

**\$aveUSA Program
Responses to Submitted Questions
Part of the Federal Social Innovation Fund
Updated October 21, 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.

Program specifics/Program model

Q1. What are the minimum and maximum amounts that a participant can save in their \$aveUSA Account?

A1. The minimum amount that a participant can contribute to the account from their tax refund is \$200; there is no maximum amount that a participant can save. The minimum contribution - \$200 - will earn a \$100 match for a total of \$300 if they save for the full year. The maximum match amount is \$500, which will be earned by those saving \$1000 or more from their tax refund. Although the maximum match is \$500, participants can contribute more than \$1000 to the account from their tax refund. Additionally, participants will be allowed and should be encouraged to make additional deposits to the account; however, these deposits will not be matched.

Q2. What are eligibility guidelines for the \$aveUSA Program?

A2. Individuals are eligible for the \$aveUSA Account if they are eligible to receive tax preparation services at participating VITA sites. Most VITA providers have established eligibility criteria that are consistent across a city, including 1) residency: residing in the city of the VITA provider and 2) income: generally \$55,000 for families with children and \$25,000 for individuals without children. In addition to being eligible for tax preparation services, tax filers must receive a refund of at least \$200 from their federal and/or state tax refund.

Q3. Will sub-grantees be able to supplement the \$aveUSA program with financial education, or other programmatic adjustments?

A3. No, providers will not be allowed to supplement the \$aveUSA program with financial education. If financial education is a component of the VITA site model, then \$aveUSA participants are allowed to participate. However, financial education cannot be provided only to \$aveUSA participants. Additionally, successful completion of the \$aveUSA program cannot be contingent on financial education or any other additional service.

Q4. Can sub-grantees offer other asset-focused products beyond \$aveUSA at participating VITA sites?

A4. Sub-grantees can provide other asset-focused products at the participating VITA sites. Sub-grantees will be asked to provide a list of all products that are being offered at the participating VITA sites to the Mayor's Fund each year. For sub-grantees in New York City

and Tulsa, the Mayor's Fund reserves the right to approve how these products are marketed and offered.

Q5. Is the sub-grantee or financial institution responsible for enrolling filers into the \$aveUSA program?

A5. The sub-grantee is responsible for enrolling tax filers into the \$aveUSA program. However, depending on the site's service model, financial institution staff may be on-site to open the \$aveUSA account for participants. Sub-grantees will be responsible for collecting and reporting on all program operations.

Q6. What are the recruitment goals for each sub-grantee?

A6. Program recruitment varies by city. Sub-grantees in each city will be expected to **collectively** recruit the desired number of participants for that city as spelled out in the RFP. The recruitment goal for each sub-grantee will be determined based on the applicant's capacity and proposed recruitment. The recruitment goals for each city, as spelled out in the RFP, are:

Savannah, GA: 250 VITA filers into the \$aveUSA program each year

Newark, NJ: 350 - 500 VITA filers into the \$aveUSA program each year

San Antonio, TX: 600 VITA filers into the \$aveUSA program each year

New York, NY and Tulsa, OK: 600 - 800 VITA filers into the \$aveUSA program each year in each city, plus an additional 600 - 800 VITA filers into the \$aveUSA control group in each city in 2011

Q7. Can one agency apply for the entire amount for a city, and propose to serve all participants for that city? If so, will this hurt our chances of receiving less in the event that two agencies are selected for one city?

A7. One agency can propose to recruit and serve all participants for that city. In the case that more than one agency is selected, the Mayor's Fund may work with providers to adjust their program scope and budget. The number of sub-grants that are awarded per city will be determined by the strength of each proposal and the anticipated capacity of the applicants.

Note that the total amount awarded for each city serving 600-800 \$aveUSA filers will not exceed \$400,000. Total funding awarded to cities serving fewer \$aveUSA filers will, therefore, be lower.

Q8. Can participants be enrolled throughout the year (i.e. after tax season), or must they only be enrolled during the tax season?

A8. VITA filers can only enroll in the \$aveUSA program during the tax season, January 14 – April 15.

Q9. Can Savannah applicants submit proposals at a later date as the RFP was posted one week later?

A9. We are unable to change the due date for any proposals. All materials must be received by the Mayor's Fund by 3pm on Friday, October 29, 2010.

Q10. Can \$aveUSA participants be offered a secured loan against their \$aveUSA Account so they do not close their account and lose the match?

A10. Financial institutions should review this request on a case by case basis. Sub-grantees and partnering financial institutions should not use this as a marketing strategy.

Financial Institution Questions

Q11. Are we expected to have the financial institution fully committed by the time we submit the proposal?

A11. Applicants are not expected to have the financial institution fully committed prior to submitting the proposal, but are expected to identify a potential partner in their proposal. Applicants should document efforts to secure such partnerships. Letters of support documenting the account features, account opening process, and research/reporting capacity as outlined in the RFP can be included in the proposal packet.

Q12. Please explain the “Request for Qualifications of Financial Institution” form? It says it is due October 15, but we don’t have the financial institution solidified yet.

A12. The RFQ for Financial Institutions was released for the Mayor’s Fund to publicly identify financial institutions that are interested in and have the capacity to offer the \$aveUSA Account. Financial institutions are able to create partnerships with sub-grantees without submitting a letter of qualification. As stated in the RFP, sub-grantees are expected to identify a financial institution partner as part of their proposal.

Financial institutions who submit letters of qualification or interest will be posted on the Center for Economic Opportunity website on or around October 25. Applicants are encouraged to reach out to the identified institutions and/or any other financial institutions who may be interested for inclusion in their proposal.

Training and Staff

Q13. Do the \$aveUSA staff, Research Coordinators, Asset Specialists, and Program Manger positions need to be traditional full-time positions or available during the operating hours of the specific site they oversee? What are the minimum qualifications for these positions?

A13. \$aveUSA Program Managers should be full time staff. Program Managers and Research Coordinators can be existing VITA staff and have additional responsibilities, however their primarily role will be to support the \$aveUSA Program. For example, sub-grantees can propose training the Research Coordinator to conduct quality review of tax returns; this will be acceptable if there is another dedicated quality review person at the site.

During the tax season the Program Manager will be responsible for overseeing program implementation at all sites, collecting and submitting weekly reports and participating in regular check-in calls with the Mayor’s Fund.

Asset Specialists and Research Coordinators should be available during all operating hours of the specific site they oversee. Research Coordinators are only required for VITA sites in

New York City and Tulsa. Asset Specialists and Research Coordinators (New York City and Tulsa only) should not overlap with any other positions at the VITA site.

Positions may be filled by seasonal employees (January 14 – April 15). One note is that the Program Manager should be available after the tax season for any follow-up questions on implementation and/or data collection.

Sub-grantees will make their own hiring decisions, including minimum qualifications, based on the needs of their site. Generally speaking, Program Managers should have sufficient experience operating with VITAs. All \$aveUSA program staff should have appropriate education qualifications and/or experience to effectively explain the \$aveUSA program and research implications to filers, explain required forms to participants, and conduct random assignment where necessary. Asset Specialists should be comfortable in a marketing role. VITAs will be most successful if \$aveUSA staff has previous VITA experience.

Q14. Are sub-grantees required to select trainers from the pool of trainers that the Mayor's Fund will provide?

A14. A list of qualified trainers and their fees will be provided to selected sub-grantees. However, sub-grantees may select trainers outside of this list with approval of the Mayor's Fund. Applicants should encourage any known trainers to respond to the training RFP to be released by the Mayor's Fund at the end of October.

Q15. Can the Program Manager, Asset Specialist, Research Coordinator or other VITA staff also serve as the trainer?

A15. Yes. Applicants can propose selecting new or existing staff to serve as the \$aveUSA program trainer with approval from the Mayor's Fund. However trainers will be required to attend all train-the-trainer sessions and adhere to the curriculum provided by the Mayor's Fund. Any applicant who wishes to also be considered as an approved trainer should respond to the training RFP to be released by the Mayor's Fund at the end of October.

Q16. On page 20 of the RFP under the first bullet under "capacity building costs" it mentions travel for training of staff. Which staff roles should receive this training?

A16. All \$aveUSA specific staff will be required to attend training in their city. It is anticipated that only trainers will be required to travel to a centralized city for a train-the-trainer session.

Q17. What additional research requirements will be expected and supported in years 4 and 5? In New York City and Tulsa, what is the commitment of the Research Coordinator position for these years?

A17. Sub-grantees will be expected to collect and submit tax return data and survey responses on all program (and control group) participants who return to the VITA site from 2012 to 2015. Sub-grantees in Tulsa and New York City can assign these tasks to the Research Coordinator in years 4 and 5.

Q18. Our VITA program relies on the services of approximately 200 volunteers to help us reach our tax preparation goals. Our volunteer trainings begin the first weekend of December. Will information on this program be available in time to include in the volunteer trainings?

A18. The Mayor's Fund will work with selected providers to ensure program material and training curriculum is available in sufficient time to train staff.

Program Fundraising and Budgeting

Q19. Is the budget line item "stipend" for the account match? If not, what are some examples of what might be included in this category?

A19. Proposers should use this budget line to state the estimated total budgeted for account matches. No other participant stipends will be approved for this program.

Q20. How much funding will each organization get for implementing the \$aveUSA program? How is the savings match reflected in the proposed \$400,000 per project year per city?

A20. Funding for each city will not exceed \$400,000 which will include participant account match funds. (See Question 7 for clarification about total funding levels per city.) The savings match total will be driven by the amount that participants contribute to their \$aveUSA Accounts. The Mayor's Fund has calculated this at an average of \$350 per participant. For proposal budgets, applicants should estimate match funds at \$350 times the anticipated recruitment number. For Tulsa and New York, this applies to program group participants only, and not to control group participants. It is anticipated that the total for participant account match funds will range from \$87,000-\$210,000 per city, depending 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. Operation costs must include allocations for staff training, marketing/outreach, and programming for survey development/database program. The Mayor's Fund reserves the right to negotiate with sub-grantees on the budget total.

Q21. What is your expectation on the budget allocation for training, marketing/outreach and technical assistance?

A21. Training: Sub-grantees should allocate up to \$20,000 for training services, to include curriculum development, travel for training and delivery.

Marketing/Outreach: Marketing and outreach costs will depend on available resources. Sub-grantees should consider costs for advertisements in newspapers and radio announcements. Sub-grantees should also consider costs for printing posters, flyers, brochures, and other materials; and mailing flyers and other marketing materials to existing clients. Sub-grantees should be creative in marketing the \$aveUSA program before and during the tax season.

Technical Assistance: Sub-grantees should consider costs for developing a database for survey data entry, and possible costs for extracting reports from the tax return and linking to the survey.

Q22. How will the funds be awarded? When will payments be sent to sub-grantees, and will it be in one lump sum or in installments? What percentage of the total grant will each installment be for?

A22. The payment structure will be based on line-item budget reimbursement. The Mayor's Fund may advance up to 25% of the total sub-grantee award. Subsequent sub-grantee requests for payment based on actual allowable costs incurred may be submitted on a quarterly basis. The sub-grantee will also receive a lump payment for match funds late in the year. (See Question 24 for more on match payments.)

Q23. How much money is the lead organization expected to raise for the \$aveUSA Program each year? And for how many years of the program is the lead organization expected to participate in fundraising activities?

A23. The Mayor's Fund will take the lead on all fundraising activities. Providers will be expected to participate in and support fundraising activities for the full program period, including the research period. The SIF is envisioned as a five-year project and began in August 2010.

Q24. What are the mechanics of the savings match required for the project?

A24. The savings match will be paid out to participants who keep their account active for approximately one year. The sub-grantee or financial institution will report the number of active accounts and match total to the Mayor's Fund by December of the program year. The sub-grantee will receive a lump payment of match funds. The sub-grantee will then be responsible for transferring match funds to the financial institution for deposit into individual participant accounts by the account maturity date.

Q25. Will there be funding available for marketing and staff in Years 2 and 3 to fill in the slots left by Year 1 participants who decided not to participate?

A25. Yes, funds for marketing and staff will be provided in years 2 and 3.

Research

Q26. Please explain more about what will be needed for data collection. If we are not to use Tax Wise for survey entry, do you have suggestions about what type of system will be most effective? Are there "off-the-shelf" products for this or will we have a system designed for us?

A26. The intake survey will likely be entered into a simple database product by VITA staff or volunteers during the tax preparation process. Because of new technical limitations on extracting data from Tax Wise, sub-grantees may need to capture the intake survey data outside of Tax Wise. After sub-grantees are selected, the evaluation team will work with each sub-grantee to put in place procedures to collect, manage, and transmit intake survey data for the purposes of \$aveUSA research.

For budgeting purposes: sub-grantees may need to purchase a simple off-the-shelf database product (such as Microsoft Office Access) and should budget approximately 10 days of staff and/or vendor time to develop and refine these systems in collaboration with the \$aveUSA evaluation team.

Q27. At what point during the intake process are VITA filers offered the opportunity to participate in the \$aveUSA Program?

A27. VITA filers will likely learn about \$aveUSA several times during the VITA process. When filers check-in with intake staff they should receive promotional material about the program. As they wait to see a tax preparer, the Asset Specialist or other site staff should give a verbal introduction to the program. When filers meet with the tax preparer, the preparer should also ask the filer if they are interested in the program, and confirm the amount to deposit into the account. Findings from the \$aveNYC Program in New York City show that sites experience a higher take-up rate when all staff are involved in the marketing process, and the program is discussed with filers at several points. Trainings will address this process.

For sites in New York City and Tulsa, the Research Coordinator and Asset Specialist will work together to market the account and explain the research to filers as they wait. Once the tax filer knows the amount of their refund and chooses to contribute to savings, the filer will meet with the Research Coordinator to further discuss the research. Filers interested in participating in the study will then complete Informed Consent forms and undergo random assignment to the program or control group.

Q28. When and how will VITA filers assigned to the \$aveUSA control group be notified that they will not be allowed to open a \$aveUSA account and therefore not be eligible to receive the match?

A28. Once filers agree to participate in the research study, the Research Coordinator (or designated assistant) will log in to a Random Assignment website maintained by MDRC. The Research Coordinator will complete a short data entry screen, and then receive immediate notification of the tax filer's assignment to the program or control group. The Research Coordinator will then inform the tax filer of the filer's research group status. Filers assigned to the program group will open and direct funds to the \$aveUSA account. Filers in the control group can open and direct funds to other savings products, if they choose.

Q29. Are filers assigned to the control group required to open the \$aveUSA Account or another type of savings product?

A29. Control group members cannot open a \$aveUSA account and are not required to open any other bank account. However, sub-grantees should give control group members the same level of encouragement and assistance to open an bank account or to purchase savings bonds as is given to tax filers ineligible or not interested in the \$aveUSA program. Although control group members cannot open \$aveUSA accounts, they should not be discouraged from saving a portion of their refund.

Q30. Are control group participants required to release taxpayer information to the \$aveUSA Program? Once control group members are informed that they are not receiving the match, will they be allowed to rescind the release of their taxpayer information? And will that eliminate them from the control group?

A30. All tax filers who choose to participate in the study will complete and sign an Informed Consent Form, in advance of their random assignment to the program or control group, that will specify the sources of confidential information that they will make available to the

research team to evaluate the \$aveUSA program. Data collected from the tax preparation process will be listed on the Informed Consent Form as one of the data sources for the study. All data collection will adhere to IRS regulations. Participation in the study is voluntary and will remain so throughout the follow-up period. Once tax filers sign the Informed Consent Form, they will need to submit a written request to MDRC to withdraw from the study. Throughout the remainder of the study, MDRC will have the right to use all information collected on a tax filer prior to the filer's withdrawal from the study.

Q31. Our VITA Program receives funding from other sources, requiring us to use survey instruments that gather information perhaps not requested and/or approved by the Mayor's Fund baseline survey. How can these competing interests be reconciled? If they cannot be reconciled, will that exclude us from participating in the \$aveUSA Program?

A31. For the research, it is important to administer a standard Intake Survey across all participating sites. Conceivably, a participating provider could append unique questions to the end of the survey, as long as the provider administered the standard portion of the survey first. However, the provider cannot replace questions from the standard survey with questions required by other funders.

Q32. By what specific mechanisms is the sub-grantee expected to track \$aveUSA control group/"business-as-usual" participants? What kind of information are control group participants required to provide to the \$aveUSA Program?

A32. Sub-grantees will be required to submit the following for all filers who consent to participate in the \$aveUSA research study: extracts of responses to the Intake Survey; signed Informed Consent Forms; extracts from the tax return and supplemental forms; and contact information for follow-up surveys. Sub-grantees will also be required to maintain a roster of filers who were assigned to both research groups.

During 2012 and 2013 providers will use these rosters to maintain the integrity of the study. Specifically, providers will be depended upon to (1) identify returning members of the program group and strongly encourage them to once again deposit a portion of their tax refund in their \$aveUSA account; (2) identify tax filers in the control group and refrain from offering them access to a \$aveUSA account; and (3) forward to the research team the same types of survey, tax, and contact data on tax filers in the program and control group as listed above.

Q33. On page 21 of the \$aveUSA RFP it states "Programs or sites not participating in the random assignment evaluation will be expected to participate in other monitoring and evaluation activities." What are \$aveUSA's specific monitoring and evaluation expectations of the sub-grantee's other VITA sites that are not participating in the random assignment evaluation?

A33. Only VITA sites offering the account will be required to participate in monitoring and evaluation activities. The Mayor's Fund will not require sub-grantees to submit information concerning VITA sites that are not offering the \$aveUSA account.

Q34. Is every tax client at the VITA site expected to fill out the extra intake survey, or just those interested in participating in \$aveUSA? Has it been created yet? If so, can sub-grantees be involved in its creation? If not, how long is the intake survey, and how

long will it take clients to complete on average? Will it be available in languages other than English?

A34. Yes, all VITA filers will be expected to complete the intake survey. Sub-grantees must use this survey as their VITA survey and not as an additional survey. Sub-grantees will be provided with a draft survey and will be allowed to submit vital questions to be included. The survey should take filers approximately 15 minutes to complete. The Mayor's Fund will work with sub-grantees to translate the survey into the necessary languages in each city.

Q35. Where it states "Providers will need to identify control group members [in 2012 and 2013] to ensure they are not offered the account", what exactly is the meaning of "offering the account"? Does this mean filers in the control group are not to be exposed to the regular \$aveUSA marketing practices we would use at a site (posters, discussions with staff, etc.)?

A35. All filers can be exposed to the \$aveUSA marketing strategies. Filers assigned to the control group will not be allowed to open or direct funds to a \$aveUSA account as they will not be eligible to receive a match. When assigned to the control group, filers will be informed of this. The Mayor's Fund will work with sub-grantees to devise a program administration plan for years 2 and 3 to ensure that control group filers do not open the \$aveUSA Account.

The Mayor's Fund will work with sub-grantees to devise a marketing strategy for years 2 and 3 to include heavy pre-tax season marketing to existing \$aveUSA participants, plus streamlined on-site marketing.

Q36. Are sub-grantees allowed to compensate the control group members for their participation in the survey, on a nominal basis from the funds awarded? Our concern is that once control group members find out they will not receive the match, then they will not want to participate in the program any longer and this will hurt the research study.

A36. No, sub-grantees are not allowed to compensate filers for completing the intake survey or for signing up for the research study. However, members of both research groups will be compensated equally for completing follow-up surveys; this will be coordinated by the Mayor's Fund and MDRC and will be explained to participants when they sign up for the study.