Introduction

The integrity of the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs depends on maintaining public trust. All taxpayers using VITA/TCE services should be confident they are receiving accurate return preparation and quality service.

All volunteers are responsible for providing the highest quality and best service to taxpayers. Along with this responsibility, all volunteers must sign Form 13615, Volunteer Standards of Conduct Agreement each year, stating they will comply with the Quality Site Requirements (QSR) and uphold the highest ethical standards.

Furthermore, all IRS Stakeholder Partnerships, Education and Communication (IRS-SPEC) agency partners must sign Form 13533, Sponsor Agreement, certifying they will adhere to the strictest standards of ethical conduct. Form 13533 is valid for one year after the signature date.

All volunteers must complete the Volunteer Standards of Conduct (VSC) Training and pass a competency test with a score of 80% or higher. This training will provide:

- An explanation of the six Volunteer Standards of Conduct defined in Form 13615
- Information on how to report possible violations
- Consequences of failure to adhere to the program requirements
- Examples of situations that raise questions on ethical behavior
- An overview of the intake/interview and quality review processes
- A description of the different types of IRS conducted reviews
- The components of a complete intake/interview and quality review process

Why are we doing this?

During recent filing seasons, the Treasury Inspector General for Tax Administration (TIGTA) and IRS-SPEC uncovered unacceptable practices at a few VITA/TCE sites. In response to these issues, IRS-SPEC enhanced the Volunteer Standards of Conduct. The intent is to provide guidance and a structure for regulating VITA/TCE volunteers and to protect taxpayers.

When unscrupulous volunteers intentionally ignore the law, it compromises the integrity of the VITA/TCE programs and the public’s trust. Unfortunately, due to the actions of a few, the VITA/TCE programs’ integrity and trust have been tested. In these cases, IRS-SPEC can and does take appropriate actions against the partners and volunteers involved.
Objectives

At the end of this lesson, using your reference materials, you will be able to:

• List the six Volunteer Standards of Conduct
• Describe unethical behavior
• Identify consequences for failing to comply with the standards
• Explain how volunteers are protected
• List the basic steps volunteers are required to use during the intake/interview process
• Identify the components of a quality review

Unethical Defined

IRS-SPEC defines unethical as not conforming to agreed standards of moral conduct, especially within a particular profession. In most cases, unethical behavior is acted upon with the intent to disregard the established laws, procedures, or set policies.

Do not confuse an unethical action with a lack of knowledge or a simple mistake.

Example

If volunteer Mary prepares a return, which includes a credit the taxpayer does not qualify for because Mary did not understand the law, Mary did not act unethically. However, if Mary knowingly allowed a credit for which the taxpayer did not qualify, Mary committed an unethical act and violated the Volunteer Standards of Conduct.

Volunteer Standards of Conduct (VSC)

All volunteers face ethical issues, which often arise in unexpected situations that require quick decisions and good judgment. In many cases, a volunteer will react to unusual situations and realize later that it was, in fact, an ethical dilemma.

The Volunteer Standards of Conduct were developed specifically for free tax preparation operations. Form 13615, Volunteer Standards of Conduct Agreement, applies to all conduct and ethical behavior affecting the VITA/TCE programs. Volunteers must agree to the standards prior to working in a VITA/TCE free return preparation site.

All participants in the VITA/TCE programs must adhere to these Volunteer Standards of Conduct:

1. Follow the ten Quality Site Requirements (QSR).

All taxpayers using the services offered through the VITA/TCE programs should be confident they are receiving accurate return preparation and quality service. The purpose of QSR is to ensure VITA/TCE sites are using consistent site operating procedures that will ultimately assist with the accuracy of volunteer prepared returns. The ten QSR are:

What do I need?

□ Form 13614-C, Intake/Interview & Quality Review Sheet
□ Form 13615, Volunteer Standards of Conduct Agreement
□ Publication 1084, IRS Volunteer Site Coordinator’s Handbook
□ Publication 4299, Privacy, Confidentiality, and the Standards of Conduct – A Public Trust
**QSR#1, Certification**

All VITA/VCE volunteers must annually complete the VSC training and pass the VSC test with a score of 80% or higher prior to working at a VITA/TCE site.

Volunteers who answer tax law questions, instruct tax law classes, prepare or correct tax returns, and/or conduct quality reviews of completed tax returns must be certified in tax law. At a minimum, all VITA/TCE instructors must be certified at the Advanced level or higher (based on the level of tax topics taught). At a minimum, Quality Reviewers must be certified to the Basic certification level or higher (including the specialty levels) based on the complexity of the tax return. SPEC encourages the Quality Reviewer to be the most experienced person in tax law application.

Site Coordinators must be certified annually by taking Site Coordinator training. Site Coordinators or partners must verify the identity of every volunteer, secure a copy or original signed Form 13615, and verify certification when the volunteer reports to their site. In the Partner Use Only section, Site Coordinators/sponsors/partners must sign "Certification verified by."

**QSR#2, Intake/Interview Process**

All volunteer preparer sites must use Form 13614-C, Intake/Interview & Quality Review Sheet, for every return prepared.

**QSR#3, Quality Review Process**

All volunteer prepared returns must be quality reviewed and discussed with the taxpayer. A quality review must include a discussion with the taxpayer and an explanation of the taxpayer’s responsibility for the accuracy of their tax return. Quality reviews should be conducted by a designated reviewer or by peer-to-peer review.

**QSR#4, Reference Materials**

All sites must have at least one copy (paper or electronic) of the following reference materials available for use by the IRS certified volunteer tax preparers and Quality Reviewers:

- Publication 4012, Volunteer Resource Guide
- Publication 17, Your Federal Income Tax for Individuals
- Volunteer Tax Alerts (VTA) and Quality Site Requirement Alerts (QSRA)

**QSR#5, Volunteer Agreement**

All volunteers (preparers, Quality Reviewers, Greeters, etc.) must complete the VSC Training and test, complete the Intake/Interview and Quality Review PowerPoint®, and certify to their adherence annually by signing Form 13615 prior to working at a site.
QSR#6, Timely Filing
All sites must have a process in place to ensure every return is electronically filed or delivered to the taxpayer in a timely manner.

QSR#7, Title VI
Title VI of the Civil Rights Act of 1964 information must be displayed or provided to taxpayers at all VITA/TCE sites.

QSR#8, Site Identification Number
It is critical that the correct Site Identification Number (SIDN) must be included on all returns prepared by VITA/TCE sites.

QSR#9, Electronic Filing Identification Number
The correct Electronic Filing Identification Number (EFIN) must be used on all returns prepared.

QSR#10, Security, Privacy and Confidentiality
All guidelines discussed in Publication 4299, Privacy, Confidentiality, and the Standards of Conduct – A Public Trust, must be followed.

Publication 4299 outlines the need to protect the physical and electronic data gathered for tax return preparation and keep confidential the information provided by the taxpayer. Included in these guidelines is the need to protect any client identifications, user names, and passwords used at the site. Partners and volunteers must not share client identification numbers, user names, and/or passwords.
Quality Site Requirement (QSR) violations only become violations to the standards of conduct if volunteers refuse to comply with the standard. If the problem is corrected, it is not a violation of the standards of conduct. More information on the intake/interview and quality review process, including Form 13614-C, Intake/Interview & Quality Review Sheet, is provided later in this lesson.

2. Do not accept payment or solicit donations for federal or state tax return preparation.

“Free” means we do not accept compensation for our services. Therefore, we do not want to confuse the taxpayer by asking for donations. Donation or tip jars located in the return preparation or taxpayer waiting area are a violation of this standard. A client may offer payment, but always refuse with a smile and say something like, “Thank you, but we cannot accept payment for our services.” If someone insists, recommend cookies or donuts for the site. Taxpayers can make cash donations, but not at the tax site. Refer taxpayers who are interested in making cash donations to the appropriate website or to the Site Coordinator for more information.

Donation or tip jars can be placed in another area at the site as long as that area does not give the impression that the site is collecting the funds for return preparation. This cannot be in the entry, waiting, tax preparation, or quality review areas.

3. Do not solicit business from taxpayers you assist or use the knowledge gained about them (their information) for any direct or indirect personal benefit for yourself or any other specific individual.

Volunteer tax preparers must properly use and safeguard taxpayers’ personal information. Furthermore, do not use confidential or nonpublic information to engage in financial transactions, and do not allow its improper use to further your own or another person’s private interests.

Keep taxpayer and tax return information confidential. A volunteer preparer may discuss information with other volunteers at the site, but only for purposes of preparing the return. Do not use taxpayer information for your personal or business use.
Securing consent

There will be some instances when taxpayers will allow their personal information to be used other than for return preparation. Under Internal Revenue Code § 7216, all volunteer sites using or disclosing taxpayer data for purposes other than current, prior, or subsequent year tax return preparation must secure two consents from the taxpayer: consent to use the data and consent to disclose the data.

Exceptions to required consents

Volunteer sites that use or disclose the total number of returns (refunds or credits) prepared for their taxpayers at their site (aggregate data) for fundraising, marketing, and publicity are not required to secure the taxpayers’ consent. This information cannot include any personally identifiable information, such as the taxpayer’s name, SSN/ITIN, address or other personal information, and does not disclose cells containing data from fewer than ten tax returns.

This exception does not apply to the use or disclosure in marketing or advertising of statistical compilations containing or reflecting dollar amounts of refunds, credits, or rebates, or percentages relating thereto.

<table>
<thead>
<tr>
<th>Taxpayer Data Usage</th>
<th>Are Consents Required?</th>
<th>Number of Consents</th>
<th>Type of Consents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using or disclosing taxpayer data to prepare current, prior or subsequent year tax returns.</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Using or disclosing taxpayer data for purposes other than preparing current, prior, or subsequent year tax return.</td>
<td>Yes</td>
<td>2</td>
<td>1. Consent explaining how the data will be used.</td>
</tr>
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<td></td>
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<td></td>
<td>2. Consent explaining how the data will be disclosed.</td>
</tr>
<tr>
<td><strong>Exception:</strong> Reporting the <strong>number</strong> of returns (or types of returns such as EITC, CTC, etc.) prepared for fundraising, marketing, publicity, or other uses related to the volunteer site’s tax return preparation business.</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Reporting any data containing return <strong>dollar amounts</strong> for marketing or advertising or any other non-fundraising activities.</td>
<td>Yes</td>
<td>2</td>
<td>1. Consent explaining how the data will be used.</td>
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<td>2. Consent explaining how the data will be disclosed.</td>
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<tr>
<td>Reporting any data containing return dollar amounts for fundraising activities.</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
4. Do not knowingly prepare false returns.
Trust in the IRS and the local sponsoring organization is jeopardized when ethical standards are not followed. Fraudulent returns can result in many years of taxpayer interaction with the IRS. The taxpayer may be required to pay additional tax plus interest and penalties resulting in an extreme burden. In addition, the taxpayer may seek damages under state or local law from the SPEC partner for the volunteer’s fraudulent actions. Even so, the IRS would still seek payment of the additional taxes, interest, and penalties from the taxpayer.

**example**
A volunteer preparer told the taxpayer that cash income does not need to be reported. The return was completed without the cash income. The Quality Reviewer simply missed this omission and the return was printed, signed, and e-filed. The volunteer has violated this standard.
However, since the Quality Reviewer did not knowingly allow this return to be e-filed incorrectly, the Quality Reviewer did not violate this standard. Remember not to confuse an unethical action with a lack of knowledge or a simple mistake.

**example**
A volunteer prepares a fraudulent return by knowingly claiming an ineligible dependent. The taxpayer received a notice from IRS disallowing the dependent and assessing additional taxes, interest, and penalties. The taxpayer may seek money from the SPEC partner, but must still pay the IRS the additional taxes, interest, and penalties.

**Hardship on the taxpayer**
For a low-income taxpayer, it could be impossible to make full payment and recover from return fraud. If full payment is not received, the taxpayer will receive several demand notices. If full payment is still not received, the taxpayer will be sent through the IRS collection process. This could also involve the filing of a tax lien that will affect the taxpayers’ credit report, or a levy (withholding) on their bank accounts and/or wages. The taxpayer may be eligible for an installment agreement, but it could take several years to pay the IRS debt.

**example**
A taxpayer’s return fraudulently contains the earned income tax credit (EITC). The taxpayer has already received the refund when an audit notice is issued. During the audit, the taxpayer cannot provide documentation to support the EITC claim.
The taxpayer is disallowed $3,000 in EITC and now has a balance due of over $4,000, including penalties and interest. This amount reflects only the EITC disallowance. The amount could be much more if coupled with the loss of dependency exemption, Head of Household filing status, and the child tax credit. A $3,000 EITC disallowance can quickly generate a bill of over $6,000 when all accompanying disallowances are considered.

5. Do not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE programs.
Volunteers may be prohibited from participating in VITA/TCE programs if they engage (past and future) in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the government. Take care to avoid interactions that discredit the program. In addition, a taxpayer may look to state or local law to seek money from the SPEC partner for a volunteer’s fraudulent actions.
Allowing an unauthorized alien to volunteer at a VITA/TCE site is prohibited. An “unauthorized alien” is defined as an alien not lawfully admitted into the United States. All volunteers participating in the VITA/TCE programs must reside in the United States legally. Site Coordinators are required to ask for proof of identity with a photo ID for each volunteer. However, Site Coordinators or partners are not required to validate the legal status of volunteers. Therefore, by signing Form 13615, volunteers are certifying that they are legal.

**Consequences**

Volunteers performing egregious activities are barred from volunteering for VITA/TCE programs, and may be added to a registry of barred volunteers. The taxpayer is liable for any tax deficiency resulting from fraud, along with interest and penalties, and may seek money from the preparer and the SPEC partner.

**example**

A taxpayer’s refund was stolen by a volunteer return preparer at a VITA site. The taxpayer sought monetary damages from the SPEC partner for the volunteer’s fraudulent actions.

6. **Treat all taxpayers in a professional, courteous, and respectful manner.**

To protect the public interest, the IRS and its employees, partners, and volunteers must maintain the confidence and esteem of the people we serve. All volunteers are expected to conduct themselves professionally in a courteous, businesslike, and diplomatic manner.

Volunteers take pride in assisting hard-working men and women who come to VITA/TCE sites for return preparation. Taxpayers are often under a lot of stress and may wait extended periods for assistance. Volunteers may also experience stress due to the volume of taxpayers needing service. This situation can make patience run short. It is important to remain calm and create a peaceful and friendly atmosphere.

**example**

You finish a difficult return for Millie, who has self-employment income, several expenses, and very few records. In addition, her son turned 25 and moved out early in the year. She owes the IRS about $50. After you carefully explain the return, Millie sputters, “You don’t know what you’re doing. I always get a refund! My neighbor is self-employed and she got $1,900 back.” In this situation, you should take a deep breath and courteously explain that every return is different. If necessary, involve the Site Coordinator.
Taxpayer Civil Rights

The Internal Revenue Service will not tolerate discrimination based on race, color, national origin (including English proficiency), disability, sex (in education programs or activities) or age in programs or activities receiving federal assistance from the Department of the Treasury – Internal Revenue Service.

Taxpayers with a disability may require a reasonable accommodation in order to participate or receive the benefits of a program or activity supported by the Department of the Treasury – Internal Revenue Service. Our Site Coordinators and Site Managers at federally assisted sites are responsible for ensuring that all requests for reasonable accommodation are granted when the request is made by a qualified individual with a disability. Taxpayers with limited English proficiency (LEP) may require language assistance services in order to participate or receive the benefits of a program or activity funded or supported by the Internal Revenue Service. Language assistance services may include oral and written translation, where necessary. Site Coordinators at federally assisted sites must take reasonable steps to ensure that LEP persons have meaningful access to its programs or activities.

If a taxpayer believes that he or she has been discriminated against, a written complaint should be sent to the Department of the Treasury - Internal Revenue Service at the following address:

Operations Director, Civil Rights Division
Internal Revenue Service, Room 2413
1111 Constitution Avenue, NW
Washington, DC 20224

For all inquiries concerning taxpayer civil rights, contact the Civil Rights Division at the address referenced above, or e-mail edi.civil.rights.division@irs.gov.

Failure to Comply with the Standards of Conduct

Who enforces the standards?

By law, tax return preparers are required to exercise due diligence in preparing or assisting in the preparation of tax returns. IRS-SPEC defines due diligence as the degree of care and caution reasonably expected from, and ordinarily exercised by, a volunteer in the VITA/TCE programs. Generally, IRS-certified volunteers may rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires volunteers to ask a taxpayer to clarify information that may appear to be inconsistent or incomplete. When reviewing information for its accuracy, volunteers need to ask themselves if the information is unusual or questionable.

Make an effort to find the answer

When in doubt:

• Seek assistance from the Site Coordinator
• Seek assistance from a tax preparer with more experience
• Reschedule/suggest the taxpayer come back when a more experienced tax preparer is available
• Reference/research publications (i.e. Publication 17, Publication 4012, Publication 596, etc.)
• Research www.irs.gov for the answer
• Research the Interactive Tax Assistance (ITA) to address tax law qualifications
• Contact the VITA Hotline at 1-800-829-8482
• Advise taxpayers to seek assistance from a professional tax preparer

If at any time a volunteer becomes uncomfortable with the information and/or documentation provided by a taxpayer, the volunteer should not prepare the tax return.

Because the U.S. tax system is based on voluntary compliance, taxpayers are able to compute their own tax liability. Most taxpayers compute their tax accurately, but at times unscrupulous taxpayers and preparers evade the system by filing fraudulent returns. For this reason, some sponsoring organizations may choose to perform background checks on their volunteers.

The VITA/TCE programs are operated by sponsoring partners and/or coalitions outside the IRS. However, IRS is responsible for the oversight of these programs. Generally, volunteers are selected by partners and not by the IRS. A volunteer tax preparer serves an important role. In fact, SPEC’s partners and its volunteers are the most valuable resources in the volunteer tax preparation program.

IRS has the responsibility for providing oversight to protect the VITA/TCE programs’ integrity and maintain taxpayer confidence. IRS-SPEC recognizes its volunteers’ hard work and does not want it overshadowed by a volunteer’s lapse in judgment.

How are the standards enforced?

To maintain confidence in VITA/TCE programs, IRS-SPEC enhanced Form 13615, Volunteer Standards of Conduct Agreement. The intent is to provide guidance to volunteers and a structure for regulating ethical standards.

If conduct violating the standards occurs at a VITA/TCE site, IRS-SPEC will recommend corrective actions. If the site cannot remedy the conduct, then IRS-SPEC will discontinue its relationship and remove any government property from the site.

In cases of malfeasance, illegal conduct, and/or management practices that violate the VSC, IRS-SPEC may terminate a grant. A volunteer’s conduct could put a site or partner in jeopardy of losing its government funding.

What if an unethical situation is uncovered at a site?

If volunteers, Site Coordinators, taxpayers, and SPEC employees or managers identify potential problems at the partner, site, or volunteer level that they feel may require additional, independent scrutiny, they can report them using the external referral process.

External Referral Process

The external referral process (VolTax) provides taxpayers, volunteers, Site Coordinators, etc. an avenue to report potential unethical problems encountered at VITA/TCE sites. Volunteers and taxpayers can call toll free 1-877-330-1205 or send an e-mail to WI.Voltax@irs.gov. The toll free number is only in operation from January through May.

The toll free number and e-mail address are available in:

• Publications 4836 and 4836(SP), VITA and TCE Free Tax Preparation Program
• Publication 4807, Help us Prepare an Accurate Return for You!
• Form 13614-C, Intake/Interview and Quality Review Sheet
• Publication 730, Important Tax Records Envelope

All VITA and TCE sites are required to display Publications 4836 and 4836(SP) in a visible location to ensure taxpayer awareness of the opportunity to make a referral.
It is critical volunteers and taxpayers immediately report any suspected questionable behavior. The IRS will investigate the incidents reported on the VolTax toll free number and the email address to determine what events occurred and what actions need to be taken. In addition, your reported violations should be shared with your sponsoring partner and local SPEC territory office.

Taxpayers and tax preparers who violate tax law are subject to civil and criminal penalties. Any person who willfully aids or assists in, procures, counsels, or advises the preparation of a false or fraudulent return is subject to criminal punishment.

**Volunteer Registry**

Volunteers and partners released from the VITA/TCE programs for egregious actions can be added to the IRS-SPEC Volunteer Registry. The IRS-SPEC Director will determine if a volunteer or partner should be added to the registry. The purpose of the registry is to notify IRS-SPEC employees of volunteers and partners who were removed from the VITA/TCE programs due to egregious actions. The registry will include partner or individual names, locations, and affiliated agency or sponsors. Volunteers and/or partners on this list are unable to participate in the VITA/TCE programs indefinitely. Egregious actions include, but are not limited to, one or more of the following willful actions:

- Creating harm to taxpayers, volunteers or IRS employees
- Refusing to adhere to the Quality Site Requirements
- Accepting payments for return preparation at VITA/TCE sites
- Using taxpayer personal information for personal gain
- Knowingly preparing false returns
- Engaging in criminal, infamous, dishonest, notorious, disgraceful conduct
- Any other conduct deemed to have a negative impact on the VITA/TCE programs

**What is the impact on VITA/TCE programs?**

A volunteer positively affects the lives of taxpayers. Unfortunately, one volunteer’s unethical behavior can cast a cloud of suspicion on the entire volunteer tax preparation program. IRS-SPEC has closed down tax sites due to unethical behavior, which left taxpayers without access to free tax preparation in their community. The consequences to the tax site or sponsoring organization may include:

- Terminating the partnership between the IRS and the sponsoring organization
- Discontinuing IRS support
- Revoking or retrieving the sponsoring organization’s grant funds
- Deactivating IRS Electronic Filer’s Identification Number (EFIN)
- Removing all IRS products, supplies, and loaned equipment from the site
- Removing all taxpayer information
- Disallowing use of IRS-SPEC logos

**What is the impact on taxpayers?**

A taxpayer is responsible for paying only the correct amount of tax due under the law. However, an incorrect return can cause a low-to-moderate income taxpayer financial stress. Although a return is accepted, it may not be accurate. Acceptance merely means the required fields are complete and that no duplicate returns exist.
It is imperative to correctly apply the tax laws to the taxpayer’s situation. While a volunteer may be tempted to bend the law to help taxpayers, this will cause problems down the road. For example:

- Depending on the tax issue, a taxpayer may receive a refund and later receive a letter from the IRS questioning the return. While a letter does not conclusively mean the return is wrong, it begins a tax controversy process, and can create anguish for the taxpayer.
- The taxpayer may be subject to the examination process including collection, litigation, and appeals. If additional tax is assessed, interest and penalties accrue from the date the return was originally due until payment is made.
- A taxpayer who cannot pay the full balance due may be able to make installment payments, but interest and penalties will continue to accrue until full payment is remitted. Moreover, the IRS may file a notice of federal tax lien upon all property or rights belonging to the taxpayer. This can have a negative effect on the taxpayer as it becomes public knowledge and appears on his/her credit reports. In addition, if a taxpayer refuses or neglects to pay the tax, the IRS can use levies and seizures to satisfy balance due accounts. The law provides some protections for taxpayers, but in general, a taxpayer who fails to pay their tax is subject to enforcement action.

**How might the taxpayer find relief?**

If tax collection would cause significant hardship, the taxpayer may be able to find relief. Significant hardship means serious deprivation, not simply economic or personal inconvenience to the taxpayer. In this case, collection action may stop, but interest and penalties will continue to accrue until the taxpayer can afford to pay.

**What if the taxpayer is not telling the truth?**

As described above, the tax controversy process can be long and drawn-out. A volunteer who senses that a taxpayer is not telling the truth should not ignore it. Conduct a thorough interview, paying special attention to the uncomfortable information, to ensure there is no misunderstanding. If that does not resolve the matter, refer the taxpayer to the Site Coordinator. Remember, if a volunteer is not comfortable with the information provided from the taxpayer, the volunteer is not obligated to prepare the return.

**Taxpayer review and acknowledgement**

After the return is finished, a certified volunteer must briefly discuss the filing status, exemptions, income, adjusted gross income, credits, taxes, payments, and the refund or balance due with the taxpayer. If the taxpayer has any questions, concerns, or requires additional clarification about the return, the volunteer must assist the taxpayer. If necessary, ask the Site Coordinator for assistance.

Tax returns include the following disclosure statements:

- For the Taxpayer: “Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.”
- For the Preparer: “Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.”

**Volunteers must remind taxpayers that when they sign the return (either by signing Form 1040, U.S. Individual Income Tax Return, signing Form 8879, IRS e-file Signature Authorization, or entering a self-select PIN), they are stating under penalty of perjury that the return is accurate to the best of their knowledge.”**
Volunteer’s role in reporting questionable activity

Honest taxpayers and tax preparers preserve the tax system’s integrity. To sustain confidence in the VITA/TCE programs, you should report violations that raise substantial questions about another volunteer’s honesty, trustworthiness, or fitness as a tax preparer.

Taxpayers and tax preparers who violate tax law are subject to civil and criminal penalties. Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation of a materially false or fraudulent return is subject to criminal punishment.

IRS-SPEC will refer violations to the IRS Criminal Investigation Division or the Treasury Inspector General for Tax Administration. You can anonymously report a violation by calling 1-877-330-1205 (in operation January through May), or emailing WI.Voltax@irs.gov.

Site Coordinator’s Responsibility

If a Site Coordinator determines a volunteer has violated the Volunteer Standards of Conduct, the Site Coordinator needs to immediately remove the volunteer from all site activities and notify both the partner and IRS-SPEC with the details of the violation. The Site Coordinator can notify IRS-SPEC by either contacting their relationship manager or using the External Referral Process (VOLTAX). If the Site Coordinator contacts the territory, the territory will use the Internal Referral Process to elevate the referral to headquarters.

It is critical that headquarters be notified as quickly as possible of any potential misconduct by any volunteers to preserve the integrity of the VITA/TCE programs.

Example

While reading the newspaper, Violet, the Site Coordinator at Pecan Public Library, learns that one of her volunteers, Dale, was arrested for identity theft. The article indicates Dale has been using other people’s identities to apply for credit cards and then using these cards for unauthorized purchases. Violet sends an e-mail to wi.voltax@irs.gov with the details from the news article. When the site opens the next day, Violet pulls Dale aside and advises him that he cannot work at the site due to his arrest on identity theft charges.

Volunteer Protection Act

Public Law 105-19, Volunteer Protection Act of 1997 (VPA) generally protects volunteers from liability for negligent acts they perform within the scope of their responsibilities in the organization for whom they volunteer. The VPA is not owned or written exclusively for Internal Revenue Service. This is a public law and relates to organizations that use volunteers to provide services.

What is a volunteer?

Under the VPA, a “volunteer” is an individual performing services for a nonprofit organization or a governmental entity (including as a director, officer, trustee, or direct service volunteer) who does not receive for these services more than $500 total in a year from the organization or entity as:

• Compensation (other than reasonable reimbursement or allowance for expenses actually incurred), or
• Any other thing of value in lieu of compensation

Although an individual may not fall under the VPA definition of a “volunteer,” which means they may not be protected under the VPA, they are still considered volunteers by the VITA/TCE programs. To ensure protection, those who do not fit this VPA volunteer definition should seek advice from their sponsoring organization’s attorneys to determine liability protection rights.
What does the VPA do?

The purpose of the VPA is to promote the interests of social service program beneficiaries and taxpayers and to sustain the availability of programs, nonprofit organizations, and governmental entities that depend on volunteer contributions. It does this by providing certain protections from liability concerns for volunteers serving nonprofit organizations and governmental entities.

The VPA protects volunteers from liabilities if they were acting within the scope of the program and harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer. The VPA does not protect conduct that is willful or criminal, grossly negligent, reckless, or conduct that constitutes a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer.

Volunteers should only prepare returns that are within their tax law certification level, their site’s certification level, and the level of certification under the VITA/TCE programs. See the Scope of Service Chart in Publication 4012 for more information.

In general, if volunteers are performing their responsibilities using the Volunteer Standards of Conduct, they are protected. However, local and state laws still must be considered. Sponsoring organizations should seek advice from their attorneys to determine how this law protects their volunteers.

Instructions for Completing the VSC Agreement

All volunteers must complete the Volunteer Standards of Conduct Training, pass the test with a score of 80% or higher, complete the Intake/Interview and Quality Review PowerPoint® training, and sign Form 13615, Volunteer Standards of Conduct Agreement, annually, prior to working at a VITA/TCE site.

A return preparer, Quality Reviewer, or VITA/TCE tax law instructor must certify in tax law prior to checking the acknowledgment box in Link & Learn Taxes. If using the paper test, certify by signing and dating the form.

Certification (training and testing) can be acknowledged by:

- Using Link & Learn Taxes, or
- Using the paper Form 6744, VITA/TCE Volunteer Assistor’s Test/Retest

Volunteers using Link & Learn Taxes must:

- Pass the Volunteer Standards of Conduct training and test
- Complete the Intake/Interview and Quality Review PowerPoint® training
- Pass the appropriate tax law certification tests (Basic, Advanced, etc.) if preparing returns, performing quality review, or other position requiring tax law testing
  - After each test, the Link and Learn system will mark “P” indicating a passing score for the Volunteer Standards of Conduct Training and (if applicable) tax law certification levels
- Check the box in Link & Learn Taxes acknowledging that Form 13615, Volunteer Standards of Conduct Agreement, has been read, signed, and dated (after training and/or testing)
- Finish the form by completing the applicable fields (if missing): name, home address, site name, partner name, daytime phone number, e-mail address, volunteer position, and number of volunteer years
- Print and review the form and give the completed form to the designated partner or Site Coordinator
  - The designated partner or Site Coordinator will certify by signing and dating the form
Volunteers using the paper test (Form 6744) must:

- Take the Volunteer Standards of Conduct Training and pass the competency test
- Complete the Intake/Interview and Quality Review PowerPoint® training
- Pass the appropriate certification tests (Basic, Advanced, etc.) if preparing returns, performing quality review, or other position requiring tax law testing
- Complete the entire Form 13615, Volunteer Standards of Conduct Agreement by adding full name, home address, site name, partner name, daytime phone number, e-mail address, volunteer position, and number of volunteer years

Instructors will:

- Use Form 6744 to administer the test
- Provide any information that volunteers do not know, such as the partner name
- Mark “P” for the Volunteer Standards of Conduct Training indicating a passing score
- Mark “P” for each appropriate tax law certification level indicating a passing score
- Return the form to each volunteer for their signature and date
- Certify by signing and dating the form
- Provide additional processing instructions for the form

Resolving Problems

In general, the Site Coordinator is the first point of contact for resolving any problems that a volunteer may encounter. If a volunteer feels an issue can’t be handled by the Site Coordinator, email IRS at WI.VolTax@irs.gov, call toll free 1-877-330-1205, and/or contact the local IRS-SPEC relationship manager.

<table>
<thead>
<tr>
<th>For this type of issue:</th>
<th>The appropriate action is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual or company is violating the tax laws</td>
<td>Use Form 3949-A, Information Referral. Complete this form online at <a href="http://www.irs.gov/pub/irs-pdf/f3949a.pdf">www.irs.gov/pub/irs-pdf/f3949a.pdf</a>. Print the form and mail to: Internal Revenue Service, Fresno, CA, 93888.</td>
</tr>
<tr>
<td>Victims of identity theft</td>
<td>Refer taxpayers to Identity Protection Specialized Unit at 1-800-908-4490. The Protection Specialized Unit may issue these taxpayers a notice. Volunteers may prepare returns for taxpayers who bring in their current CP01A Notice or special PIN (6 digit IPPIN). Include the IPPIN on the software main information page. Instructions are located at: <a href="http://www.irs.gov/uac/Identity-Protection">http://www.irs.gov/uac/Identity-Protection</a></td>
</tr>
<tr>
<td>Taxpayers believe they are victims of discrimination</td>
<td>Refer taxpayers to: (Written complaints) Operations Director, Civil Rights Division; Internal Revenue Service, Room 2413; 1111 Constitution Ave., NW; Washington, DC 20224. (Email complaints) <a href="mailto:edi.civil.rights.division@irs.gov">edi.civil.rights.division@irs.gov</a> (Telephone complaints) 1-202-927-0180.</td>
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### Exercises

Using your reference materials, answer the following questions.

**Question 1:** Taxpayer Edna brings her tax documents to the site. She completes Form 13614-C, Intake/Interview & Quality Review Sheet. She indicates in Part III of Form 13614-C that she has self-employment income along with other income and expenses.

Joe, a tax preparer, reviews Form 13614-C with Edna. He asks if she brought all of her documents today, and asks to see them. Included in the documents is Form 1099-MISC, Miscellaneous Income, showing $7,500 of non-employee compensation in Box 7. She tells Joe that she has a cleaning business that provides services to local businesses.

Edna says she also received $4,000 in cash payments for additional cleaning work. When Joe asks if she received any documentation supporting these payments, she says no, the payments were simply paid to her for each cleaning job she performed.

At this point, Joe suggests that because the IRS has no record of the cash payments, Edna does not need to report these payments on her return. Edna is concerned and feels like she could “get in trouble” with the IRS if she does not report all of her income. Joe assures her that the chance of the IRS discovering that she did not report cash income is very small.

Joe prepares Form 1040, Individual Income Tax Return. On Schedule C, Line 1 he reports only the $7,500 reported in Box 7 of Form 1099-MISC. When Joe completes the return, he hands it to Edna to sign Form 8879, IRS e-file Signature Authorization.

A. Is there a Volunteer Standards of Conduct violation? If yes, describe.

B. What should happen to the volunteer?

C. What should the volunteer have done?

**Question 2:** Taxpayer George completes Form 13614-C indicating in Part II that his marital status is single with one dependent, Amelia. Volunteer preparer Marge reviews the intake form and the taxpayer’s information documents.

When Marge asks if Amelia is related to George, he says no, that Amelia is the child of a personal friend who is not filing a tax return. Amelia’s mother told George to claim the child and even gave him Amelia’s social

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<th>For this type of issue:</th>
<th>The appropriate action is:</th>
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<tr>
<td>Taxpayers have account questions such as balance due notices and transcript or installment agreement requests</td>
<td>Refer taxpayers to local Taxpayer Assistance Center or call IRS toll free at 1-800-829-1040.</td>
</tr>
<tr>
<td>Federal refund inquiries</td>
<td>Tell taxpayers to: Go to <a href="http://www.irs.gov">www.irs.gov</a> and click “Where’s My Refund” or call 1-800-829-1954 or 1-800-829-4477.</td>
</tr>
<tr>
<td>State/local refund inquiries</td>
<td>Refer to the appropriate revenue office.</td>
</tr>
<tr>
<td>Taxpayers have been unsuccessful in resolving their issue with the IRS</td>
<td>Tell taxpayers that the Taxpayer Advocate Service can offer special help to a taxpayer experiencing a significant hardship as the result of a tax problem. For more information, the taxpayer can call toll free 1-877-777-4778 (1-800-829-4059 for TTY/TDD).</td>
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