

Mayor and Council Communication

DATE: 09/21/21

M&C FILE NUMBER: M&C 21-0713

LOG NAME: 19NS UWTC-VITA-2021

SUBJECT

(ALL) Authorize Application for and Acceptance of, if Awarded, a Grant from the United Way of Tarrant County in an Amount Up to \$250,000.00 for the Volunteer Income Tax Assistance Program, Authorize Execution of Agreement with the United Way of Tarrant County, Authorize Allocation of a Portion of Assigned Staff Time Valued in an Amount Up to \$25,000.00 as an In-Kind Match and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the application for and authorize acceptance of, if awarded, a grant from the United Way of Tarrant County in an amount up to \$250,000.00 for the operation of the Volunteer Income Tax Assistance program;
 2. Authorize the execution of the related grant agreement with the United Way of Tarrant County;
 3. Authorize the allocation of a portion of assigned staff time valued in an amount up to \$25,000.00 as an in-kind match for this grant; and
 4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Other Fund, subject to receipt of the grant, in the amount up to \$275,000.00.
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DISCUSSION:

The United Way of Tarrant County has funds available for agencies to implement the Asset Development and Income Support Initiative for Fiscal Year 2021-2022. The outcome of this initiative is to positively impact the financial stability of Tarrant County working families.

One method to accomplish this is by assisting low-income families through the Volunteer Income Tax Assistance (VITA) program. In 2001, VITA became a community based program that provides tax return preparation, outreach products and financial education. The goal is to deliver a program and teach people how to invest their refunds in an advantageous manner to assist them with becoming self-sufficient.

During the 2020 Fiscal Year, the Neighborhood Services Department administered the program through the Community Action Partners at eight sites throughout Tarrant County. If the funds are awarded, the Neighborhood Services Department will administer the program in 2021-2022. As of June 15, 2021, 3,096 tax returns were completed for an overall refund amount of \$4,932,459.00 of which \$1,147,989.00 was earned income credit dollars from 640 clients. The number of clients choosing to purchase savings bonds was 19 and two clients decided to split their refund by placing a portion in a savings account. The impact to Tarrant County's economy is \$5,861,259.00 in refunds and money saved.

The goal for the department is to assist up to 3,500 unduplicated low-income workers file their tax returns through a VITA site and to file for approximately \$1.5 million in Earned Income Tax Credits (EITC). EITC can supplement the income for families while they work to advance their earnings. This will enable these families to meet daily living expenses, begin saving, build assets and achieve a level of financial stability.

A ten percent match is required for this grant and will be provided by allocating a portion of assigned staff time valued in the amount up to \$25,000.00 that is billed to and paid out of previously appropriated general fund money. The total amount of this grant, when factoring in the in-kind match, is up to \$275,000.00. The grant does not allow for indirect costs to be charged. As a result, all funding will be applied to direct services to operate the program.

This program serves ALL COUNCIL DISTRICTS.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the current operating budget, as appropriated, of the Grants Operating Other Fund. Neighborhood Services (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to expenditures being incurred, Neighborhood Services has the responsibility to validate the availability of funds. This is an advance grant.

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