…” |
| IRA contributions | * If the client made contributions to IRA, may be able to claim a deduction. * Type “IRA” * Select “Go to Form IRA Deduction now” |
| IRA distributions | * Type “1099r” * Select “Go to Form 1099-R now” * Make sure that the schedule exactly matches the 1099R. |
| Missouri property tax credit/rent rebate/property tax refund | * See detailed instructions on page 3 of the TaxSlayer instructions packet. |
| Mortgage Interest Expense | * Itemized Deduction * **Call Reviewer.** |
| Moving expenses | * Type “3903” * Select “Go to Form 3903 now” * Note: Your new workplace must be at least 50 miles farther from your old home than your old home was from your old workplace. |
| Non-Missouri state taxes paid | * Within the Missouri state section, click “Begin” next to Credits * Click “Begin” next to Credit for Income Taxes Paid to Other States |
| Obamacare | * **Call Reviewer.** |
| Out of state income | * If the client lived in that state for any part of the year, **Call Reviewer.** * If the client did not live in that state for any part of the year, add that state’s return by clicking “Add Another State Return” and designate as non-resident |
| Pension | * Type “1099-R” * Select “Go to Form 1099-R now” * Make sure the schedule exactly matches the 1099R. |
| Self-employment income | * **Call reviewer.** |
| Social security benefits (SSA-1099) | * Type “ssa 1099” * Click “Go to Form SSA-1099 now” |
| Student loan interest | * Only deductible if **not** claimed as a dependent by parents. * Type “Student” * Click “Go to Form Student Loan Interest now” |
| Tuition and scholarship – American students | * Scholarship > Tuition, books, etc. – The excess scholarship is taxable. * Type “scholarship” * Click “Go to Form Scholarships Received now” * Scholarship < Tuition, books, etc. – The taxpayer is eligible for a credit. **Call reviewer** for assistance. |
| Tuition and scholarship – International students | * Note that for international students, some scholarships are exempt. Please refer to page 10 of this packet for the list of scholarship exclusions by country. * Scholarship > Tuition, books, etc. – The excess scholarship is taxable. * Type “scholarship” * Click “Go to Form Scholarships Received now” * If the scholarship is excluded – * Do not include the scholarship as taxable income |
| Unemployment compensation | * Type “1099g” * Click “Go to Form 1099-G, Box 1 now” |
| W-2 | * Type “w2” * Click “Go to Form W-2 now” |

1. There is an additional amount added to the standard deduction if the taxpayer is over age 65 and/or blind. TaxSlayer knows this and will calculate it automatically so you don’t have to. [↑](#footnote-ref-1)
2. 🡪 College students are considered to live with their parents.

   🡪 A child is considered to have lived with you for more than half of 2016 if the child was born or died in 2016 and your home was this child's home for more than half the time he or she was alive. [↑](#footnote-ref-2)