

TAX MINISTRY ANNUAL REPORT FOR THE 2016 TAX YEAR

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MISSION

This is an FUMC signature mission that has been in continuous operation since tax year 2007, so this was our tenth year of operation at FUMC. Our volunteers prepare tax returns for local people in Lancaster City and the surrounding area at no charge. This tax service is equipped to file electronically for Federal and State returns, and at the same time, prepare paper wage tax returns for the Lancaster County Tax Collection Bureau (LCTCB). Our tax office also prepares either property tax rebates or rent rebates for low income taxpayers who qualify. The wireless internet infrastructure at FUMC is critical to the success of this complex mission.

SCOPE

We serve low to middle income (undefined) taxpayers with special emphasis on retirees and the elderly. The scope of the returns we can prepare is defined by the IRS and is quite detailed. We rarely have persons who are out of scope and denied service. Every tax return is subject to a quality review (QR) by a Team Leader who has many years of tax preparation experience. Only after QR, is the return electronically filed with the IRS. The Average Gross Income (AGI) of our clients at FUMC was \$19,770, which was a 2.7 percent decrease from 2015. We secured more than \$1,668,000 in refunds for 1443 clients who filed federal tax returns. This was a decrease of 113 returns from the prior year. (These numbers exclude returns filed from our satellite site at Woodcrest Village Retirement Community which was a separate site for the first time in 2017.)

Our FUMC site continues to be the largest AARP Foundation tax preparation site in Eastern Pennsylvania in terms of the large number of efiled returns. Our process is 100 percent laptop computer and network based, and uses a Windows 10 environment running the Taxslayer application and Internet Explorer. We electronically file all current-year returns to the IRS. There are very few exceptions where we have to file a paper Federal return.

VOLUNTEERS

For the 2016 tax filing, we had 44 IRS certified tax preparers who qualified at the advanced level. In addition, there were 24 facilitators who review paperwork for completeness and check in clients on a first-come and first served basis. Our tax preparers have to be proficient in the Windows 10 environment and must have experience preparing returns. Only 5 of the tax preparers and 10 of the facilitators are members of FUMC. This means that a majority of the volunteers are from the community and a few have no church affiliation. All volunteers sign an agreement covering confidentiality and service protocols.

The number of client households served at FUMC was 2192. Most of our clients are not members of FUMC, but are really impressed that the service is so professional and free. We have many repeat clients who come back year after year and in 2017 we are certain that we had a few clients who have come every year for ten years.

IMPACT ON CHURCH OPERATIONS

FUMC is listed as the point of contact and many telephone calls are taken by our front office during tax season. This can be as many as 20 per day. Some are asking for directions, parking information and hours. Others are specific requests for tax information. These informational calls are transmitted to the team leader in the tax office where a member of the tax staff returns the call. This support need does not end on April 15th, and does result in a number of actions in support of clients after the filing season is over. In addition, for this tax season, there was a need to fax information to the Harrisburg Department of Revenue, and this activity was supported by the FUMC office staff.

The scheduled hours of the tax ministry at FUMC are or 6 hours per weekday from February 1st to April 15th. Office hours are 9 am to 2 pm. Monday through Friday. All training and certification activity takes place during the month of January. This means that we run for 15 weeks at FUMC and are scheduled for 35 hours per week. We have 500+ hours of operation that impact FUMC operations. During tax preparation season, the church's wireless internet bandwidth is used to its capacity, as we are always running at least 7 computers and sometimes 10 computers connected to the AARP/IRS internet site. AARP provides the TaxAide internet 'hotspot' used by all tax preparers.

Also worth noting is that the site is subject to visits by IRS auditors who do monitor the process flow. Our sites had visits by an IRS auditor during the tax season and we passed with flying colors!

In terms of community awareness, the real success of the tax ministry is that it is “first come, first served,” and is the only such tax preparation office in Lancaster City that takes walk-ins. This means when other sites in the city are booked for appointments, the IRS office at Greenfield, the PA Department of Aging (located in Lancaster City), and the Lancaster United Way (call 211 referrals) sends taxpayers to our office. We also have referrals from several senior centers outside the city. And of special note is that H & R Block has made referrals of very low income clients to our site.

TAX PREPARATION SITES AFFILIATED WITH FIRST CHURCH

FUMC serves as the base of operations for Lancaster County AARP TaxAide sites located in Columbia (Senior Center), Brethren Village, Quarryville (Senior Center), Willow Valley – Lakes, and Willow Valley – North, Woodcrest Villa, and Grace Community Church of Willow Street. For the first time this year, the Woodcrest Villa site was fully separate from FUMC, and we prepared 65 returns there. All satellite sites take appointments. Our volunteers at the Willow Valley Retirement Community provide technical support for the internet and work out any issues determined through the IRS tax return acceptance process. This includes dealing with the complexities of official taxpayer and dependent names in the IRS database.

FUMC BUDGET IMPACT

Some of the clients of the tax ministry do donate small amounts of money in thanks for the service, and this is separately accounted for as “other revenue” in the budget of the church. This amount is usually less than \$1000. There is currently no estimate of the utility and infrastructure costs being incurred by the church, or by any of our satellite sites. This Ministry uses a waiting area and four classrooms for operations at FUMC.

The materials such as training books, toner and paper are provided by the AARP Foundation, so there is no impact on the church budget for these “consumable” items. The computers and printers have been donated locally or have been provided by the AARP Foundation. We had 35 laptops and 3 printers used at FUMC this year recorded in the AARP hardware inventory. Some tax preparers used their own personal laptops in support of this effort.

All training materials are designed by the AARP Foundation working with the Internal Revenue Service. This is part of a national effort by the AARP Foundation to support senior citizens. The whole effort is a very complex operation requiring a significant amount of teamwork to resolve computer, networking and tax issues.

THE AARP TAXAIDE FINAL 2016 REPORT

In total, we served roughly 4126 clients with 2649 Federal accepted efiles as reported by the IRS. Included in the total number served are clients who filed many state-only returns (PA and other states), paper federal, amended, and prior year returns. In addition, we get some consulting questions from clients who are doing their own returns. (None of this volume is officially counted in the final efile total.) The number of electronically filed returns decreased 3.8 percent over last year, likely because our new tax application had some start up issues in the first 3 weeks of operation.

Some Individual site Statistics:

SITE	Federal efile (#)	Served (#) ***	Avg AGI (\$)	Refunds (\$)
Brethren Village	154	195	24,381	83,336
Columbia **	186	308	19,296	111,767
FUMC	1443	2192	19,770	1,667,894
Quarryville	293	402	17,331	184,634
WV Lakes	238	325	51,233	326,926
WV North	125	316	56,509	199,905
Grace	145	244	33,207	148,576
Woodcrest	65	150	27,996	37,461
TOTAL	2649	4126		2,760,499

**Includes a number of returns done at St. Anne's and John Herr Retirement Centers. (Columbia group relocated to accommodate TPs who were not mobile.)

*** Includes Current and Prior Year Paper and Efiled [Federal+ Amended+MFJ+ State and Local Only+QandA's] This number represents approximately the number of clients served: one return=one client or 2 if MFJ; IRS gives us credit for answering questions when we do not do a return, figuring it saves them phone calls!

Here are a few testimonials for this year:

“The tax ministry is great! Good service, community and an overall wonderful experience. They took care of everything and did a great job.” -- Anonymous

“I am just so thankful for the generosity of this service ad the wonderful things this church is doing!” --Anonymous

“My parents have come there many years and now they just can’t travel from their retirement community. I am the son with their POA, and I want to file for them, what can I do? (We sent the information form to their home for them to fill out and the son came in and he filed for them.)

HISTORICAL NOTE

The first year of operation was tax year 2007, and the prime mover and founder of this Ministry was June Wesbury. She had worked with VITA in Lancaster City for tax years 2005 and 2006, and wanted to do more for the community. She has been involved in the FUMC tax office every year and tax year 2016 was her tenth year of active leadership. She announced her retirement from this position on June 14th and transferred most of her responsibilities to Ralph Beedle, a resident of Willow Valley. He has more than 10 years of experience within the AARP Foundation.

VOLUNTEERING WITH FUMC TAX OFFICE

We actively recruit volunteers year-round with an emphasis starting on September 1. You can obtain general information on this effort from one of the contacts listed at the top of this report, or from the AARP Foundation web site:

http://www.aarp.org/money/taxes/info-2006/volunteer_aarp_tax_aide.html

Submitted by Steve Franz
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