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## ECONOMIC IMPACT OF ACCOUNTING EDUCATION ON COMMUNITY ENGAGEMENT: A VITA/TCE TAX CENTER CASE STUDY

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### ABSTRACT

This paper reviews the mission of a highly successful 1969 Federal Government's free volunteer income tax assistance and counseling program (VITA/TCE) for the elderly and low-to-moderate income citizens. Highlighted are the operational successes, huge economic impact of communities served, as well as its tax education influence. The impact of this program on accounting students' education cannot be over emphasized. Students who enrolled in Federal and State Tax course have the unique advantages of earning 3 credit hours, IRS certification as tax experts, scholarships, and choice of career in taxation. Some of the participants with entrepreneurial ambition, have been able to open their own successful tax preparation business after interning in Southern University's VITA/TCE Center. More importantly, many have used hours they worked at the Center to make-up for the number of community service hours required for their graduation. Southern University, as an urban university, has gained a lot of visibility, recognition, and respectability within the surrounding communities because of free tax services provided. The communities served are highly satisfied because of money left in their pockets, averaging about \$70,000 annually. However, the Center is constantly faced with sustainability issues such as: financial, technological, organizational, political, and managerial. Four recommendations are offered, if implemented, might mitigate the negative effects of these threatening sustainability issues.

**Keywords:** Volunteer, Taxpayers, Stakeholders, Establishments, Sustainability, Refunds.

### 1. INTRODUCTION

The desire to help communities especially the low income and moderate-income citizens started with President Lyndon Johnson with his campaign on "War against Poverty" in 1964. The war was intended to spread welfare across USA citizens both for working class Americans and single struggling mothers who had difficulty in meeting their civic duties. In 1969, President Nixon introduced the Family Assistance Plan (FAP) with the plan to implement a negative income tax for households with working parents. Although Nixon's program complemented President Johnson's war on poverty, its primary purpose was to appease the working poor and the middle-class whites. This was a part of Nixon's strategy, according to Asen (2001), for winning the votes from the middle class of northern industrialized states.

Congress, in response to Nixon's plan and in recognition that some significant number of all Americans were not fulfilling their civic duties, enacted the Volunteer Income Tax Assistance and Tax Counseling for Elderly Program by Tax Reform Act of 1969. Although the two Presidents had different motives in introducing assistance to poor and moderate-income citizens, the outcome of their efforts was the same in alleviating poverty for the target groups. Later, in 1971, FAP was included in Bill by amending Social Security Act Bill HR 1.

The Mission of VITA/TCE Program is "To provide free tax return preparation for low-to-moderate income and elderly taxpayers. This also includes taxpayers with disabilities, limited English proficiency and Military." The internal Revenue Service (IRS) was mandated by the Act to run the program. IRS managed the program for several years. However, due to financial constraints and shortage of staff as well as budget cuts, VITA/TCE program had to be outsourced to some Not-for-Profit Organizations like United Way of Southeast Louisiana (UWSLA). United Way becomes the IRS agent that oversees Southern University's VITA/TCE Center. UWSLA ensures that SUNO's VITA/TCE Center receives promptly office supplies and publicity materials at the beginning of each tax season.

## Who Qualifies to be Served?

### The following categories of citizens are qualified to be served:

1. People earning significantly less than \$54,000 per annum.
2. People with disabilities.
3. Senior citizens that are 60 years or older whose individual income does not exceed the \$54,000 limit.
4. People that have limited English speaking and writing proficiency, and non-English speaking immigrants.
5. People who cannot read or write well in English or Spanish language.

### 1.1 Other Organizations that Provide Free Tax Preparation Services

Although VITA/TCE is established by Law to provide free tax preparation to the elderly, low-income citizens, there are other organizations that volunteer to help Federal Government in executing the Act. Some play advocacy roles while others help to prepare free tax returns for citizens. Some of these organizations are: H&R Block, Tax Slayer, Jackson Hewitt, National Association of Tax Professionals, American Institute of Certified Public Accountants, National Association of Enrolled Agents, and National Society of Accountants and AARP. There are noticeable differences between how IRS-sponsored Centers operate and how other Centers operate. The first is that VITA/TCE Sites must follow strictly the operational guidelines of IRS whereas these other organizations have their internal guidelines, rules, and regulations as well as employees' code of conduct which must be followed. The second difference is that some of these private-sector organizations have discriminatory fee structures where high net-worth individuals pay high fees while no fees is charged to low-to-moderate income earners. Finally, each organization has its method of disciplining employees that violate their own code of conduct. Violations of Standard of Code of Conduct of VITA/TCE Center attract high financial penalties and may lead ultimately to jail. It seems very clear that although IRS and Other Free-Tax Preparation Organizations share similar goals, their modes of operation are different. The next section examines VITA/TCE Operations generally, and SUNO'S VITA/TCE Center.

## 2. LITERATURE REVIEW: VITA/TCE GENERAL OPERATIONS

VITA/TCE Centers are funded by the Federal Government through IRS. IRS, in turn, forms partnerships with many organizations that serve as its agents. These agents or partners operate under the umbrella known as Stakeholder Partnerships, Education, and Communication (SPEC).

According to IRS Fact Sheet (August 2020), there were 11,000 VITA/TCE Sites of which SUNO/TCE Site is one. There were 73,000 volunteers who prepared over 2.4 million tax returns as of July 31, 2020 tax season. However, the IRS report states that this is only representing a portion of the additional millions of individuals that benefited from returns completed correctly and who received credits claims that might have otherwise gone unpaid. The revenue generated to the Federal and State governments by VITA/TCE Sites all over the country, runs into billions of dollars. Equally significant is the huge amount of refunds received by the taxpayers which also runs into millions of dollars. These are amounts that would have been lost by citizens if no free tax preparation assistance were offered to them. To this category of taxpayers, the services of VITA/TCE Centers are free. But to the Federal Government, the cost of running these Centers is nominal because institutions or organizations bear the greater cost. If we go by the cost of running SUNO Center compared to the stipend received from the Federal Government, the ratio is 3:1 against the University. In other words, the Federal and State governments are spending a little sum of money but reap huge revenues.

Volunteer Income Tax Preparers handle sensitive tax information of taxpayers. They bear financial risk as well as personal injury risks from taxpayers. For example, they must sign, date Form 13615 which is Standards of Conduct Agreement, agreeing to uphold the highest ethical standards of conduct. Sometimes, they are confronted by angry taxpayers. Volunteers are not expected to take tips, set up dates with taxpayers or assist them in committing any illegal activity, while filing tax returns. Some taxpayers disguise their illegal and fraudulent activities to ensure that such activities are not easily detected by Volunteers. Should the innocent volunteer bear the legal expenses when sued by the taxpayer? The answer may seem to be NO, but it will take a good lawyer to argue and win the case. It took the Federal Government 28 years, (1997 -1969) to recognize that volunteers could suffer legal liabilities because of their risk exposures. To remedy the situation, Volunteer Protection Act of 1997 was enacted to address the legal liability exposure issues.

## **2.1 Volunteer Protection Act (VPA) of 1997**

Public Law 105-19, Volunteer Protection Act of 1997 (VPA), in general, protects volunteers from liability for negligent acts when they perform their duties within Internal Revenue Service's Guidelines. The Act defines who can qualify as a volunteer. Before this Act, anyone who provided services to another without financial remuneration was considered a volunteer. However, under VPA, a "volunteer" is defined as an individual performing services for non-profit organizations or a government entity, or any other thing, in lieu, of value of compensation more than \$500 per year. The ACT stipulates the kind of organizations that can accept volunteers and the amount they can be paid. Those who serve as directors, officers, trustees, or direct service volunteers are covered by the ACT. Usually, IRS-certified volunteers prepare returns within the scope of their Center and must adhere to the Standard of Conduct provided by IRS. Volunteers who prepare tax returns that are outside their scope or use personal information of taxpayers to secure business deals are not covered by this ACT. If volunteers stay within the confines of Standards of Code Conduct provision, IRS lawyers would defend them against any legal challenges free of charge.

## **3. METHODOLOGY AND DATA ANALYSIS**

### **3.1 Establishment of SUNO Center**

The SUNO VITA/TCE Center was established on February 12, 2012 after inspection and approval by two IRS Consultants: Mrs. Frances Becker and Mrs. Christy James. According to these two consultants, "SUNO has the facilities, the technical competence and the student body to undertake the project of providing free tax assistance to the community". The new Center was required to produce between 75 and 100 tax returns the first year. Thus, the Center's financial sustainability was contingent on successfully recording a minimum of 75 tax returns each year. The IRS guaranteed the Center continuous funding if the minimum 75 returns are met. As can be seen later from Table 2, the Center has exceeded the expectations of IRS and therefore IRS has religiously funded the Center through its agent, United Way of Southeast Louisiana (UWSELA).

### **3.2 SUNO 'S VITA/TCE Center Aims and Objectives**

The Primary objectives of the program are:

1. To engage SUNO students, train and certify them for tax return preparation.
2. To provide efficient and effective tax and financial advisory services to the underserved members of New Orleans and St. Bernard Parish communities
3. To educate the members of these two communities on the need to wisely use their tax refunds, by opening savings bank accounts or buying government's bonds.
4. To refer clients to banks or finance organizations that will help them with individual development, retirement, and pension accounts.
5. To help them with tax planning and asset building initiatives especially the self-employed
6. To help self-employed business owners to prepare financial statements that give them some sense of the size of their income and financial health.

These aims and objectives of SUNO VITA/TCE may be grouped into three categories, namely: engage student volunteers, train, and certify them for free tax preparation for surrounding communities; collaborate with IRS, UWSLA, Entergy, and other stakeholders who will help in educating and providing publicity about taxation throughout the surrounding communities; providing tax planning assistance and financial management tools to small business establishments. It was realized, very early in the inception of the Center, that active participation through collaboration with key stakeholders would be needed if the center were to be successful. Thus, collaborative approach was pursued vigorously as its business model.

### **3.3 VITA/TCE Program Operational Approach**

The approach that is taken is a collaborative one in which Southern University at New Orleans, provides the office accommodation for the Center, partial in-kind funding using student volunteered hours, and providing internet services and related safety protocols. The Internal Revenue Service, on the other hand, committed itself to providing

office supplies, securing the TAXSLAYER TAX SOFTWARE for training and tax preparation, providing regulatory tax law updates and alerts. IRS also assigns TAX Consultants to sites that request them. UWSELA, as supervising agent, sends out to SUNO a Memorandum of Understanding, (MOU) that spells out the responsibilities of both SUNO and UWSELA. As stipulated in the MOU, UWSELA agrees to reimburse SUNO for agreed expenditures made on its behalf at the Center. UWSELA makes available to each Center, computers, posters, printers, copying papers, and other supplies required to successfully operate a Center. It mounts electronic billboards with flashing lights of different colors located at strategic places within Orleans and St Bernard city limits. These Billboards inform and educate the public about VITA/TCE filing requirements and office locations. In addition, local newspapers, and radio stations, under the auspices of UWSELA, carry out advertising campaigns throughout the tax season. Additionally, the Center uses brochures provided by IRS, Financial Literacy Organizations and Asset Building Group for publicity awareness campaigns. These organizations also provide hand bills, notice boards, and posters which are placed around the communities nearest to SUNO. Grass posters create the desired awareness among the staff, students, and faculty of the university. Other very important collaborators are Entergy, Walmart, City of New Orleans, Louisiana 211 Get Connected and Get Answers, and Asset Building Coalition of Louisiana. Some of these organizations are advocacy- groups that lend their support for the improvement of financial literacy of taxpayers. At the beginning of each tax season, all the groups gather in a location to offer free tax services to the members of the public. Walmart, Entergy, City of New Orleans, and the Asset Building Coalition of Louisiana contribute resources for the event. There is always television coverage of the event and lunch for all volunteers. This yearly event truly portrays unity of purpose among different stakeholders and epitomizes collaboration at its very best.

### **3.4 Expected Program Outcomes**

The Center projects to prepare over 250 returns each year with less than .005% rejects. It is also expecting steady growth of more than 10 % of tax returns each year. Currently, majority of clients (60 %) are the low-to-moderate income earners who are the primary focus and students, faculty and staff who meet the criteria for support constitute about 30 %. The other 10 % are those who temporarily fall out or within the criteria but who need free tax preparation to get by. The Center offers Counseling services to the elderly in such areas as: pensions, reverse mortgage, and retirement-related matters. Given the tremendous impact of Corona Virus on the elderly and the low-income families that we serve, our expectations for 2021 tax season may not be realized.

### **3.5 Preparing Students for Each Tax Season**

To serve the SUNO community in every tax season, students enrolled in Federal, and State Taxation Class (Acct 401) start training in late December and in early January. Initial training consists of orientation on how the Center functions which includes: welcoming of taxpayers, verification of their identities, and assistance in completion of in-take form. Other topics covered include, how to log into Link & Learn Taxes Website for practice sessions, how to study and pass Standards of Conduct and Basic Level Examinations. The second training deals with logging into TAXSLAYER Website and completing simple tax returns under the guidance of a certified volunteer. Both training sessions emphasize theory and practice of Federal Taxation as demonstrated in the recommended tax textbook for each tax season.

There are two categories of certification which are Basic and Advanced. Students are required to pass the Basic Level Test with 80% Score. Similarly, the Site Coordinator is expected to pass the Advanced Level Certification Test with 80% score. In SUNO Center, no student can volunteer who did not take and pass both the Standard of Conduct Test, and the Basic Certification Test. The Certification is provided by IRS Representatives and each volunteer's certificate is displayed prominently in the Center for taxpayers to see.

### **3.6 The Advantages of Blending Theory and Practical Application of Taxation**

Each student in the Taxation Class gets to prepare at least 12 tax returns to earn a decent grade. Students are encouraged to bring their personal and relations tax information for tax preparation and filing. Some students and members of the community drive UBER and LYFT TAXIS. These small business entrepreneurs need income statements prepared before they can file their income taxes. Students usually get excited to prepare such income statements and to see them used for income tax filing. Helping them to prepare, in real time, their income statements, brings a lot of joy and accounting information reality to their world. Furthermore, students who are

certified at the Advanced Level suddenly find that their skills are sought after by professional tax preparers. Perhaps more rewarding is the fact that some students have opened their own thriving tax-preparation and counseling services centers in Louisiana and Mississippi. These enterprising entrepreneurs are being financially sustained by their businesses. Most students use the number of hours they work in the Center to meet their graduation requirement for community service. The convenience of not looking for outside establishment for internship is often cited as one of the major reasons for choosing to serve in the Center.

### **3.7 The Role and Responsibilities of Site Coordinator (SC)**

The primary roles of Site Coordinator are to ensure that the specific needs of three groups of stakeholders are met.

**Group I. Student- volunteers, faculty, and staff of Southern University.** The primary responsibility is to ensure that student- volunteers are trained, certified, and supervised when they are preparing tax returns for taxpayers. Faculty and staff are concerned about the confidentiality of their tax information and the safety of their refunds. Therefore, the responsibility of SC is to ensure that there are no breaches in this area. Those who desire to prepare their own tax returns use our facilities. We gladly provide to them technical and professional assistance.

**Group II. Community members outside SUNO.** Usually these are elderly, retired workers or disabled people whose ages range from 55 to 85 years. The primary responsibility of SC is to see to the comfort of the elderly taxpayers and to respond promptly to their tax preparation needs and refund enquiries. Those that have mobility issues or have need for transportation assistance are urgently catered for.

**Group III. Funding and Supervising Stakeholders: IRS, UWSLA, and SUNO.** This group has shared responsibility of providing the resources needed by the Center. The primary responsibility of the Site Coordinator is to efficiently and effectively use the resources entrusted to the Center to achieve the mission of VITA/TCE Program. In the light of this, mid-season interim performance report and close-out report at the end of tax season are prepared and forwarded to them on timely basis. Copies of the reports are sent to designated officials of the stakeholders.

With respect to UWSLA, the SC is obligated to execute MOU and promptly return it to UWSLA. Other responsibilities include collection of office supplies, attend Site Coordinator training classes and liaising with UWSLA in other matters related to tax law updates. Prepare and forward to it financial claims of the Center for reimbursement.

As for SUNO's Administration, the primary responsibility is to ensure that students complete their training and are tested three times according to University's course guidelines. The SC must align the course syllabus with IRSs training and filing requirements. Usually, IRS syllabus is less rigorous than the academic syllabus for (ACCT 410) taxation course. In compliance with academic syllabus, April 15, which is the last day for filing federal tax returns is not the end of the Course. The class continues to hold until the second week of May thereby making it possible to cover out- of- scope topics.

### **3.8 SUNO VITA/TCE Center: 10 Years of Tax Return Accomplishments**

There is a Chinese adage that says that "a journey of 1000 miles starts with the first step". The journey of the Center started in a one room office in 2011 with 14 students volunteering and clocking 275 hours. For the first 7 years, the Tax Office was located in 5 different places at SUNO. Nonetheless, the taxpayers were resilient and found the center wherever it was located. Table 1 articulately tells a story of gradual but steady growth of SUNO VITA/TCE Center.

#### **3.8.1 Experimental Work: Analysis of Table 1: SUNO VITA/TCE Tax Return Accomplishments**

Table 1 reveals that a total of 2,573 returns were prepared by the Center by 152 students clocking 4,065 man-hours over the 10-year period of existence. In 2011, the Center prepared a modest 150 returns from one room office because the University was still grappling with the devastations caused by Hurricane Katrina. As the Center was relocated to Trailer 5 in 2012, the number of returns prepared increased to 175 which is an increase of 17 % from the previous year although the number of student-volunteers decreased by 2. But the students put in more man-hours of 290 compared to 275 hours previously. The students did not get any financial compensation except their 3-hour academic credit for the course; yet the number of returns prepared each year continued to grow steadily. In 2016, the number of students enrolled in taxation class increased to 18 and did not fall below that number until 2020

Corbid-19 pandemic. As a result of the pandemic, the number of student participants dropped to 15 matching the 2013 tax season. However, prior to the pandemic, the number of man-hours clocked by student-volunteers increased and reaching its peak in 2019 with 994 hours.

Why was there a spike in volunteering? According to the students' annual evaluation, they saw tremendous benefits of blending theory and practice in taxation. They also saw the potential for employment and enhancement of their resumes. Finally, they enjoyed working with the elderly in the community in a corporate-like atmosphere provided by the Center. Some of the students confessed that working in the Center provided them the discipline they were not used to. Perhaps, the greatest booster was the announcement that they could apply the hours they worked in the Center towards their community service hours for graduation. In addition, the mastery of TAXSLAYER Software is a skill they needed for working in a commercial tax office. They had acquired the skill set needed to open their own small business as entrepreneurs. This is a win-win situation they never anticipated. Besides, at the end of each tax season, all volunteers are hosted by UWSLA in celebration of accomplishments of the tax season. In that ceremony, student-volunteers are honored and recognized for their various roles. Year-end celebration event turns out to be a super motivational event for all the stakeholders especially students because of the tremendous exposure they get in meeting local potential employers.

YEAR	RETURNS PREPARED	NUMBER OF STUDENT VOLUNTEERS	ANNUAL TOTAL HOURS
2020	246	15	350 hrs.
2019	498	18	994 hrs.
2018	402	20	457 hrs.
2017	260	18	255 hrs.
2016	222	18	388 hrs.
2015	220	10	408 hrs.
2014	210	12	318 hrs.
2013	190	15	330 hrs.
2012	175	12	275 hrs.
2011	150	14	275 hrs.
TOTALS	2,573	152	4,065 hrs.

### 3.8.2 Evaluation of the Economic Impact of SUNO VITA/TCE Center

Evaluation involves critical examination of the present reality and making informed projections into the future. Accordingly, the number of returns prepared in each Center bears direct relationship to the number of clients that will take advantage of cost savings resulting from our free tax services. By contrast, the number of taxpayers that receive our services is directly related to the amount of revenues that the Federal and State Governments generate. The revenues come from current year tax levies, prior year tax liability payments or debts owed. The coffers of governments are filled and so are those of the citizens. How much is this economic impact?

At the local level, the Center has been able to save the communities it serves an estimated amount of \$645,250 (i.e., 2573 returns X \$250 average commercial rate per return) over the last 10 years. This translates to yearly average of \$64,525. What of the refunds that are received by the taxpayers which otherwise would have been lost for lack of help? This is also an economic turbo charger. Assuming conservatively that 10% of tax returns prepared owe taxes to both the Federal and State Government and 90% receive refunds of various amounts. Assuming also that an average refund is about \$2,000 per tax return, a total of \$4,632,000 (i.e., 2573X 90% X \$2000) was pumped into the local economic activities in 10 years. If we factor in \$750 scholarship awards to 18 students in 2017/2018 tax season, an additional \$13,500 economic - generating fund is realized. These direct funds put in the hands of citizens are more economic generating stimulus, than one Federal Government stimulus. If could monetize time saved and contenance of location, the economic impact would be much bigger. Most of our clients who are old with limited mobility and disabilities have come to trust the tax-preparing and tax counseling service that are provided. Hence, every year they run back looking for us.

In summary, the economic impact of SUNO VITA/TCE Center is huge. The communities around it feel the economic impact and are appreciative. They have already budgeted what they would do with their early refunds,

thus, they cannot wait for the tax season to start before they start trooping in with their tax papers. The Center has turned out to be a financial lifeline for some of the citizens. Thus, SUNO/TCE Center deserves financial, moral, and political support by all community members under its sphere of operations.

**3.8.3 Taxpayer Satisfaction Survey Results**

The continued relevance of the SUNO VITA/TCE CENTER is dependent on how satisfied its client base is. To ascertain the satisfaction level of taxpayers, a customer satisfaction survey was undertaken. According to marketing experts: “The best business strategy is one that is designed to satisfy customers”. What then is the perceived overall level of satisfaction do the taxpayers have of the Center? To help us answer this question, a one-page and three questions Questionnaire was made available to taxpayers. See Appendix I. The questionnaire was developed by Asset Building Coalition of Louisiana (ABCL), one of SPEC stakeholders<sup>6</sup>.

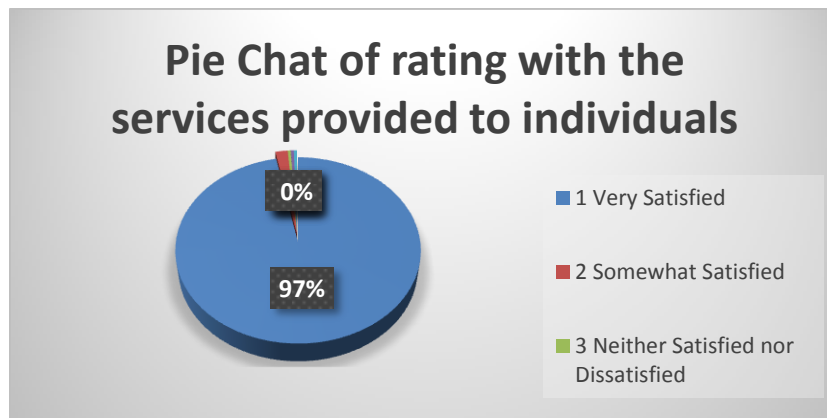
**Question 1** reads: “What is your overall satisfaction rating with the services provided to you today?”

The choices provided by the respondents are: Very Satisfied; Somewhat Satisfied; Neither Satisfied nor Dissatisfied; Somewhat Dissatisfied; and Very Dissatisfied. The results of this question are presented in Table 2 and Pie Chart Figure 1 below.

	Satisfaction	Count	Percentage
5	Very Satisfied	218	96.9
4	Somewhat Satisfied	4	1.78
3	Neither Satisfied nor Dissatisfied	1	0.44
2	Somewhat Dissatisfied	1	0.44
1	Very Dissatisfied	1	0.44

**Source: Customer Satisfaction Survey 2018/2019 Survey.**

Table 2 reveals that a total of 225 taxpayers completed the questionnaire. The highest number of respondents 218 (96.9 %) were very satisfied and 4 respondents (1.7%) were some somewhat satisfied. Thus, the total number of satisfied taxpayers is 222 or 98.7 %. This is a very impressive level of overall satisfaction. A high level of satisfaction inspires confidence and ensures repeat customers. On the other hand, 2 taxpayers or .88 % were not satisfied.



**Figure 1: Pie Chart of Overall Satisfaction Rating by Taxpayers**

**Source: Overall Satisfaction Rating by Taxpayers Survey, 2018/2019 Survey**

Pie Chart, Figure 1 merely confirms that 97 % of respondents were very satisfied, whereas 2 % were somewhat satisfied and, .044 % were not satisfied and .044 % were very unsatisfied.

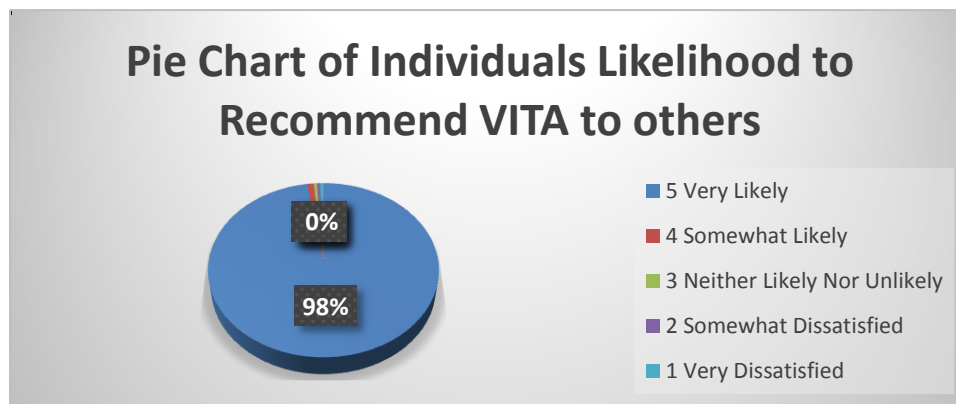
**Question 2 reads: “How likely are you to recommend the VITA/TCE Program to a friend or colleague?”**

The choices given the respondents are: Very Likely; Somewhat Likely; Neither Likely nor Unlikely; Somewhat Unlikely; and Very Unlikely. The results of taxpayers’ responses are presented in Table 3, and Pie Figure 2.

	Likely recommended	Count	Percentage
5	Very Likely	196	98.0
4	Somewhat Likely	2	1.0
3	Neither Likely Nor Unlikely	1	0.05
2	Somewhat Unlikely	1	0.05
1	Very Unlikely	1	0.05

**Source: Customer Satisfaction Survey 2018/2019**

Table 3 shows that a total of 201 taxpayers answered this question on how likely they are to recommend others to the Center. An unsatisfied taxpayer is not likely to recommend another customer to the Center. Therefore, this question is a complement to question 1. The total number of taxpayers who are very likely to recommend the services of the Center to others is 196 or 98 %. Once more, 98% is an impressive number which truly reveals the confidence level the taxpayers have on the Center. Those that are somewhat likely to recommend others are 2 or 1%. The dissatisfied customers who are unlikely to recommend others to the Center are 2 or 1 %. Unfortunately, there was no provision for respondents to provide reason for their dissatisfaction or unwillingness to recommend the Center to others.



**Figure 2: Pie Chart of Taxpayer likelihood of Recommending ViTA/TCE Program to Others**

**Source: Customer Satisfaction Survey, 2018/2019**

Figure 2 Pie Chart 2 simply confirms the facts provided by Table 3. It shows that an overwhelming number of taxpayers have confidence in the services that are provided in Center that they would be willing to recommend the Center to others. Only 2% do not have the confidence to do so.

**Question 3 reads: “What is your level of Satisfaction with respect to Responsiveness to the Needs of Taxpayers? “**

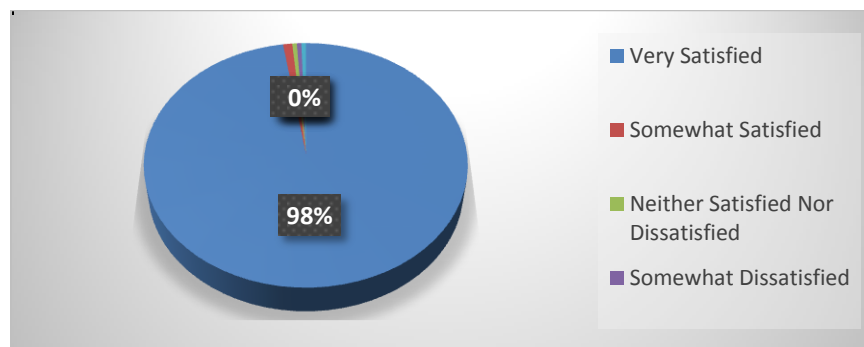
The choices provided are: Very satisfied; Somewhat Satisfied; Neither Satisfied nor Dissatisfied; Somewhat Dissatisfied, and Very Dissatisfied. The results are presented in Table 4 and Pie Chart Figure 3.



		Count	Percentage
5	Very Satisfied	196	98.0
4	Somewhat Satisfied	1	0.5
3	Neither Satisfied nor Dissatisfied	1	0.5
4	Somewhat Dissatisfied	1	0.5
1	Very Dissatisfied	1	0.5

**Source: Customer Satisfaction Survey, 2018/2019.**

Table 4 reveals that a total of 199 taxpayers answered this question. Prompt attention to the elderly taxpayers is very critical to their satisfaction and patronage. Also important is providing them easy access to the Center and prompt attention to their tax refund or rejection enquiries. With respect to the level of satisfaction with the responsiveness of the Center, the taxpayers gave the Center a satisfactory rating of 98.5 % and only 1.01 % unsatisfactory. The level of dissatisfaction with respect to responsiveness is so low that it does not call for any concern.



**Figure 3:** Pie Chart of Level of Satisfaction with Responsiveness of Taxpayer's Needs.

**Source: Customer Satisfaction Survey, 2018/2019.**

Pie Chart, Figure 3 clearly shows that 98 % of taxpayers are very satisfied with the Center's level of responsiveness to all their needs. Only 1 percent is somewhat satisfied with the level of responsiveness whereas .05 % is dissatisfied.

In summary, taxpayers using SUNO'S VITA/TCE Center facilities are very satisfied with its services. They are highly impressed by the level of concern displayed by the student-volunteers to the point where 98 % of them are willing to recommend the Center to others. It means that the communities that are served have abiding confidence in its operations. It is important that this level of confidence be sustained in years to come.

### **3.9 Sustainability Issues**

In the context of this paper, threats to the sustainability of SUNO VITA/TCE Center are five, namely: technical, financial, organizational, political, and managerial. Each is defined and discussed. We start with technical sustainability. Sustainability is associated with performance that is sustained is one that is equal to or greater than that of immediate past.

**3.9.1 Technical Sustainability** refers to the ability of the VITA/TCE Center to maintain the same level of technically competent students like those that were part of the program in the previous years' tax seasons. If this level is maintained and taxpayers perceive it, they will feel comfortable and confident that their tax information is in good hands. Because students are not trained and certified early in the Semester. Before the end of January, assistance from IRS Consultants is required. Taxpayers easily spot incompetent or nervous hands and they immediately become scarred and leave. Therefore, IRS Tax Consultants that infuse confidence into taxpayers in the first two weeks of the tax season is desirable. Although the Site Coordinator can help the taxpayers momentarily, it is a matter of time before he is swamped by the early surge. Any slight delay in responding to taxpayer early in the

tax season, drives away taxpayers into the waiting arms of predatory commercial tax preparers. In order to sustain our operations, retain early taxpayers and remain competitively relevant, IRS must play a big-brother role here.

**3.9.2 Financial Sustainability** refers to the ability of the Center to attract enough financial support to be able to continue the program at the same level of previous year or higher. The IRS through United Way of Southeast Louisiana guarantees payment of Site Coordinator's stipend and does not provide token financial support to student-volunteers. Support in the form of tuition vouchers or scholarships will go a long way in reducing the hardship of our struggling volunteers who are single mothers or fathers trying to make ends meet. In 2017/2018 when \$750 scholarship was awarded to students, the number of volunteers increased dramatically. Now that there are no financial incentives, interest of students in tax accounting has started to wane. Attempts to diversify the Center's source of funding have not yielded positive results. Without active participation of motivated students, the Center will not remain viable.

**3.9.3 Organizational Sustainability** refers to the level of administrative support that the Center receives from the Organization under which it operates. A high level of financial and moral support goes a long way in keeping the Center operating smoothly. For instance, SUNO'S VITA/TCE Center is supported in two ways by the University's Administration. The first way is non-matching stipend of \$1,225 paid to the Site Coordinator which is later refunded to SUNO by UNWSLA. The second way is a matching payment of \$6,088.50 in kind which does not affect SUNO's cash flow. Because of the contribution made by VITA/TCE to the immediate communities, the University Administration has been willingly supporting the Center.

**3.9.4 Political/Policy Sustainability** refers to the degree to which the Federal Government is willing or unwilling to fund VITA/TCE Program at its previous level. Despite its huge financial success and popularity, US Congress sometimes finds it difficult to fund the program. Usually when there is economic downturn or national disaster like the pandemic, social services like the VITA/TCE program are usually one of the first to be eliminated or its funding cut. Virtual tax preparation, social distancing and provision of personal protective products are very expensive propositions. It is not very clear how much Congress will budget in 2021 for VITA/TCE program. It will be good if the program is funded at the same level it was funded in 2019/2020 tax season. If higher budgetary provision is made, that will help create viable policy or political sustainability.

**3.9.5 Managerial Sustainability** has to do with succession planning which leads to managerial sustainability. Most Accounting Departments in the US have accounting positions that are unfilled because of shortage of trained and qualified accountants. SUNO's College of Business and Public Administration suffers from the same phenomenon. In a few years, the Site Coordinator will be retiring, and someone must take over or the program dies. Manning the Center requires a lot of personal sacrifice, dedication, and patience in handling students and the public. Finding a competent manager will be a challenge.

## 4. CONCLUSIONS AND RECOMMENDATIONS

VITA/TCE program that was established in 1969 has been wildly successful beyond expectations. Each year, millions of dollars are saved by the under-served members of the various communities served by VITA/TCE Centers in the country. By August 2020, there were 11,000 VITA/TCE Center Centers, 73,000 volunteers who prepared over 2.4 million tax returns. This translates to billions of dollars that flow to the coffers of both Federal Government and the 50 States. Of more significance is the financial savings and refunds that are available to the poor-to-moderate income earners who would have lost such opportunity without the help of VITA/TCE Centers. Both savings generate immense economic impacts that are hard to imagine. In Southeast Louisiana in which SUNO'S VITA/TCE Center is located, the economic impact on the citizens has been staggering and very impressive. The communities around SUNO are economically empowered, very satisfied with the services they receive, and the level of attention given to them, so much so, that they are willing to recommend their friends to the Center. Despite its successes, there are five threatening sustainability issues discussed with accompanying recommended solutions. SUNO's Administration is very pleased with the visibility and academic credibility that the Center has bestowed on it. Students have gained expert practical and theoretical knowledge of taxation and some have even established their own small businesses in their communities. These astonishing states of affairs must be considered, in our humble opinion, a win-win situation that was not anticipated at the inception of the Center.

#### 4.1 Recommendations

1. In order to get student-volunteers to continue to support the Center, there should be some financial incentive given to them for the three-month period they serve at the Center. Majority of students enrolled at SUNO are non-traditional students that have families to feed while trying to get their education. They need financial help. It is a very tough decision either to volunteer hours at the Center or to work to feed the family.
2. Citizens from the communities that benefit from the services of SUNO'S Center must be the ones to pressure their representatives in Congress for continuous robust funding of VITA/TCE Program at least at the previous year's level. By so doing, sustainability of all VITA/TCE Sites will be maintained.
3. IRS Consultants should be allowed to resume training and certification of students on TAXSLAYER Software. They should also continue to provide technical assistance in the first two weeks of tax season for Sites that request such assistance.
4. As an important community service to the communities around it, SUNO'S Administration should consider staffing the Center with two permanent staff members to provide tax services all year round to the inner city and urban areas. This will enhance the furtherance of SUNO's professed Mission.  
If these recommendations are implemented, students can intern in the Center all- year- round and taxation would be offered in both Fall and Spring Semesters.

#### 4.2 Conclusions

An attempt has been made to provide insights into the history of Voluntary Income Tax Assistance and Tax Counseling to Elders Program. In all respects: financially, economically, educationally, and politically, VITA/TCE Program has been a huge success story. Students continue to earn their 3-hour credits as they certify as tax experts. With the knowledge gained, they can prepare their own tax returns as well as for those in the communities where they reside. Most importantly, some students with entrepreneurial zeal have opened their own tax preparation and counseling businesses. The University has gained some respectable measures of recognition and appreciation by the communities surrounding it. Nationally, regionally, and locally, the economic impact of VITA/TCE program has been huge because of the fantastic amounts of revenue VITA/TCE Program has generated and continues to generate for the Federal and State Governments. The most economic impact is enjoyed by the poor-to-moderate income citizens who receive their refunds, pay-off their old debts and can save. The huge success VITA/TCE program enjoys cannot be attributed to only the Federal Government. The collaborative efforts of many organizations that have shared interest such as United Way of Southeast Louisiana, Entergy of New Orleans, Wal-Mart, and Asset Building Coalition of Louisiana must be recognized and appreciated. Whenever the public sector partners with the private sector organizations, good things happen. VITA/TCE Program is a shining example.

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## APPENDIX

### CUSTOMER SATISFACTION QUESTIONNIRE

#### **SOUTHERN UNIVERSITY AT NEW ORLEANS VITA/TCE CENTER CUSTOMER SATISFACTION SURVEY**

**The VITA/TCE Center** is interest in improving its services to members of communities it serves. As a result, it wants to know what you think and the areas you expect to see improvement. This Customer factation Survey is designed to achieve this objective.

**Please circle or mark your honest answer to the following questions.**

**Question 1. What is your overall satisfaction rating with the services provided today?**

1. **Very Satisfied**
2. **Somewhat Satisfied**
3. **Neither Satisfied nor Dissatisfied**
4. **Somewhat dissatisfied**
5. **Very Dissatisfied**

**Question 2. How likely are you to recommend VIT/TCE Program to a friend or colleague?**

1. **Very Likely**
2. **Somewhat Likely**
3. **Neither Likely nor Unlikely**
4. **Somewhat Unlikely**
5. **Very Unlikely**

**Question 3. What is your level of satisfaction with respect to Responsiveness to the needs of taxpayers?**

1. **Very Satisfied**
2. **Somewhat satisfied**
3. **Neither Satisfied nor Dissatisfied**
4. **Somewhat Dissatisfied**
5. **Very Dissatisfied**

**ADD ANY COMMENTS YOU MAY HAVE: -----**  
**----THANK YOU FOR YOUR TIME:**

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