



**Network of Latino Credit Unions
and Professionals**
P.O. BOX 27728
Washington, DC 20038
latinnetwork@oas.org

**Network of Latino Credit Unions
and Professionals**
P.O. BOX 3342
Durham, NC 27702

December 1, 2008

Internal Revenue Service
c/o Ricardo Soto MS 6610 ELP
700 E. San Antonio, C-101
El Paso, TX 79901

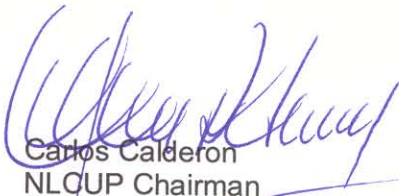
Dear Mr. Soto:

NLCUP is pleased to enter into a partnership with the IRS: Stakeholder Partnerships, Education and Communication (SPEC) group of Customer Assistance, Relationships and Education with the Wage and Investment Division of the Internal Revenue Service.

We look forward to a productive alliance. Should you have any concern, please feel free to contact me.

Enclosed is the Memorandum of Understanding with my signature, dated 11/21/08. Would you be so kind as to return a final copy bearing also the signature of Ms. Carol Barnett, Director of Product and Partnership Development?

Best regards,



Carlos Calderon
NLCUP Chairman

Enclosed:
Signed Memorandum of Understanding



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Atlanta, GA 30308

Wage & Investment Division

**NETWORK OF LATINO CREDIT UNION AND PROFESSIONALS
&
INTERNAL REVENUE SERVICE**

MEMORANDUM OF UNDERSTANDING

I. Purpose and Basis for Memorandum of Understanding

This Memorandum of Understanding (MOU) establishes a partnership between Network of Latino Credit Unions and Professionals (NLCUP) and Stakeholder Partnerships, Education and Communication (SPEC) group of Customer Assistance, Relationships and Education, a segment of the Wage and Investment Division of the Internal Revenue Service (IRS).

The partnership will focus on the promotion of financial education, federal income tax education, free tax preparation sites, and asset building strategies through the establishment and use of IRS' Volunteer Income Tax Assistance (VITA) sites, through community awareness of the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) and the potential use of these credits as funding sources for low-income taxpayers focusing on Hispanic taxpayers with limited English proficiency. The partnership is extended to include all Credit Unions that are members of NLCUP as an integral part of each initiative to assist the LEP Hispanic low-income population in developing asset-building strategies.

The purpose of this initiative is to:

- Assist low-to-moderate income persons and families in enhancing their money management skills,
- Assist low-to-moderate income persons in meeting their tax obligations, and tax rights
- Create positive credit union relationships,
- Use tax credits as funding sources for asset-building strategies.

Respective NLCUP and its member credit unions will determine the level of their involvement in this initiative.

II. Network of Latino Credit Unions and Professionals (NLCUP)

The NLCUP is an independent network of Credit union professionals and representatives of credit unions from across the nation serving or desiring to serve the Latino community. NLCUP's founders are mostly representatives of credit unions serving Latino/Hispanic populations and professional leaders in the credit union movement. The network implements national initiatives targeted to the financially underserved Latino/Hispanic community.

..... NLCUP is funded by the insured credit unions and private grants and receives no federal tax dollars in the execution of its mission.

NLCUP's mission is to "To empower the Latino Community to build family wealth, develop economic opportunity, and secure financial stability."

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III. Stakeholder Partnerships, Education and Communication (SPEC)/ Wage and Investment Mission

The mission of SPEC is to assist IRS customers in satisfying their tax responsibilities by building and maintaining partnerships with key stakeholders and leveraging their resources to inform, educate, and communicate with customers.

IV. Description of the SPEC Limited English Proficiency (LEP) Hispanic Initiative

The goal of this initiative is to provide information in Spanish to increase communication, education and services to the LEP community. The LEP Hispanic Initiative has the following four strategic goals:

1. Align SPEC service content delivery and resources with LEP Hispanic taxpayer and partner needs.
2. Enhance relationships with existing community coalitions and establish new partnerships to support LEP programs.
3. Increase the effectiveness of communication with the LEP Hispanic population.
4. Improve and expand education and awareness activities to influence behavior regarding voluntary tax compliance.

V. Description of the IRS Volunteer Income Tax Assistance Program (VITA)

The IRS offers free assistance with tax return preparation and tax counseling using volunteers trained by the IRS. The VITA program assists individuals with low to moderate incomes. IRS provides training materials for over 70,000 program volunteers.

VI. Description of the Earned Income Tax Credit (EITC)

The EITC is a federal tax benefit to help low-income workers increase their financial stability and maintain their independence from the welfare system. The EITC:

- Reduces taxes for workers
- Supplements wages
- Makes work more attractive than welfare

For tax year 2008, the EITC is a refundable federal tax credit of up to \$4,716 for working families with less than \$39,783 in income. Over 19.4 million working families and individuals received the credit. These amounts will vary accordingly in each subsequent tax year.

VII. Description of the Child Tax Credit (CTC)

The Child Tax Credit (CTC) is a federal tax credit that was worth up to \$1000 per child for tax year 2008. Based on new rules enacted by Congress taking effect in 2008, millions of low-income families are now eligible for the CTC, even if they owe no income tax. A family's CTC amount depends upon the number of dependent children under age 17 living in the U.S. and the family's income tax liability, up to the amount of its total possible CTC.

The new CTC rules allow a family with little or no income tax liability to receive a refund from the CTC based upon the amount by which the family's earned income exceeds \$11,500. These amounts may vary accordingly in each subsequent tax year.

VIII. Duties And Responsibilities Of The IRS

The IRS agrees to the following duties and responsibilities:

- Provide the tax software required to prepare the returns and establish a liaison to ensure technical support from the software provider is delivered consistent with the service contract.

- Provide training oversight: a) responsible for distribution of tax law material; b) instructor guides; c) training for site coordinators and volunteer trainers.
- Provide a point of contact for assistance to VITA site coordinators relative to tax law and e-filing issues at each VITA site during operating hours.
- Assist NLCUP with outreach efforts to the LEP Hispanic population including a) tax education; b) formal presentations on VITA, EITC, CTC and their relationship to financial education and asset building strategies, at NLCUP executive conferences and meetings and network credit union branch meetings.
- Provide guidance on the ITIN and Certified Acceptance Agent process as it relates to tax filing compliance by non-resident aliens.
- Provide statistical data on estimated unclaimed EITC monies for targeted areas.
- Provide information on existing VITA site locations.
- Coordinate and facilitate meetings with NLCUP and our mutual partners on an as needed basis.
- Submit articles, news releases and any other IRS related topics to NLCUP for publication in NLCUP's quarterly newsletter, and inclusion on their website.
- Communicate quarterly to NLCUP, all communication or partnership initiatives, initiated with individual network credit unions or NLCUP offices.

IX. Duties And Responsibilities Of NLCUP

NLCUP agrees to the following duties and responsibilities:

- Provide a point of contact to assist in coordinating partnership activities.
- Assist with tax education and outreach on emerging or changing tax laws and issues affecting W&I taxpayers through dissemination of IRS communication to NLCUP Member Executive staff, NLCUP member offices, individual credit unions, via newsletters, seminars, credit union staff training, internet mass communication, website, or other forms of communication deemed appropriate by NLCUP.
- Maintain confidentiality of credit unions' records.

X. Funding

The IRS and each NLCUP will be responsible for their own cost incurred under this MOU.

XI. Exchange of Information

The IRS and NLCUP will not exchange information, as defined by the Internal Revenue Code, nor information protected from public disclosure under the Freedom of Information Act, 5 U.S.C § 552; the Privacy Act of 1974, 5 U.S.C. § 552a; or the Right to Financial Privacy Act, 12 U.S.C. § 3401 et seq.

XII. Evaluation Efforts

NLCUP and IRS agree to measure the effectiveness and impact of this partnership through the following:

- Review reports that capture the statistics for local VITA initiatives (i.e. number of returns filed, amount of refunds, amount of EITC refund claimed, etc).
- Through communication with Territory Managers, determine level of commitment/service offered from credit union and its impact on the community or coalition.
- When possible, track new credit union relationships or accounts opened by individual credit union participants, or from EITC/CTC refunds

XIII. Amendment

The MOU will be reviewed annually, and may be amended as agreed to in writing by both parties.

XIV. Effective Date And Termination

This MOU shall become effective upon the signature of the authorized officials of the respective parties. It shall remain in effect until terminated by mutual agreement or 60 days advance written notice by either party.

XV. Limitations

This document is a Memorandum of Understanding only. It is entered into only as a declaration of present intent. Nothing herein shall be construed as a legally binding commitment of any part or parties hereto either individually or collectively. This MOU does not create any rights either on the part of any party hereto or any third party. Any provision of this MOU that conflicts with federal law will be null and void.

XII. Points of Contact (POC)

Carlos Calderon
Chief Executive Officer,
OAS Staff Fed. Cr. Union
Telephone: (202) 458-3834
Fax: (202) 458-3838
E-mail: CCalderon@oas.org

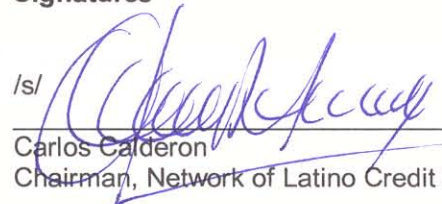
Melinda Willson
Executive Assistant
OAS Staff Fed. Cr. Union
Telephone: (202) 458-6402
Fax: (202) 458-3838
E-mail: MWillson@oas.org

Larry Garcia
President/CEO
El Paso Affordable Housing
Telephone (915) 838-9608
Fax (915) 838-8085
E-mail: epaffordablehousing@sbcglobal.net

Dee-Dee Cobb-Bryd
Chief, Financial Institution Partnerships
Partnership and Product Development
Wage & Investment Division, SPEC
Internal Revenue Service
Telephone: 404-338-7999
Fax: 404-338-7998
E-mail: DeeDee.Cobb-Byrd@irs.gov

Ricardo Soto
Territory Manager, El Paso
Wage & Investment Division, SPEC
Internal Revenue Service
915-834-6512
915-834-6509
Ricardo.Soto@irs.gov

XVI. Signatures

/s/ 

Carlos Calderon
Chairman, Network of Latino Credit Unions and Professionals

Date 11/21/08

/s/

Carol Barnett
Director, Product and Partnership Development
Internal Revenue Service

Date