

AN ORDINANCE 2006 - 0 1 - 1 9 - 0 0 9 3

AUTHORIZING THE ACCEPTANCE OF A GRANT AWARD FROM THE AT&T FOUNDATION IN THE AMOUNT OF \$49,000.00 TO SUPPORT THE VOLUNTEER INCOME TAX ASSISTANCE PROGRAM; AUTHORIZING THE EXECUTION OF ANY NECESSARY DOCUMENTS; AND ADOPTING THE BUDGET.

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WHEREAS, the City established the Volunteer Income Tax Assistance (VITA) Program to enable the City to provide free tax preparation services and prepare individual tax returns to the community; and

WHEREAS, the City will operate twenty VITA locations across the community to ensure that working families have access to all tax credits to which they are entitled; and

WHEREAS, it is now necessary to authorize the acceptance of a grant from the AT&T Foundation in the amount of \$49,000.00 to support the operational infrastructure of the VITA program, to authorize the execution of any necessary documents, and to adopt the budget; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or her designee or the Director of the Department of Community Initiatives, is authorized to accept a grant award from the AT&T Foundation in the amount of \$49,000.00 to be used to support the operational infrastructure of the Volunteer Income Tax Assistance (VITA) Program, which is to be administered by the Family Economic Success Program of the Department of Community Initiatives. The City Manager, or her designee or the Director of the Department of Community Initiatives, is further authorized to execute any and all necessary documents in connection with the acceptance of said grant award.

SECTION 2. Fund No. 26-012000, Internal Order No. 138000000446, entitled "Volunteer Income Tax Assistance Support" is designated for use in the accounting of said award and the amount of \$49,000.00 is appropriated in said fund. General Ledger number 4502220 entitled, "Contributions Private Donors Restricted" is hereby designated for accounting purposes. The budget for said fund, which is attached hereto and incorporated herein for all purposes as Attachment I, is adopted.

SECTION 3. The financial allocations in this ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocations to

specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP internal orders and SAP GL Accounts as necessary to carry out the purpose of this ordinance.

SECTION 4. This ordinance shall become effective on and after January 29, 2006.

PASSED AND APPROVED this 19th day of January, 2006



M A Y O R

PHIL HARDBERGER

ATTEST:



City Clerk

APPROVED AS TO FORM:



for City Attorney

Volunteer Income Tax Assistance Support

October 1, 2005 - September 30, 2006

	BUDGET
REVENUES	
4502220 AT&T Foundation	49,000
TOTAL REVENUES	<u>49,000</u>
APPROPRIATIONS	
13800000446 Volunteer Income Tax Assistance Support	
5501000 Computer Equipment	49,000
TOTAL APPROPRIATIONS	<u>49,000</u>

**CITY OF SAN ANTONIO
DEPARTMENT OF COMMUNITY INITIATIVES
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives

SUBJECT: SBC Foundation Grant Award

DATE: January 19, 2006

SUMMARY AND RECOMMENDATION

This ordinance authorizes the acceptance of a grant award in the amount of \$49,000 from the SBC Foundation for the Volunteer Income Tax Assistance (VITA) program.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Since 2002, the City of San Antonio has partnered with the Internal Revenue Service (IRS), the Annie E. Casey Foundation, United Way of San Antonio & Bexar County, financial institutions and local universities in establishing the San Antonio Coalition for Family Economic Progress. The Coalition was formed to ensure working families have access to all tax credits to which they are entitled – free of charge.

The tax code is increasingly being used as a tool to alleviate poverty, reward work and help individuals and working families supplement their wages and build economic stability. The Earned Income Tax Credit (EITC), a refundable credit for working filers, can make a substantial difference in working families annual earning. In 2005, EITC returned an estimated \$300 million to San Antonio tax filers. However, according to a 2004 Return on Investment study conducted by Texas Perspectives, Inc., locally 23% of eligible filers do not apply for this credit, which annually costs San Antonio families and the community over \$86 million dollars.

VITA serves individuals and families earning up to \$40,000 annually. Since 2003, VITA has experienced consistent growth through expanded resources and improved outreach efforts. In the 2005 tax filing season, the Coalition prepared over 25,000 tax returns and returned almost \$40 million dollars to working families. For 2006, the Coalition expects to serve over 30,000 families and return close to \$50 million to working families. The average EITC amount returned to families is approximately \$1,952. By providing free VITA services, filers are able to maximize the amount of refund they receive and avoid the use of predatory Refund Anticipation Loans and expensive tax preparation services.

In addition to providing free tax preparation services at VITA sites, families are connected to other benefits and resources available in the community. Eligible families will be connected to Children's Health Insurance Program (CHIP), food stamps, Individual Development Accounts

(IDA), and traditional financial services. Since an estimated 27% of VITA customers are not banked, financial institutions also have a presence at the sites to provide families with savings opportunities, reputable banking services and financial education.

POLICY ANALYSIS

This technology grant awarded by SBC Foundation will allow DCI to increase capacity and work toward self-sustainability as the IRS reduces its involvement in the operation of VITA sites. Specifically, these funds will support the purchase of computer equipment and additional hardware. Over 95% of all tax returns completed through Coalition sites are prepared and transmitted electronically. Currently, the Coalition receives this support from the IRS. However as existing equipment is depleted, the IRS will not replace it.

FISCAL IMPACT

This ordinance authorizes the acceptance of \$49,000 from the SBC Foundation. This action requires no additional General Fund impact.

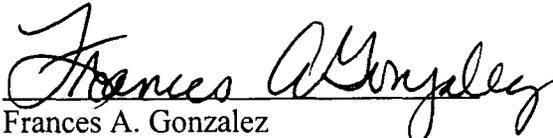
COORDINATION

DCI coordinated activities with SBC Foundation, the Finance Department, the City Attorney's Office, and the Office of Management and Budget.

SUPPLEMENTARY COMMENTS

Provisions of the City Ethics Ordinance do not apply.


Dennis J. Campa, Director
Department of Community Initiatives


Frances A. Gonzalez
Assistant City Manager

Sheryl Sculley
City Manager

DO NOT TYPE IN THIS SPACE		CITY OF SAN ANTONIO		Request For Ordinance/Resolution		Consent <input type="checkbox"/> Individual <input checked="" type="checkbox"/>	
Approval						Item No.	
Finance	Budget					Ord. No.	
Legal Kamen Binka 207-8881	Coordinator						
Date: January 19, 2006		Department: Department of Community Initiatives		Contact Person/Phone #: Dennis J. Campa, Director/ 207-7111			
Date Council Consideration Requested: January 19, 2006		Deadline for Action: January 19, 2006		Dept. Head Signature			
SUMMARY OF ORDINANCE							
<p>An ordinance authorizing the acceptance of a grant award from the AT&T Foundation in the amount of \$49,000.00 to support the Volunteer Income Tax Assistance program; authorizing the execution of any necessary documents; and adopting the budget.</p> <p style="text-align: center;">Council Memorandum Must be Attached To Original</p>							
Other Depts., Boards, Committees Involved (please specify): SBC Foundation, the Finance Department, the City Attorney's Office, and the Office of Management and Budget.							
Contract signed by other party Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>							
FISCAL DATA (If Applicable)							
Amount Expended \$49,000				Funds/Staffing Budgeted Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Fund	26012000	SAP GL Account	5201040	Positions Currently Authorized Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
*Cost Center				Impact on future O & M N/A			
Internal Order No. 138000000446 (Capital Proj.) <i>(Fill out only the field that is appropriate to your council action.)</i>							
Individual Agenda				If positions added, specify Class and Job No.			
Please submit 3 copies with your original							