

**\$aveUSA Program
Frequently Asked Questions
Part of the Federal Social Innovation Fund
Updated October 14, 2010**

Note: As stated in Addendum #1 to the \$aveUSA Request for Proposals (RFP), the Frequently Asked Questions (FAQs), update notices, and addenda posted on the website are official updates to the RFP. It is the responsibility of the applicant to read and adhere to the FAQ, update notices, and addenda posted on the website when responding to the RFP.

Q1. What are the VITA program requirements for the \$aveUSA program? Do the organizations applying need to demonstrate previous experience running a VITA program?

A1. Applicants must have at least two years of demonstrated experience in operating Volunteer Income Tax Assistance (VITA) programs, either as a lead agency or as part of a coalition. Only organizations that have operated VITA sites for two years are eligible to be \$aveUSA providers. Providers may apply as a consortium or in partnership, so long as one agency is identified as the lead. The lead agency must serve as the fiscal agent for the grant, *and* have at least two years of experience operating VITA sites. Roles, responsibilities, and budgets for all partners need to be fully defined in your proposal. Please see pages 13 and 14 of the RFP for further details.

Q2. If a \$aveNYC provider does not apply for the \$aveUSA program or applies and is not selected, will they be able to offer \$aveNYC for previous participants in 2011? If so, will OFE fund administrative costs associated with those accounts?

A2. VITA providers who have offered the \$aveNYC account in previous years will be contacted separately to discuss the 2011 strategy. New York City organizations who implemented the \$aveNYC account program are eligible to apply for the \$aveUSA program.

Q3. How many accounts is each provider expected to open? Are the numbers listed in the RFP per program or is that per city?

A3. The Mayor's Fund and CEO may issue multiple contracts per city, depending on the capacity of applicants. The number of accounts listed on page 8 of the RFP is the number of accounts expected per city. Providers should indicate the number of accounts they will be able to open in their Program Proposal, in the Proposal Narrative section under II. \$aveUSA Account, Approach and Implementation Plan.

Q4. Will providers in New York City and Tulsa be required to recruit filers into the control group each year?

A4. No, providers in New York City and Tulsa are only required to recruit filers into the control group during the 2011 tax season. In years 2 and 3, providers will only be expected to enroll 600 – 800 filers into the \$aveUSA program with no control group requirements.

Q5. To what extent will the VITA intake survey need to be modified?

A5. The Mayor's Fund will require partners to field a specifically designed baseline survey instead of a VITA intake survey. Selected sites will not be permitted to field any other intake questionnaire or survey in addition to the baseline survey. Only questions that are selected and approved by the Mayor's Fund will be incorporated into the survey.

Q6. The RFP contemplates tax filers saving in an account at a financial institution. Would it be possible to also offer filers the opportunity to save via purchase of savings bonds, especially now that this option is available directly via Form 8888?

A6. At this point, filers interested in participating in the \$aveUSA program will be required to open the \$aveUSA banking account (not a savings bond). However, control group members in New York City and Tulsa, may be offered a savings bond or other savings product as part of normal "business as usual" VITA operations.

Q7. Can an organization use more than one financial institution partner?

A7. VITA providers can work with more than one financial institution if multiple sites will offer the account; however each VITA site can have only one financial institution offer the account.

Q8. For program implementation, please elaborate on the technical assistance that will be offered. Each VITA provider (and each VITA site) operates differently and methods for implementation differ from site to site. How will the Mayor's Fund address the differing needs at each VITA site with regard to procedures?

A8. VITA providers should be sure to include a description of their proposed implementation strategies for each site in their proposal. Once providers are selected, the design team will work with each provider and site managers to ensure the program is implemented as seamlessly as possible at each proposed site. The Mayor's Fund will provide guidance on marketing and will provide templates for marketing material. The Mayor's Fund will also provide curriculum for staff and volunteer training on the importance of asset building, the \$aveUSA program, and random assignment (if applicable).

Q9. According to the RFP, eligible individuals are randomly assigned to either a program group that is offered \$aveUSA or a control group that is not eligible for \$aveUSA but remains eligible for other services in the community. What determines eligibility?

A9. Filers are eligible to participate in the program (regardless of random assignment) if they meet local VITA income eligibility guidelines and receive a refund of \$200 or more. Once a filer in New York City or Tulsa expresses interest in the \$aveUSA program, they will then be randomly assigned to a program or control group. Those who are not in the program group can open other savings products offered at the VITA site, but will not be allowed to open the \$aveUSA account.

Q10. Please provide more details on the random assignment of \$aveUSA participants at VITA sites, and how random assignment will affect the marketing of \$aveUSA.

A10. In New York City and Tulsa, interested filers will be randomly assigned to either the program group (eligible to receive the match) or the control group (not eligible to receive the match). Random assignment will occur after the filer has demonstrated a serious

interest in setting aside a portion of their refund for savings and participating in the \$aveUSA program. Marketing at the VITA site — for example, having asset specialists directly approach VITA filers, and using posters and flyers — will be an important part of the overall \$aveUSA marketing strategy, because filers will need to express an interest in the program prior to random assignment. Marketing materials and outreach by asset specialists will need to note that there are a limited number of \$aveUSA accounts available and, in New York City and Tulsa, that the accounts will be made available to interested filers using a lottery-like process. Marketing is a key component of the program to ensure that enrollment targets are met in each city, that individuals understand the offer and the account, and that a realistic assessment of interest in the savings account is measured. The Mayor’s Fund will work with each provider to ensure that the random assignment process works within the overall flow of tax filing procedures at the site.

Q11. How will the Mayor’s Fund and CEO work to minimize the stress on the program operations as a result of the random assignment design?

A11. The Mayor’s Fund and CEO will work with MDRC to provide technical assistance to selected providers to ensure smooth implementation. MDRC and the SIF team have extensive experience in implementing random assignment designs in real world programs and will work closely with each of the sub-grantees to minimize the burden on program operations.

Q12. What happens if a randomly “non-eligible” filer finds out that his/her friend with a similar financial/tax situation, also filing taxes at the same site, on the same day, has been offered a matched savings account? What will CEO/MDRC do to minimize the damage to the reputation of organization if this should happen? What will CEO/MDRC do to ensure the safety of the VITA staff in this potentially inflammatory situation?

A12. The Mayor’s Fund will offer training to program staff on how to implement the \$aveUSA research project in a way that is fair, equitable, and clear to filers and the local community. In Tulsa and New York City, VITA staff will be well trained to explain to filers what random assignment is and how it works. All filers who are interested and eligible for \$aveUSA will receive written and verbal information from trained VITA staff, describing what it means to be in the \$aveUSA study — including all the details surrounding random assignment — in compliance with universally accepted research practices. Prior to random assignment, each filer will be asked to give written consent to take part in the study, with the understanding that \$aveUSA match dollars will be distributed using a lottery-like process (random assignment). Training exercises with staff will cover the importance of a random assignment research design and the implications for asset building for low-income households on a national level. Staff will also review the random assignment process and will be able to discuss with filers the relative fairness within the process. In addition, the research team will be available to the VITA staff and volunteers throughout the tax season, to help address any questions or concerns that filers may have about random assignment or about participating in the research study.

Q13. How much funding will each organization get for implementing the \$aveUSA program?

A13. Funding for each city will not exceed \$400,000 which will include participant account match funds which will range from \$87,000 - \$210,000 based on the number of accounts opened. We anticipate selecting 1-2 organizations per city, so funding for operations will range from approximately \$70,000 - \$150,000 per partner, depending on

how many partners are selected in each city. Operations costs must include allocations for staff training and marketing/outreach, which must be chosen from a list of approved providers selected by the Mayor's Fund.

Q14. What are the fundraising requirements or expectations of selected partners? Are selected partners expected to actively fundraise for the \$aveUSA Program?

A14. The lead organization and its partners (if applicable) are required to assist the Mayor's Fund and the Center for Economic Opportunity (CEO) in raising the local match required by SIF. Over the life of the program, the lead organization must coordinate and participate in fundraising activities with Mayor's Fund and CEO. Providers are not expected to have raised funds for this program before applying to the CEO SIF RFP.

Q15. What information will be requested in the weekly, monthly, and quarterly reporting requirements? It is crucial that this information is known prior to launching this initiative to ensure VITA providers are in compliance with IRS privacy regulations?

A15. The reporting requirements will be worked out with selected providers in advance of the 2011 tax season. Once the Mayor's Fund notifies selected providers, on or about November 19, one of the first priorities will be to finalize these requirements with each selected provider. In general, providers can expect to provide, on a weekly basis, both aggregate and individual-level information, such as the number of accounts opened and the contribution amount of each participant, and expected match. Providers should also expect to provide both survey and tax-return data to the Mayor's Fund on a regular basis that will be determined once providers are selected.