

Accounting Aid Society

2022 Program Tool Kit



Executive Summary and Contents of Resource Kit

With the use of social media, earned media, and word-of-mouth, and other outreach tactics community partners are powerful allies to one another to reach target audiences with strategic, intentional and effective messaging and resources about programs, services, and education

Since the 2021 American Rescue Plan made significant expansions and improvements to the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC), almost all people raising children, and more workers than ever, will benefit from these credits. These credits provide historical opportunities to reduce poverty and move families up the economic ladder - as long as they know they're out there and can safely access them.

As much as these changes can improve the economic strength of eligible families, these opportunities also have the potential to create new minefields for unwary and vulnerable tax filers- inflated commercial tax preparation fees, motivation for identity theft, and misinformation can all impact taxpayers facing new and complex tax laws.

As tax season is underway, it's critical that we spread the word about the credits and free tax assistance programs that can help households claim their refunds, or help them resolve other tax problems they might be facing alone.

In addition to families and individuals, small businesses, the unsung heroes of our local economy, often fail without the proper accounting systems or knowledge of their financial situation. As our communities continue to grow more reliant on small businesses for job creation and economic growth, it's imperative that small businesses owners have access to the right help to create a firm financial footing in a culturally competent environment.

This tool kit below includes key facts, messaging and materials to spread the word about the Accounting Aid Society's programs - especially to those who are newly eligible for tax credits or to small businesses looking for financial stability in a post COVID-19 environment.

Section I - Free Tax Preparation Assistance + Important Tax Credits

The 2021 American Rescue Plan included significant tax credit expansions that provide historic opportunities to reduce poverty - which mean many newly-eligible households and higher benefits. Because the expansions create filing requirements for many newly-eligible taxpayers who may not usually file a tax return, it's critical families know about the credits and how to access them.

- A. Key Points
- B. Child Tax Credit: What to Know
- C. Earned Income Tax Credit: What to Know
- D. Free Tax Assistance
- E. Digital Assets + Resources
- F. Sample Social Media Messaging

Section II - Low Income Taxpayer Clinic

Dealing with the IRS and taxes can be confusing, intimidating, and expensive. Accounting Aid Society's Low Income Taxpayer Clinic (LITC) has knowledgeable and experienced advocates that can help lower-income taxpayers respond to IRS notices, understand their options and provide other legal support with tax disputes.

- A. Key Points
- B. Program Eligibility + How to Access
- C. Digital Assets + Resources
- D. Sample Social Media Messaging

Part III - Accounting Aid Academy

Powered by Accounting Aid Society, the Accounting Aid Academy ('the Academy') helps small business owners build a solid financial foundation that positions them for success. Through education, technical assistance, one-on-one coaching and tax preparation, small business owners are equipped with the knowledge and tools to understand financial systems, financial decision making, and ultimately access capital.

- A. Key Points
- B. Programs and Services
- C. Digital Assets + Resources

Part IV: Misc.

- A. Accounts to Follow
 - B. Relevant media and press mentions
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Section I - Free Tax Preparation Assistance + Important Tax Credits

Key Points:

- The American Rescue Plan of 2021 included a one-year - but significant - expansion of the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) \ which means **many newly-eligible households and higher benefits.**
- The expansion creates filing requirements for many newly-eligible taxpayers who may not usually file a tax return.
- To claim the credits, eligible taxpayers must file a 2021 tax return in 2022 - even if they aren't normally required to file a tax return.
- Free tax preparation assistance is available for households with incomes up to \$58,000.

The Child Tax Credit (CTC): What to Know

- The Child Tax Credit (CTC) is a tax benefit that helps people offset the costs of raising children. In 2021, the CTC was temporarily expanded and expected to benefit an estimated 1,105,000 families with 1,888,000 children in Michigan
- Many households already received monthly CTC payments from July - December. To receive the balance, taxpayers must file a 2021 tax return in 2022.

- Almost all people raising children (including biological parents, step-parents, siblings, grandparents, and others) qualify for the expanded CTC, even if they don't normally file a tax return or they don't have any income.

CTC Eligibility for 2021

- **Income:** No minimum income requirement, but the credit begins to decrease for those with incomes of \$75,000 and higher.
- **Taxpayer Identification Number:** Taxpayers, spouses, claimed must have a SSN or Individual Taxpayer Identification Number (ITIN), children must have a SSN
- Children claimed must be 'qualifying':
 - Age: must be 17 or under on December 31, 2021
 - Child must live with the recipient in the US for more than half the year (does not need to be consecutive).
 - Child must be considered a dependant for tax filing purposes
- Parents who share custody cannot both get the credit.

The Earned Income Tax Credit (EITC): What to Know

- The EITC is a federal and state tax benefit that puts money back into the pockets of working households by reducing the amount of taxes they owe or by increasing the amount of their tax refund.
- Also as part of the 2021 American Rescue Plan, there were several temporary and permanent changes to the EITC and many people are newly eligible.
- For the first time, people ages 19-24 and 64+ who work are now eligible for the EITC, even if they don't have any qualifying children or don't usually file taxes.

EITC Eligibility + Max Credit Amount in 2021

| Number of children | Single workers with income less than: | Married workers with income less than: | Maximum EITC credit |
|--------------------|---------------------------------------|--|---------------------|
| 0 | \$21,430 | \$27,380 | \$1,502 |
| 1 | \$42,158 | \$48,108 | \$3,618 |
| 2 | \$47,915 | \$53,865 | \$5,980 |
| 3 or more | \$51,464 | \$57,414 | \$6,728 |

Free Tax Assistance + How Taxpayers can Claim the CTC + EITC

If it is a taxpayer's first time filing, or they need help filing their return to claim the CTC, EITC, or other credits and benefits they can:

- 1) **Make an appointment for volunteer tax preparation:** filers who make \$58,000 and under may qualify for free tax preparation provided by Accounting Aid Society. Appointments can be made [online](#) or by calling (313) 556-1920.
- 2) **File on their own using free, online software:** Filers can prepare their own taxes using [MyFreeTaxes](#).
- 3) **Commercial preparation:** Going to a paid preparer can be expensive, and it's important to choose a preparer wisely because the taxpayer is always legally responsible for what's on their return. There are steps households can take to make sure their return is filed correctly by an experienced and trustworthy preparer: [Ten Tips for Choosing a Tax Preparer](#)

Digital Assets and Resources

- [Accounting Aid Society](#) website
- Choosing a Paid Preparer [.pdf](#)
- [Online](#) appointment system
- EITC expansion [infographic](#)
- CTC [Infographic V1](#)
- CTC [Infographic V2](#)
- CTC social media [graphic](#)
- EITC social media [graphic](#)
- 'Meet Ruby' EITC [video](#)

Sample Social Media Messaging

As part of the American Rescue Plan, many taxpayers received Child Tax Credit (CTC) advance payments from July to December in 2021. Now is the time to get the balance of the CTC payments by filing a tax return. If you need help or it's your first time filing, free help is available. Learn more: accountingaidsociety.org/taxpayers

People ages 19-24 and 65 and older who work are now newly eligible for the Earned Income Tax Credit (EITC), even if they don't have kids or don't usually file taxes. If it's your first time filing your taxes or you need help to claim your tax credit, there are free resources and IRS-certified volunteers who can help! Learn more: accountingaidsociety.org/taxpayers

Section II - Low Income Taxpayer Clinic

Key Points

- Low Income Taxpayer Clinics (LITC) are nationwide programs that aim to ensure fairness and integrity of the US tax system for taxpayers who are low-income or speak English as a Second Language (ESL) by:
 - Providing free legal representation on behalf of those in tax disputes with the IRS
 - Educating them about their taxpayer rights and responsibilities
- Accounting Aid Society is one of 4 LITCs in Michigan that help taxpayers:
 - Achieve better outcomes in court cases
 - Access tax credits and benefits administered through the tax code
 - Resolve debts, levies and liens
 - Understand and navigate the US tax system
 - Exercise their rights as taxpayers
 - Comply with their responsibilities to remain solvent
- Our LITC may be able to help taxpayers who:
 - Have received a notice from the IRS and need help responding
 - Have been denied an EITC or CTC claim
 - Wish to appeal an IRS decision
 - Owe back taxes and need help with a payment plan
 - Are being audited
 - Are victims of identity theft
 - Need help with Injured or Innocent Spouse Claim
- Accounting Aid Society's LITC staff are dedicated, experienced and knowledgeable subject matter experts that are available for speaking and education opportunities to equip organizations with

the knowledge they need to inform their constituents, or to provide outreach directly to low-income and ESL taxpayers.

- Although LITCs receive partial funding from the IRS, LITCs, their employees and volunteers are completely independent of the IRS.

LITC eligibility + How to Access

Generally, taxpayers whose incomes do not exceed 250% of the federal poverty guide. Our LITC staff will consult with taxpayers first and decide if they meet the income guidelines and other criteria before moving forward.

Taxpayers can request a consultation by completing an application form [online](#) or by contacting us at: litic@accountingaidsociety.org or (313) 556 - 1920.

| Size of Family | Income Ceiling |
|---------------------------------|----------------|
| 1 | \$ 33,975 |
| 2 | \$ 45,775 |
| 3 | \$ 57,575 |
| 4 | \$ 69,375 |
| 5 | \$ 81,175 |
| 6 | \$ 92,975 |
| 7 | \$ 104,775 |
| 8 | \$ 116,575 |
| For each additional person, add | \$ 11,800 |

Digital Assets + Additional Resources

- LITC overview [.pdf](#)
- Client-facing [.pdf](#)
- Taxpayer Bill of Rights [graphic](#)
- Accounting Aid Society LITC [webpage](#)
- LITC [client story](#)

Sample Social Media Messaging

Dealing with the IRS can be confusing, especially without the right help. Accounting Aid Society's team of experienced and knowledgeable advocates can help you understand and respond to IRS notices and provide other legal support for tax disputes. Learn more: accountingaid society.org/low-income-taxpayer-clinic.

Part III - Accounting Aid Academy

Key Points

- The Accounting Aid Academy is the small business branch of Accounting Aid Society, building traditionally underserved business owners' financial operations management skills and knowledge to grow businesses that increase household income and build generational wealth.
- We bring more minority and women-owned small businesses to the capital table by helping them navigate their finances and make better financial decisions for their business connected to funding opportunities
- Our culturally competent, grassroots focus is nearly entirely unique in the region; we fill a unique niche in the small business ecosystem by offering financial operations management and technical assistance for very particular types of businesses.

Programs and Services

The Academy offers a pipeline of four progressively detailed financial operations management service sets with specific outcomes to meet small business owners' immediate and future needs:

1. **Education and Assessment:** Includes brief introductions to financial operations management topics, such as accounting system basics, basics of bookkeeping, and accessing capital, through 1:1 consultations, workshops and presentations and open office hours. These services ensure owners understand the current position of their existing financial systems.
2. **A-la-Carte Services:** 1:1 technical coaching services to owners including income tax and sales filing, financial statements, and business accounting systems, meant to help business owners meet their immediate tax and accounting needs.
3. **Academy Membership Program:** A milestone-based annual membership program providing business owners with the following services and documents: Income Taxes, Sales Tax, Financial Statements, Accounting Systems. After one year, the business's financial systems are in place and the owner knows how to leverage them to make business decisions.
4. **THRIVE Program:** Offered to a select number of small businesses who have already progressed through the Academy's other services, THRIVE builds on small business owners' progress and focuses on the next step in their business journey - financial statement evaluation and business decisions. Every month, each THRIVE member meets with a bookkeeper to produce a set of financial statements, before working with a business coach to review the statements, identify gaps, reconcile gaps, and evaluate what they mean and how they can affect different business decisions.

Small business owners interested in services can reach out to an Accounting Aid Academy representative [here](#), by emailing info@accountingaidacademy.org, or calling (313) 556 - 1920 x 0047

Digital Assets and Resources

- Academy [Infographic](#)
 - Monthly workshop schedule [.pdf](#)
 - Monthly Workshop social media [graphic](#)
 - Monthly Workshop Series [Zoom link](#)
 - THRIVE [graphic](#)
 - Accounting Aid Academy [website](#)
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Part IV: Misc.

- Accounting Aid Society Impact [.png](#)
- 2021 [Impact Report](#)

Accounts to Follow

FB - [Accounting Aid Society](#)

AAS Academy: IG - [@accountingaidacademy](#)

FB - [Tax Time Allies](#)

IRS: IG - [@irsnews](#)

FB - [Taxpayer Advocate Service](#)

LinkedIn - [Accounting Aid Society](#)

Relevant Media and Press Mentions

- MLive - [Need tax help? Here are Michigan's 4 low-income taxpayer clinics](#)
- Click on Detroit - [Earned Income Tax Credit: It could mean thousands in refunds -- how it works](#)
- Detroit Free Press - [Why some tax refunds fall short of what some families expected](#)
- Detroit Free Press - [New rules for 2021 taxes may mean bigger refund for young workers, retirees with side jobs.](#)
- MNA Online: ['I am my ancestors' wildest dreams': Accounting Aid Society's first Black CEO, Priscilla Perkins](#)
- Crain's Detroit 'Other Voices': <https://www.crainsdetroit.com/other-voices/accounting-aid-society-helps-small-businesses-build-better-financial-future>