City and County of San Francisco

Edwin M. Lee, Mayor

Human Services Agency
Department of Human Services
Department of Aging and Adult Services

Trent Rhorer, Executive Director

MEMORANDUM

TO:	HUMAN SERVICES COMMISSION
THROUGH:	TRENT RHORER, EXECUTIVE DIRECTOR
FROM:	NOELLE SIMMONS, DEPUTY DIRECTOR JOHN TSUTAKAWA, DIRECTOR OF CONTRACTS
DATE:	APRIL 21, 2017
SUBJECT:	GRANT RENEWAL: MISSION ECONOMIC DEVELOPMENT AGENCY (NON-PROFIT) TO PROVIDE TAX PREPARATION ASSISTANCE SERVICES

	Current	Renewal	Contingency	Total
GRANT TERM:	11/1/14-6/30/17	7/1/17-6/30/19		
GRANT AMOUNT:	$525,836	$367,718	$36,772	$404,490

	FY 17/18	FY 18/19
ANNUAL AMOUNT:	$183,859	$183,859

Funding Source	County	State	Federal	Contingency	Total
	$367,718	$0	$0	$36,772	$404,490
PERCENTAGE:	100%	0%	0%		100%

The Department of Human Services (DHS) requests authorization to renew the grant with Mission Economic Development Agency for the period of July 1, 2017 through June 30, 2019, in an amount of $367,718 plus a 10% contingency for a total amount not to exceed $404,490. The purpose of the grant is to provide tax preparation assistance to low-income San Francisco residents.

Background

The Earned Income Tax Credit (EITC) is a federal tax credit that is offered to low-income Americans nationwide. Historically, the EITC has gone unclaimed by $12 million to $20 million for San Franciscans each year. To boost participation in the EITC program, the City created the Working Families Credit (WFC) in the 2004 Tax Year which provided an additional one-time

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payment for qualifying families. Since then, the EITC Program and the WFC Program have worked hand-in-hand to promote each other to clients and incentivize residents to claim all available tax credits.

The primary purpose of the service is to decrease the amount of unclaimed tax refunds and to assist low-income San Franciscans leverage their tax savings through asset development, and to apply for benefits when appropriate. The program has a three-fold goal: 1) to increase the number of qualified households who claim the Earned Income Tax Credit, 2) to assist low-income individuals/families in keeping more of their earned income, and 3) to connect San Francisco families with other public and private benefits that increase income and assets, such as Food Stamps, affordable health coverage, CalWORKs, and Bank On San Francisco accounts.

Services to be Provided
Grantee will outreach to eligible recipients of this service, as well as volunteers who will assist Grantee during the tax season. Grantee will coordinate and manage staffing logistics, and ensure that all individuals involved in assisting clients with tax filing receive proper training.

During the tax season, Grantee will help tax filers navigate their tax forms, perform quality control of the final documents, and assist with transmission of tax returns to the correct destination. Based on tax information, Grantee will also refer clients to the WFC program and several other low-income support programs for possible enrollment. All clients who receive tax preparation assistance will be asked about their interest in being screened for HSA benefits.

Grantee will assist at least 3,000 low-income families with their tax preparation and filing.

<u>Location and Time of Services</u>

1. 170 Otis Street* Mon/Wed 5:00 to 8:30 PM
2. 1235 Mission Tues/Thurs 3:30 to 8:00 PM
3. 3120 Mission Street* Mon through Fri 3:30-8:00 PM,
4. Plaza Adelante, 19th and Mission Street- Days/hours to be determined

**Childcare available until 5PM.*

Performance
Grantee received a program monitoring visit on March 21, 2017, and a fiscal and compliance monitoring visit on February 22, 2017. No significant findings emerged from either of the monitoring visits.

Selection
Grantee was selected through Request for Proposals #602, which was competitively bid in July 2014.

Funding
Funding for this grant renewal will be provided entirely by County General Funds.

ATTACHMENTS
Appendix A – Scope of Services
Appendix B – Budget

Appendix A – Services to be Provided
Mission Economic Development Agency
Tax Preparation Assistance
Effective 7/1/2017 – 6/30/2019

I. Purpose

Grantee will coordinate and provide outreach and free tax preparation to low-income San Franciscans. The primary purpose of the service is to decrease the amount of unclaimed tax refunds and to assist low-income San Franciscans to leverage their tax savings through asset development, and to apply for benefits when appropriate. The program has a three-fold goal: 1) to increase the Earned Income Tax Credit, 2) to assist low-income individuals/families in keeping more of their earned income, and 3) to connect San Francisco families with other public and private programs that increase income and assets, such as Bank on San Francisco, Food Stamps, affordable health coverage, homeownership assistance, and career services.

II. Definitions

California Earned Income Tax Credit (Cal EITC)	The Cal EITC is a refundable State tax credit for qualifying individuals with and without children. In 2017 (filing for 2016 earnings), tax filers with children and earning no more than $14,161 are eligible for a Cal EITC refund up to $2,706. Tax filers without children and earning no more than $6,717 are eligible for a Cal EITC refund up to $217.
Cultural Competency	Ability to interact effectively with people of different cultures and socio-economic backgrounds, particularly in the context of human resources, non-profit organizations, and government agencies whose employees work with persons from different cultural/ethnic backgrounds.
DHS	San Francisco Department of Human Services, part of HSA
Earned Income Tax Credit (EITC)	The EITC is a refundable federal tax credit for qualifying individuals with and without children. In 2017 (filing for 2016 earnings), tax filers with children and earning less than $47,955 (or $53,505 for married couples filing jointly) are eligible for an EITC refund up to $6,269. Tax filers without children and earning less than $14,880 (or $20,430 for married couples filing jointly) are eligible for an EITC refund up to $506.
EKS	Earn It! Keep It! Save It! San Francisco, a cross-sector coalition led by United Way of the Bay Area
Focus Card	The CFR Focus Card is a Prepaid Visa Debit Card that was developed by Community Financial Resources (CFR) and is offered in partnership with US Bank. It is recognized as a safe, low-cost banking option by Bay Area community-based organizations and it is available through social service agencies, community and workplace organizations, and Volunteer Income Tax Assistance sites. The San Francisco Office of Financial Empowerment (SF OFE) lists the Focus Card as an approved payroll card as part of its CurrenC SF campaign. Enrollment takes only a few minutes and instantly results in the ability for tax clients to receive their tax refund via direct deposit. And unlike myRA.gov,

	there is no maximum deposit amount.
Free tax preparation services	Preparation of tax return and successful transmission of completed return to the IRS, at no cost to the tax filer/consumer. These services are provided by paid and volunteer tax preparers participating in San Francisco's cross-sector coalition called Earn It! Keep It! Save It!. Such service is made available to adults and families earning under a threshold income amount established by Earn It! Keep It! Save It!.
HSA	San Francisco Human Services Agency
HSA Contract Monitor	Michael Dean. Can be contacted at Michael.Dean@sfgov.org.
myRA.gov	myRA (my Retirement Account) is a type of Roth IRA account developed by the United States Department of the Treasury. myRA invests in a United States Treasury retirement savings bond which will not lose money. myRA was designed for people looking for a simple, safe, and affordable way to start saving for retirement. myRA accounts cost nothing to open, have no fees, and don't require a minimum amount of savings. Contributions can be withdrawn tax-free and without tax and penalty at any time. Also money contributed to myRA may qualify filers for the Saver's Tax Credit (Retirement Savings Contributions Credit). However, the maximum annual contribution is subject to Roth IRA limits ($5,500 for tax year 2016).
San Francisco Working Families Credit (WFC)	The San Francisco Working Families Credit (WFC) is a one-time credit paid out of City & County of San Francisco General Fund monies up to $250 to qualified low-income working families in San Francisco who meet all of the following requirements: **never** received the WFC before; claim and receive the EITC on federal tax return; file by federal tax filing deadline; claim at least one qualifying child on federal tax return; live in San Francisco at time of tax filing.
Unduplicated Customers	The number of eligible participants served in the entire fiscal year, counted once only.
Volunteer Income Tax Program (VITA)	VITA is a program administered by the Internal Revenue Service (IRS). The VITA program offers free tax help to people who generally make $54,000 or less, persons with disabilities, elderly, and limited English speaking taxpayers who need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals.

III. Target Population

Low and moderate income individuals living and/or working within the boundaries of San Francisco County, regardless of parental status and residency and inclusive of all races, ethnicities, faiths, genders, and sexual orientations. Particular attention shall be given to neighborhoods with high concentration of low-income families and immigrant groups, including but not limited to Excelsior/Ingleside, SOMA, and the Mission.

IV. Scope of Work

Grantee shall provide the following services during the term of this grant:

A. Outreach

1. Design and implement comprehensive outreach strategies to advertise services at HSA and Plaza Adelante tax sites.
2. Conduct a direct mail campaign from current database of over 7,000 contacts.
3. Place advertisements in local newspapers and set up promotion with local radio and television stations.

B. Staff and Volunteer Recruitment, Training, and Management

1. Recruit and hire for all paid staff positions, including Site Supervisor(s) and Phone Screener/Appointment Scheduler(s), Quality Reviewer(s), Benefits Screener, as well as all volunteer positions (e.g. Tax Preparers, Greeters, Interpreters) for HSA sites and Plaza Adelante.
2. Coordinate, plan, and implement HSA-approved tax trainings/orientations for all volunteers/staff, including Site Supervisor(s), through IRS or other training providers as appropriate. Training will include agreed upon tax software, tax law and regulations, customer service best practices, overview of VITA, EKS, Human Services Agency, Working Families Credit, volunteer policies and procedures, and other resources to be made available to tax filers.
3. Coordinate volunteers/paid staff of the Tax Program, including but not limited to ensuring proof of appropriate certification for all volunteers and paid staff participating in Tax Program, and managing all volunteer scheduling for HSA and Plaza Adelante tax sites.

C. Client Screening and Appointment Scheduling

1. Update client screening tool as needed.
2. Manage or provide for a multilingual appointment hotline for screening potential clients and scheduling appointments at HSA and Plaza Adelante tax sites. Phone to be staffed in English, Spanish, and Cantonese, making other languages available as needed.

D. Tax Preparation Services & Benefits Screening/Application Assistance

Services during Tax Season

Coordinate free tax preparation services through the use of volunteers and paid staff. The grantee agency may choose to hire staff via the JOBS NOW! subsidized employment program to supplement the agency's regular staff, if eligible qualified participants are available. **The HSA volunteer pool is expected to be fewer than 30 volunteers per tax season.** Services should include the following:

1. Coordinate with HSA-IT staff to install, test, and update tax software.

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2. Develop and manage an HSA-approved process flow with tax clients, with the emphasis being placed on timely, high-quality tax preparation services and exceptional customer service.
3. Develop and implement a process for screening 100% of EITC-eligible tax clients for the San Francisco Working Families Credit (WFC) and assisting WFC-eligible clients in completing the separate paper application for submission to HSA.
4. Develop and implement a process for screening 100% of tax clients for direct deposit capability, presenting direct deposit options to clients without such, and assisting interested clients in enrolling in such accounts on-site and receiving their tax refund via direct deposit. All volunteers will be trained on applicable options (e.g., myRA.gov and the Focus Card) and all clients enrolled on-site will receive a handout with their account information (e.g., the VITA Consumer Orientation handout for the Focus Card). Clients who enroll on-site and also elect to receive their refund via direct deposit into their new account will be tracked and reported.
5. Implement quality control processes to ensure all tax returns are accurate.
6. Transmit returns accurately to the IRS and maintain records of tax return files.
7. Based on tax information, refer appropriate clients to the following programs for potential application and eligibility determination: Working Families Credit (WFC), Bank on San Francisco, Payday Plus SF, Muni Lifeline Fast Pass, WIC, Free/reduced school meals program, utility discounts, low-cost auto insurance, affordable vision care, Medi-Cal, Covered California, CalFresh, CAAP, CalWORKs.
8. Ask 100% of clients who receive tax preparation services if they are interested in being screened for HSA benefits eligibility. 100% of clients who express interest in applying for CalWORKs, CalFresh, Medi-Cal, and/or or other social service benefit or income support will receive follow-up from MEDA (i.e. schedule an appointment for on-site assistance OR use mybenefitscalwin.org over the phone with the client to assess eligibility).
9. Share data with HSA and EKS as requested – or in accordance with agreed upon schedule.
10. Implement customer satisfaction survey at all HSA/MEDA tax sites, collecting from a minimum of 50% of all clients served. The survey will note the tax site that the customer visited and the rating. MEDA will create a spreadsheet that tabulates and reports the site name and rating from all surveys, and the paper copies will be retained and delivered to the HSA Contract Monitor no later than the 15th of May (and may be reviewed or audited during the course of the tax season).
11. At all times during service hours, tax site coordinators will provide contact information (e.g., business cards) for MEDA's Tax Manager and/or HSA Contract Monitor for clients who want to file a complaint. MEDA will develop a formal, consistent process for receiving and responding to complaints, including notifying HSA's Contract Monitor. All site coordinators will be aware of and adhere to the process.

Year-round Services
MEDA will provide tax preparation services (i.e. back taxes, late returns, amended returns) as needed outside of the regular January-April tax season. Additionally, MEDA will assist tax clients with benefits screening and application utilizing mybenefitscalwin.org where appropriate.

V. Location and Time of Services

1. 170 Otis Street* Mon/Wed 5:00 to 8:30 PM
2. 1235 Mission Tues/Thurs 3:30 to 8:00 PM
3. 3120 Mission Street* Mon through Fri 3:30-8:00 PM,
4. Plaza Adelante, 19th and Mission Street- Days/hours to be determined

**Childcare available until 5PM.*

VI. Service Objectives

1. 3,000 low-income families will receive free tax filing assistance.
2. 2,900 taxes returns will be filed.
3. At least 100 WFC-eligible clients served at tax sites will apply for the Working Families Credit.
4. At least 300 clients will receive on-site assistance or via telephone to determine eligibility for CalWORKs, CalFresh, and/or Medi-Cal using mybenefitscalwin.org. This objective will be fulfilled within 30 days following the tax season (e.g., May 15).
5. At least 40 clients will receive the California Earned Income Tax Credit.
6. At least 25 clients will successfully create accounts for either myRA.gov or the Focus Card and receive all or part of their tax refund via direct deposit to the account that they created on-site.
7. A minimum of 50% of clients shall complete a customer satisfaction survey using a survey instrument approved by HSA.

**Service objective goals refer to clients served during the regular tax season (January – April) and included in the final report submitted by July 15th.*

VII. Outcome Objectives

1. 20% of the clients who receive onsite or telephone assistance from MEDA for eligibility screening using mybenefitscalwin.org for CalWORKs, Medi-Cal, and/or CalFresh, will be approved by at least one program.
2. 25% of clients who did not have a Direct Deposit account will receive a direct deposit of their tax refund using a Direct Deposit account that was created on-site.
3. 90% of tax site volunteers will report a positive experience with involvement in the project, with positive equating to a 4 or 5 on a 5-point satisfaction rating scale.
4. 90% of surveyed clients will rate services as good or above, equating to a 4 or 5 on a 5-point satisfaction rating scale.

**Outcome objective goals refer to clients served during the regular tax season (January*

– April) and included in the final report submitted by July 15th.

VIII. HSA Responsibilities

A. Computers, printers and photocopy machines are available at the three mandated DHS sites. DHS can provide general office supplies such as highlighters, pens, rubber bands, ink cartridges to DHS sites.
B. Volunteers for tax preparation and greeters (size of pool may vary).

IX. Reporting Requirements

A. Grantee will provide a <u>cumulative</u> monthly report of activities, for 4 months of the year (January through April), referencing the tasks as described in Section VI & VII- Service and Outcome Objectives. Grantee will enter the <u>cumulative</u> monthly metrics in the CARBON database by the 15th of the following month.

   Grantee will provide HSA with a complete list of names and dates of birth for all tax clients who provided consent to use/disclose their tax information, including whether or not the client received on-site application assistance from MEDA utilizing mybenefitscalwin.org. This report shall be combined with the following metrics and must be submitted to HSA staff by the 15th of May in preparation for the annual site visit:
   a) A table of all tax clients with the following 12 fields: clientid, taxServiceDate, TaxConsent, InterestedInBenefits, BenefitsOutreachDate, PublicBenefitsStatus, SubType, AppliedDate, ApprovedDate, DeniedDeclinedDate, BenefitsApp, DuringTaxSeason. The following 4 fields must also be added – for a total of 16 fields in this table – to indicate whether or not the tax client: submitted a WFC application, received the California EITC, received a paper check for their tax refund, received a direct deposit of their tax refund using a Direct Deposit account that was created on-site.
   b) A table of all tax clients – who consented to have their information released to HSA – with the above 16 fields and these 3 additional fields for a total of 19 fields: LastName, FirstName, Birthdate.
   c) A table listing each rating from client surveys and the tax site/location for each.

B. Grantee will provide a quarterly report of activities, referencing the tasks as described in Section VI & VII- Service and Outcome Objectives. Grantee will enter the quarterly metrics in the CARBON database by the 15th of the month following the end of the quarter.

C. Grantee will provide an annual report summarizing the contract activities, referencing the tasks as described in Section VI & VII- Service and Outcome Objectives. This report will also include accomplishments and challenges encountered by the Grantee. Grantee will enter the annual metrics in the

CARBON database by the 15th of the month following the end of the program year.

The following metrics must be submitted to HSA staff by the 15th of July:

a) A table of all tax clients with the following 12 fields: clientid, taxServiceDate, TaxConsent, InterestedInBenefits, BenefitsOutreachDate, PublicBenefitsStatus, SubType, AppliedDate, ApprovedDate, DeniedDeclinedDate, BenefitsApp, DuringTaxSeason. The following 4 fields must also be added – for a total of 16 fields in this table – to indicate whether or not the tax client: submitted a WFC application, received the California EITC, received a paper check for their tax refund, received a direct deposit of their tax refund using a Direct Deposit account that was created on-site.
b) A table of all tax clients – who consented to have their information released to HSA – with the above 16 fields and these 3 additional fields for a total of 19 fields: LastName, FirstName, Birthdate.
c) A table listing each rating from client surveys and the tax site/location for each.

D. Grantee will provide a monthly report of off-season activities, for the 8 months of the year from **May through December**, reporting on the services listed below. Grantee will upload a brief monthly report in the CARBON database by the 15th of the following month.

1) Number of unduplicated tax customers served.
2) Number of new tax returns and/or tax return amendments.
3) Number of tax clients who received on-site assistance to apply for CalWORKs, CalFresh, and/or Medi-Cal using mybenefitscalwin.org

For assistance with reporting requirements or submission of reports, contact:

Justin.Chan@sfgov.org
Contract Manager, Office of Contract Management
or

Michael.Dean@sfgov.org
Contract Monitor, Workforce Development Division

X. Monitoring Requirements

A. Program Monitoring: Program monitoring will include a site visit, review of periodic reports, and review of case files and back-up documentation verifying progress towards meeting service and outcome objectives.

B. Fiscal Compliance and Contract Monitoring: Fiscal monitoring will include review of the Grantee's organizational budget, the general ledger, quarterly balance sheet, cost allocation procedures and plan, State and Federal tax forms, audited financial statement, fiscal policy manual, supporting documentation for selected invoices, cash receipts and disbursement journals. The compliance monitoring will include review of Personnel Manual, Emergency Operations Plan, Compliance with the Americans with Disabilities Act, subcontracts, and MOUs, the current board roster and selected board minutes for compliance with the Sunshine Ordinance, and HIPAA compliance.

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Document Date: 4/11/2017

HUMAN SERVICES AGENCY BUDGET SUMMARY BY PROGRAM

Name			Term
Mission Economic Development Agency			7/1/2017-6/30/19
(Check One) New ☐ Renewal _X__ Modification ____			
If modification, Effective Date of Mod. No. of Mod.			
Program: Tax Assistance			
Budget Reference Page No.(s)			Total
Program Term	7/1/17-6/30/18	7/1/18-6/30/19	7/1/17-6/30/19
Expenditures			
Salaries & Benefits	$134,147	$134,147	$268,294
Operating Expense	$25,730	$25,730	$51,460
Subtotal	$159,877	$159,877	$319,754
Indirect Percentage (%)	15.00%	15.00%	15.00%
Indirect Cost (Line 16 X Line 15)	$23,982	$23,982	$47,964
Capital Expenditure	$0	$0	$0
Total Expenditures	$183,859	$183,859	$367,718
HSA Revenues			
General Fund	$183,859	$183,859	$367,718
TOTAL HSA REVENUES	$183,859	$183,859	$367,718
Other Revenues			
United Way	$24,000	$24,000	$48,000
Bank of the West	$35,000	$35,000	$70,000
MEDA Contribution	$145,000	$155,000	$300,000
Total Revenues	$387,859	$397,859	$785,718
Full Time Equivalent (FTE)			

Prepared by: John Sedlander Telephone No.: 415-282-3334

HSA-CO Review Signature: ______________________

HSA #1 **11/15/2007**

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Program Name: Tax Assistance
(Same as Line 9 on HSA #1)

Salaries & Benefits Detail

POSITION TITLE	Agency Totals: Annual Full TimeSalary for FTE	Agency Totals: Total % FTE	For HSA Program: % FTE	For HSA Program: Adjusted FTE	7/1/17-6/30/18 Budgeted Salary	7/1/18-6/30/19 Budgeted Salary	TOTAL 7/1/17-6/30/19
Program Manager - Max Moy Borgen	$74,435	100%	73%	0.73	$42,745	$44,027	$86,772
Program Coordinator - Owen Thompson	$37,640	60%	45%	0.27	$16,921	$15,639	$32,560
Temp Tax Aide - Site Supervisor	$13,000	25%	100%	0.25	$13,000	$13,000	$26,000
Temp Tax Aide - Site Supervisor	$13,000	25%	100%	0.25	$13,000	$13,000	$26,000
Temp Tax Aide - Tax Assistant	$10,400	25%	100%	0.25	$10,400	$10,400	$20,800
Temp Tax Aide - Tax Assistant	$10,400	25%	100%	0.25	$10,400	$10,400	$20,800
TOTALS	$158,875	2.60	5.18	2.00	$106,466	$106,466	$212,932
FRINGE BENEFIT RATE	26.00%						
EMPLOYEE FRINGE BENEFITS	$41,308				$27,681	$27,681	$55,362
TOTAL SALARIES & BENEFITS	$200,183				$134,147	$134,147	$268,294

Program Name: Tax Assistance
(Same as Line 9 on HSA #1)

Operating Expense Detail

Expenditure Category	TERM 7/1/17-6/30/18	7/1/18-6/30/19	TOTAL 7/1/17-6/30/19
Rental of Property	$5,962	$5,962	$11,924
Utilities (Telephone)	$1,171	$1,171	$2,342
Office Supplies, Postage	$2,236	$2,236	$4,472
IT Services	$2,129	$2,129	$4,258
Printing and Reproduction	$700	$700	$1,400
Insurance	$532	$532	$1,064
Staff Training			
Staff Travel-(Local & Out of Town)			
Rental of Equipment			
CONSULTANT/SUBCONTRACTOR DESCRIPTIVE TITLE			
OTHER			
Meals for Volunteer Tax Preparers	$13,000	$13,000	$26,000
TOTAL OPERATING EXPENSE	$25,730	$25,730	$51,460