

# Mayor and Council Communication

**DATE:** 09/10/19

**M&C FILE NUMBER:** M&C 19-0149

**LOG NAME:** 19UWTC-VITA-2019

## **SUBJECT**

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 Appropriation Ordinance (ALL COUNCIL DISTRICTS)

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## **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;
  4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Other Fund in an amount up to \$275,000.00, subject to receipt of funds; and
  5. Waive the City's requirement to allocate indirect costs to this grant.
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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 2019-2020. 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 unduplicated 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 2018-2019 Fiscal Year, the Neighborhood Services Department administered the program through the Community Action Partners at 8 sites throughout Tarrant County. If the funds are awarded, the Neighborhood Services Department will administer the program in 2019-2020. As of April 15, 2019, 4,661 tax returns were completed for an overall refund amount of \$8,491,067 of which \$2,404,429 was Earned Income Credit dollars from 1,223 clients. The number of clients choosing to purchase savings bonds was 14 and 10 clients decided to split their refund by placing a portion in a savings account. The impact to Tarrant County's economy is \$9,889,367 in refunds and money saved.

The goal for Fiscal Year 2019-2020 is to assist up to 4,000 unduplicated low-income workers file their tax returns through a VITA site and to file for approximately \$3.0 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 10 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.

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## **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. This is an advance grant.

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