



University of South Carolina Upstate

NOMINATION FORM CHE SERVICE LEARNING PROJECT COMPETITION

Institution: University of South Carolina Upstate

Title of Project: Volunteer Income Tax Assistance Program (VITA)

Director of Project: Michael Cipriano (JCBE Faculty)
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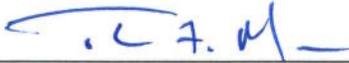
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Establishment Date of Project: January-April 2014 (Tax season), previously conducted in Spring of 2013

Unit That Administers Project: George Dean Johnson College of Business and Economics (with support from the United Way)

Total Number of Students Involved: 24 (12 for-credit as SBAD 399 and 12 as volunteers) for Spring 2014

*George Dean Johnson College of Business and Economics is also known as JCBE and the space is referred to as The George

Signature of President:  3.4.14
Dr. Thomas Moore, Chancellor

Please answer the following questions as part of the nomination process

1. For purposes of this competition, the Commission on Higher Education defines service learning as college student learning at any level and in any situation that is *linked* in a direct, hands-on fashion to the resolution of a problem or concern in a target community outside the institution *and is related* to a college course with some type of reflection activity. Briefly, how does your project meet the parameters of this definition?

The VITA Program provides free federal/state tax-preparation services to individuals/families with income less than \$55,000. Professional tax services are known to be pricy and tax returns prepared without the help of a trained preparer often don't take advantage of tax credits designed to address

low earned income levels, higher education expenses, households with many dependents, etc. Downtown Spartanburg, like most areas in the Upstate, has a considerable number of individuals/families who can benefit from our service, but could not afford to pay a professional to provide it.

All volunteers complete extensive IRS training in order to be certified tax preparer. Many of our volunteers are taking or haven taken ACCT 335: Individual Tax Planning, which overlaps with most of the content in the IRS certification classes. The students who are participating in VITA for credit are required to write a paper after tax season which reflects on experiences they had with tax clients and how tax prep in the field is different from tax prep in the classroom.

2. Specifically, which segments of the college/university community does your project involve?

The academic college that the VITA program involves is the George Dean Johnson College of Business and Economics, and more specifically, the Accounting department. Students from any academic major are encouraged to participate in the program as a volunteer.

3. How many students (specify degree levels to the extent possible) does the project affect?

Students taking the SBAD 399: Independent Study are junior and senior level students. Students who participate as volunteers are all levels, but most are at the junior and senior level.

4. Describe the target community or communities your project serves.

The VITA Program provides free federal/state tax-preparation services to individuals/families with income less than \$55,000. In our area, that will include students, area residents and Upstate employees.

5. Describe your project's effectiveness in helping to solve the problems or concerns in the target community.

The two main goals of VITA are to 1) get the taxpayer to take advantage of as many available tax credits as possible and b) offer as much in the way of financial literacy as possible. In past years, tax clients have explained that they lack a savings/checking account or that they really have never thought about budgeting. We have several financial literacy workshops in The George throughout the year and United Way has MANY financial literacy programs/resources, so we use VITA to begin relationships with citizens who may be able to improve their financial literacy through these connections that are tied to the VITA site we are running.

6. Describe the degree to which your project enhances student learning while providing specific examples of the service learning activities the students engage in. Also explain how the service learning activities reinforce or apply what the students learn in the classroom.

All volunteers complete extensive IRS training in order to be certified tax preparer. Many of our volunteers are taking or haven taken ACCT 335: Individual Tax Planning, which overlaps with most of the content in the IRS certification classes. The students who are participating in VITA for credit are required to write a paper after tax season which reflects on experiences they had with tax clients and how tax prep in the field is different from tax prep in the classroom.

7. Is there academic credit associated with the project (not necessary for submission)? If so, please explain the particulars.

Students can receive academic credit for this project through the SBAD 399. The academic course consists of the following requirements:

1 - Training (approximately 10-12 hours) and certification tests (prepared and graded by the IRS) - this was managed in a binary fashion. Participation in VITA requires certification

2 - We prepare returns every Friday from 9am-1pm in the George. Students in SBAD 399 are required to work no less than 30 hours during these Friday sessions, and most of our students actually wind up working much more than 45 hours. While the group technically "gets graded" by the IRS based on whether or not the returns that are prepared are accepted for filing or rejected, the rejections are not held against the students in determining their grade. The SBAD 399 students will each complete at least 20-30 return packages (state and federal) each during this semester and many of them will work on more than that.

3 - The final component of the class is a paper that pulls together their individual journals and reflects on their total experience in the VITA program. The requirement for the paper is that it a) ties what they did in VITA to what they have learned in their other classes and b) specifically relates at least 1 experience with a VITA client.

8. If funding is required, how is the project funded and what is the approximate annual budget for the project?

The United Way of the Piedmont writes a grant to support the VITA program throughout the entire Upstate region. The USC Upstate VITA program is part of that grant, but is not allocated any funds directly from the grant. The United Way supports our program by providing us with an administrator who markets the program, builds our schedule of clients each week, and manages our relationship with the IRS. This administrator is funded by the grant.

The JCBE supports the program by allowing the use of The George facilities (computer lab and classroom) every Friday. Rental of this space is waived and the rental value is \$1,200 for the space, equipment, etc.

9. Feel free to add any other comments you may have about your project.

The level of economic impact on the community by providing this program has been thus far for the 2014 tax season:

- 21 clients served (42 returns filed, each client has a federal & state return)
- Each client has received, on average, a combined refund of \$1,600-\$1,700 largely due to the Earned Income Credit (EIC)
- Average Adjusted Gross Income of our client = \$21,000
- In addition to the refunds we help clients get, we also save them \$300-400 in tax prep fees (that they would be charged by a CPA, H&R Block, etc.)

Based on those numbers and our experience last year, we project serving over 200 clients this year and generating approximately \$2,000 in positive cash flow (refund + tax prep fees) per client for a total of \$400,000 in positive cash flow.