

FINANCIAL CAPABILITY INTEGRATION IN VITA PROGRAMS

Financial capability is the capacity—based on knowledge, skills, and access—to manage financial resources effectively. Integration refers to incorporating financial capability discussions, resources, and tools directly into existing services, rather than creating a standalone program.

Financial capability services include financial education, financial coaching, financial counseling, credit counseling, credit building, access to safe and affordable financial products, access to federal and state benefits, incentivized savings programs, and asset ownership programs.¹

The **Volunteer Income Tax Assistance program (VITA)**² supports IRS-certified volunteers that provide free tax preparation and filing for basic returns at VITA sites throughout the country. VITA services are generally available to individuals who may need assistance in preparing their tax returns, including individuals with disabilities, limited English speaking taxpayers, and individuals who make less than \$54,000 annually. VITA programs³ have a unique opportunity to address clients' financial capability needs as clients have already identified the organization as one that they trust and are thinking about their finances when they seek out tax preparation.

This brief summarizes lessons learned from three VITA programs integrating financial capability services into their tax season efforts.⁴ The brief is organized in three sections: planning for integration and engaging the team, selecting and integrating financial capability services, and deciding who will provide the selected financial capability services.

Building Financial Capability: A Planning Guide for Integrated Services (the Guide) provides a series of tools to walk organizations through the key decision points for planning to integrate financial capability services into existing programs. Tools from the Guide are highlighted throughout this brief.

Special Considerations

VITA programs should consult their IRS Stakeholder Partnerships, Education, and Communication (SPEC) Relationship Manager when integrating financial capability services to ensure that they are in compliance with all IRS policies. For example, to use taxpayers' information for any reason other than individual tax preparation, including referrals to external services, VITA programs must adhere to IRS regulations for signed client consent (Form 7216).

¹ United States Department of Health & Human Services. About Financial Capability Services. Washington, DC: Department of Health & Human Services, 2016. Available at <https://www.acf.hhs.gov/ocs/resource/financial-capability-services>.

² The Internal Revenue Service (IRS) is the administrator of the VITA grant program and is responsible for the certification process for tax volunteers. This brief should not be viewed as guidance on VITA grants or tax volunteers. Information on the VITA grant program is available at <https://www.irs.gov/individuals/irs-vita-grant-program> and information on tax volunteers is available at <https://www.irs.gov/individuals/irs-tax-volunteers>.

³ With the exception of the reference to the federal VITA program in the second paragraph of the brief, "VITA program" is used when referring to a group of VITA sites operated by the same organization. "VITA site" refers to one location where services are offered.

⁴ For more information about these organizations, see the "About This Brief" section at the end of the brief.



Planning for Integration and Engaging the Team

The VITA programs featured in this brief began the integration process by building planning teams. Planning teams were comprised of a variety of staff and volunteers, such as VITA program managers and site coordinators, volunteer coordinators and trainers, organizational leadership, and experienced volunteers. All three VITA programs began planning the August before tax season. Planning months in advance allowed each site to assemble a team, secure buy-in, and train volunteers. By planning for financial capability integration in advance, the VITA programs were able to prevent this work from getting lost during the fast-paced tax season when there are many competing priorities.

CROSS-CUTTING TOOL: Key Stakeholder Support

This tool helps organizations develop a specific set of appeals for each group of key internal and external stakeholders whose support is needed for a financial capability integration effort.

CA\$H Maine, a statewide collaboration of ten coalitions, opted to integrate financial capability services into five of their VITA sites. Their core planning team included a regional manager from CA\$H Maine, as well as a representative from each of the participating coalitions. During the planning period, this team held an in-person strategy meeting and regular check-in calls. In addition to the core planning team, there were also planning teams at each of the VITA sites that included the core planning team representative, staff, and volunteers. This tiered system allowed for many different perspectives and created engagement at all levels.

To secure support from volunteers from the beginning of the integration process, CA\$H Maine enhanced the training they provided to the five VITA sites. The updated training included motivational interviewing techniques and information on how to have effective "money conversations" to ensure that staff and volunteers at these VITA sites were comfortable talking to clients about financial capability needs, products, and services. CA\$H Maine also included information on statewide financial capability services, such as matched savings programs, in this training.

Another component of CA\$H Maine's training was cross-training of volunteers, including tax preparers. Each of the VITA sites had an Asset Organizer whose role was to manage financial capability service integration and support the financial capability volunteers, called Opportunity Guides. CA\$H Maine trained Opportunity Guides and tax preparers about their respective roles. The training helped tax preparers to better understand financial capability needs of clients and identify opportunities to refer clients back to the Opportunity Guides for products or services. In addition, Asset Organizers were trained on financial coaching best practices.

CA\$H Maine brought their planning and engagement full circle by bringing together the core planning team, as well as staff and volunteers from the VITA sites to debrief the integration process after tax season ended. In the debrief they learned that the training and training manual provided to Asset Organizers helped them provide ongoing support to the Opportunity Guides throughout the tax season.



Selecting and Integrating Financial Capability Services

Each financial capability service addresses a different aspect of a clients' financial capability, and each service requires different organizational resources. VITA programs can determine which financial capability services to offer based on client financial needs and organizational capacity. Programs must also decide how to integrate the services into their current workflow. Finally, VITA programs may also want to promote financial capability through messaging at their sites.

Selecting financial capability services

To select which financial capability services to offer, Building Skills Partnership (BSP) used data they collected about clients' current financial lives to brainstorm about possible client outcomes and goals. BSP then sorted these possible client outcomes and goals by priority. Based upon the short-term outcomes they identified, as well as their organizational capacity, BSP decided to focus on offering financial coaching and encouraging clients to increase saving.

CASH Maine collected financial capability data for tax clients at each of the participating VITA sites, which allowed these sites to identify the services of greatest relevance to clients. This allowed each of the five VITA sites to select a custom set of financial capability services.

Deciding on integration points

For their financial capability integration effort, Accounting Aid Society (AAS) decided to offer financial capability services at multiple points in their VITA program workflow. AAS created a new greeter volunteer role to introduce financial capability services to clients during intake and while waiting for tax preparation. Tax preparers offered financial capability services and referrals during tax preparation, and AAS also sent clients a follow-up email with information about referral services that were discussed during their time at the VITA site.

TOOL 8: Current Program Workflow

Tool 8 can help organizations understand the client's experience and identify opportunity points to offer financial capability services.

BSP also created opportunities for clients to engage with services at multiple points. BSP decided to first offer financial coaching and promote savings when the client arrives at the VITA site and fills out their intake forms. Financial coaching and savings products were also offered when the volunteer tax preparer finished preparing taxes with the client and again during quality review. The client had a final opportunity to engage in financial capability services right before leaving.

Promoting financial capability at VITA sites

Western Maine CASH, one of the VITA sites in the CASH Maine collaboration, used visuals and messaging to promote savings goals. Western Maine CASH encouraged clients to post handwritten savings goals at the VITA site. They found that these visuals fostered a culture of goal setting and savings for tax clients inspired by the actions of others in their community.

BSP drafted messages they felt would resonate with clients around savings and surveyed clients to see if the language was compelling. Based on client feedback, BSP adjusted their messaging to ask clients, "What are your savings goals?" instead of "What are you doing with your refund?" This



language was more compelling to clients and helped them think about their larger financial goals rather than only about what they planned to do with their refund. BSP made sure that all marketing, outreach, intake, tax site, and follow-up materials consistently reinforced savings.

Deciding Who Will Provide the Selected Financial Capability Services

Organizations seeking to integrate financial capability services into existing programs have options regarding how to approach delivering those services. These approaches are:

- **Refer:** Finding organizations that provide financial capability services and setting up a process for referring clients to those services
- **Partner:** Developing partnerships with other organizations to deliver financial capability services in one convenient location or with a shared brand
- **Do-it-Yourself (DIY):** Building the internal capacity to deliver financial capability services

Organizations can also combine these approaches to create a tailored integration plan. Each of the participating VITA programs decided to use a variety of integration methods.

After assessing their internal capacity to deliver services, BSP chose a combination of DIY and referrals. As mentioned above, BSP identified multiple integration points in their VITA site workflow, and these integration points helped determine who would offer the services. Mapping out the roles in their integration process and sharing this information with VITA site coordinators, staff, and volunteers enabled all parties to identify their place in the integration process and to understand how to leverage others to best serve clients' needs. BSP also referred clients to external providers and support, including credit unions, homeownership programs, and business development assistance.

AAS primarily used the DIY method, with some referrals. Site coordinators and volunteer tax preparers were tasked with obtaining signed client consent forms that allowed AAS to better follow up with clients interested in financial coaching. AAS equipped volunteer tax preparers with a tax return review checklist, which included reminders about other financial capability services to discuss with clients. AAS also developed a client financial capability survey to be administered by greeters. From the survey responses, greeters could offer customized referrals to services available during and after the tax preparation appointment. Services included splitting a refund to buy a savings bond and financial coaching.

TOOL 7: Deciding Who Will Deliver Services

Tool 7 can help organizations decide on the right integration approach for each financial capability service they decide to integrate.

CA\$H Maine provides examples of all three approaches, because each of the five VITA sites created their own integration plan. For example, Wabanaki CA\$H partnered with a local health care organization to bring Health Care Navigators to their VITA site, while York County CA\$H introduced tax clients to financial coaches at the VITA site to enroll them in coaching services. CA\$H Maine fostered internal referrals by placing Opportunity Guides on-site at all five sites and training tax preparers on financial capability and the Opportunity Guides roles.



About This Brief

The audience for this brief is VITA programs that are interested in integrating financial capability services into their VITA program. This brief is a companion resource for the Guide intended to provide real-world examples of financial capability integration efforts. The examples in this brief are gathered from technical assistance provided between August 2016 and May 2017. This practice brief was produced by Prosperity Now under contract to the Office of Community Services in the Administration for Children and Families, a division of the United States Department of Health and Human Services.

Each of the organizations that received technical assistance worked on and achieved different goals. Brief summaries of their work are provided below.

Accounting Aid Society (AAS) provides individual tax preparation, financial education, financial coaching, and small-business financial services to individuals and families in the Detroit metropolitan area. AAS linked clients to split-refund savings, emergency utility assistance programs, and in-house financial education and financial coaching services, using greeters, site coordinators, and tax preparers to offer services at multiple points in their VITA program work flow.

Building Skills Partnership (BSP) provides services to union and community members in and around San Jose and Los Angeles, California. BSP offered financial coaching and promoted savings to VITA clients from their arrival at the site through their departure. BSP used volunteers and staff in many roles to offer these services and deliver consistent messages to clients.

CA\$H Maine is a statewide collaboration of ten coalitions, comprised of 50 nonprofit and for-profit partners, that piloted financial capability integration at five VITA sites. CA\$H Maine trained and supported Asset Organizer volunteers to serve as financial capability guides from beginning to end in the tax client journey. Through intake and personalized conversations, Asset Organizers and Opportunity Guides connected clients to split-refund savings, matched Rainy Day Savings accounts, Family Development Accounts, energy assistance, food pantries, financial education, and financial coaching. Additionally, volunteer tax preparers directed clients back to Opportunity Guides for follow-up questions or additional services after tax preparation. New Ventures Maine is the coordinating/lead organization for CA\$H Maine's financial capability work.

