Report on the Virginia Community Action Partnership
Earned Income Tax Credit Initiative
Virginia CASH Campaign

December 1, 2025

TO: The Honorable Glenn Youngkin

and

The Honorable Luke E. Torian, Chair
House Appropriations Committee

and

The Honorable L. Louise Lucas
Senate Finance and Appropriations Committee

And
The Honorable Mark D. Sickles, Chair
Joint Legislative Audit and Review Commission

The enclosed report is submitted pursuant to Item 331 A.2 from the Temporary Assistance for Needy Families (TANF) Block Grant that appropriated $635,725 to the Virginia Community Action Partnership through the Virginia Department of Social Services (VDSS) to provide grants to community non-profit organizations that provide outreach, education and free income tax preparation services to those who may be eligible for the federal Earned Income Tax Credit (EITC).

The Virginia Community Action Partnership (VACAP) is charged with reporting on its efforts to expand the number of eligible Virginians who can claim the federal EITC and the number of individuals assisted with tax preparation.

VACAP is pleased to present this report on the Virginia CASH Campaign. It outlines activities throughout the Commonwealth and highlights grantee programs during the 2024 tax season and includes plans for the upcoming tax season.

Respectfully submitted,

Carolyn P. Spohrer
Vice President of Operations

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Executive Summary

The twenty coalitions making up the Virginia CASH Campaign and their dedicated volunteers were well-positioned in their communities to continue the Volunteer Income Tax Assistance (VITA) services this filing season. Creating and managing multiple service delivery options has become the norm with program managers and site coordinators discovering new ways to engage new and existing volunteers and clients**.** Using traditional face-to-face services, drop off, virtual and Facilitated Self Assistance (FSA) models to serve clients that best suits them. Nineteen coalitions working with community volunteers received funding from the Earned Income Tax Credit grant. VACAP supports this program with its own funds and also provides Centralized Services such as marketing, communications and fund raising for VITA.

This is the first program year with additional investments from the General Assembly in the program and the results showed increased results in returns prepared, total federal and state refunds (increased by $2 million), EITC refunds (increased by $300,000), tax preparation fee savings (increased by $400,000) and total number of volunteers (increased by over 8 percent) thus providing additional leverage to serve more Virginians. The total state investment in this program yields a return of $45 for every $1 invested.

The Virginia CASH Campaign highlights from January-October 2025:

- Over $19.6 million in federal refunds
  - Over 20,200 federal returns filed
- $6.5 million in EITC refunds
  - Almost 3,700 taxpayers claiming EITC
  - Over $4.9 million saved in tax preparation fees
- Over $4.7 million in Child Tax Credit/Additional Child Tax Credit
- $3.2 million in state refunds
  - Over 15,500 state returns filed
- More than 900 Volunteers
  - Over 30,000 hours of tax preparation time with a value of more than $1.7 million in volunteer hours donated to deliver this program

The state-funded $485,725 EITC Grant program (average grant to each local program is $25,500) resulted in over 900 volunteers working with 20 coalitions to provide free tax preparation and financial education services at almost 80 Volunteer Income Tax Assistance sites throughout Virginia. Many sites have experienced significant turnover in their staff who manage the program, including coordinating volunteers. The sites have continued to demonstrate local and regional leadership in making these programs national models and see the need for this service growing exponentially.

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The additional $150,000 of the EITC grant program provided centralized services to the 20 coalitions with the focus on cost savings through centralized marketing and volunteer recruitment efforts which results in increase of over 8 percent in volunteers at a time volunteer recruitment in most areas national is on the decline.

More coalitions are offering FSA which allows clients to file their own taxes with help available if needed. Independent Sector estimates the 2025 value of volunteer time nationally at $34.79 per hour. In Virginia, the value is $34.42/hour. The Virginia CASH Campaign volunteers contributed over 30,000 hours of tax preparation to the program. Staff hours for the VITA program exceeded 20,500 hours. Additional hours were contributed for tax training and financial education. This equates to more than $1.7 million in value to the program and communities where staff and volunteers live and work.

The Virginia Community Action Partnership (VACAP) EITC Initiative supports community groups and coalitions throughout Virginia that provide free tax preparation services and promote financial stability, savings and asset building to modest income working individuals and families. The Virginia CASH Campaign (Creating Assets, Savings and Hope) gives the program an identity that is used by the coalitions to engage community partners in their work.

VACAP co-hosted with CASH Campaign of Maryland and Community Tax Aid, D.C., the 10th Common Cents Conference on June 4-5, 2025. Held virtually on the Cvent Attendee Hub platform, *Financial Futures: Empowering Communities to Thrive* included sessions on getting people to programs through financial fitness fairs, how to spot and stop financial exploitation, how to engage with volunteers of every generation, and how to modernize benefits systems among other sessions. Ninety-one attendees plus speakers attended. All sessions were recorded and made available to attendees.

The new round of funding for the EITC Initiative was announced on October 1, 2024, and grant applications were due on November 4, 2024. Recipients were notified of successful proposals on December 6, 2024, and funds were disbursed beginning December 12, 2024. Each coalition submitted a budget and plan as to how the grant funds would be used throughout the year. The largest funding allocation continues to be personnel costs relating to VITA site and volunteer management (66%). Approximately 20% covers rent, equipment, supplies, training, and advertising.

Monthly VITA Chats hosted by VACAP continue to keep coalition partners engaged and current on tax law changes and other ongoing concerns related to providing services. The VITA Chats have been beneficial to facilitate peer learning.

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Linking the tax time moment with other opportunities for financial engagement and empowerment is one goal when providing VITA services. Because a tax refund with EITC and CTC may be the most money a client sees all year in one lump sum, it is important to connect the client with financial empowerment opportunities. Keeping taxpayers compliant is one of Virginia CASH's most important functions. If a taxpayer has a problem with the IRS or Virginia

Department of Taxation, all other efforts to help improve their financial situation are destined to fail.

During this tax season, all of our sites provided services beyond the metrics provided in this report, both for tax-related services and other services. At the heart of Community Action is an emphasis on multi-faceted, comprehensive care that helps address each family's unique needs and circumstances. Some of the additional tax-related services provided include but are not limited to: answering tax-related questions, assisting with IRS communications, helping with W4 or 1099 forms and withholding information, assistance with ID.ME accounts to ensure a guard against identity theft, assisting clients with determining the status of their refunds, providing referrals to other agency or community services or programs available.

History of the EITC Initiative

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low-income working individuals and families. Congress originally approved the tax credit legislation in 1975 in part to reduce the income tax burden on low-income workers, supplement wages and provide an incentive to work. The credit reduces the amount of federal tax owed and in most cases results in a refund check. The EITC is the single largest federal program designed to lift people out of poverty. To qualify for the EITC, taxpayers must work full or part time and have earned income. Income and family size determine the amount of the credit. To qualify, taxpayers must meet certain requirements and file a tax return even if they did not earn enough money to be required to file a return. The EITC was expanded in 2010 to include a larger maximum refund for families with three or more children.

In order to capture a larger percentage of the federal EITC dollars in Virginia, VACAP, with funding from VDSS, designated a full-time staff position in March 2004. Since then, the number of coalitions providing free tax preparation has risen from eight to twenty and clients served from 2,600 to over 20,200 in 2024.

Local outreach efforts are crucial to increasing the number of people who file EITC tax returns. These efforts are most effective when the information comes from a trusted local source where clients have an existing relationship.

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The community network includes partners from Community Action Agencies, local Departments of Social/Human Services, United Way, Head Start, banks and credit unions, places of worship, schools, colleges and universities, employers and elected officials interested in the financial health of the community.

Coalition goals include:

- Promoting the EITC through education, outreach and awareness
- Providing free tax preparation services to avoid the high cost of professional preparers
- Promoting financial opportunities to the unbanked, building financial well-being for clients coming into the free tax sites
- Promoting and providing referrals to other wrap around economic mobility services

VACAP works closely with SPEC (Stakeholders, Partnerships, Education and Communication), the arm of the Internal Revenue Service that oversees the VITA program. VACAP maintains an EITC page on its website and hosts or co-hosts a monthly VITA chat emphasizing timely topics and expanding learning opportunities. VACAP's distribution list serve for news and topics related to the VITA program reaches over 80 providers of VITA and financial capability and keeps coalitions current and informed of new and changing practices.

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Highlights from tax year **2024** (filing season January – extended October 2025)

- 20 coalitions
- Over 20,200 returns prepared (electronic, paper, prior year and FSA)
- Over $22 million in federal and state refunds
- Over $6.5 million in EITC refunds
- Over $4.9 million savings in tax preparation fees
- Average adjusted gross income of clients - $26,700

Highlights from tax year **2023** (filing season January – extended October 2024)

- Over 19,701 returns prepared (electronic)
- 1,629 (paper, prior year, and Facilitated Self-Assisted) returns filed
- Over $20 million in federal refunds
- Over $6.2 million in EITC refunds
- Over $4.5 million savings in tax preparation fees
- Average adjusted gross income of clients - $26,690

Highlights from tax year **2022** (filing season January – extended October 2023)

- Over 18,000 returns prepared (electronic)
- 1,392 (paper, prior year, and Facilitated Self-Assisted) returns filed
- Over $19 million in federal refunds
- Over $5.4 million in EITC refunds
- Over $4.5 million savings in tax preparation fees
- Average adjusted gross income of clients - $26,000

Highlights from tax year **2021** (filing season January – extended October 2022)

- Over 16,000 returns prepared (electronic)
- 1,173 (paper, prior year, and Facilitated Self-Assisted) returns filed
- Over $26 million in federal refunds
- Over $7.7 million in EITC refunds
- Over $4 million savings in tax preparation fees
- Average adjusted gross income of clients - $22,500

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Fall 2024 EITC Grant Awards

VACAP provided grants totaling $485,725 to the following 19 coalitions whose staff and volunteers provide free tax preparation and financial capability services:

Grant Award	Organization
$26,000	Appalachian Community Action
$20,000	Clinch Valley Community Action
$15,000	Community Tax Aid
$15,000	Eastern Shore CAA/AAA
$40,000	Hampton Roads Community Action
$14,000	Lynchburg Community Action
$35,500	Madison House
$26,000	Mountain CAP
$30,000	New River Community Action
$24,000	People Inc. of Virginia
$27,000	Pittsylvania Community Action
$27,000	Rappahannock United Way
$30,000	Rooftop of Virginia
$27,500	STEP, Inc.
$27,500	Total Action for Progress
$26,000	Tri-County Community Action
$32,200	United Way of Greater Richmond and Petersburg
$27,100	United Way of Henry County & Martinsville
$15,925	Williamsburg-JCC CAA

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The Value of Volunteer Time

From January through July 2025 (and continuing through October 15, 2025 in some cases), volunteers and staff working with free tax preparation coalitions provided free tax preparation services. The data show one important aspect of the success of the program. Individuals and families who benefit from the program and volunteers providing the free tax preparation services also tell a meaningful story.

According to Independent Sector, the 2025 Virginia Hourly Volunteer Value of Volunteer Time is $34.79. In Virginia, the value is $34.42/hour. It ranges from basic, simple tasks that might be valued at minimum wage, up to professional services given by doctors, lawyers, or accountants that would be valued very highly. Visit Virginia Service for additional volunteer information.

During the past tax-filing season, there were more than 900 Virginia CASH Campaign volunteers who contributed over 30,000 hours to the free tax preparation efforts. If you include staff time (20,600) working with the VITA programs the $34.42/hour Virginia value per volunteer hour translates to a more than $1.7 million contribution to the free tax preparation programs in communities across Virginia.

The VITA program is proud of the dedication of volunteers giving back to their communities. The value of volunteer time combined with the savings by not paying expensive tax preparation fees continues to have a positive economic impact in the local communities.

On November 14, the Governor recognized eleven Virginians and organizations for their outstanding contributions to service and community at an annual awards program that honors those whose dedication and leadership are making a measurable difference in strengthening communities and improving lives across the Commonwealth. The award for Independent Group went to the VITA Tax Clinic volunteers at Total Action for Progress (TAP) in Roanoke.

TAP operates the VITA Tax Clinic, a volunteer-driven program serving Southwest Virginia since 2002. Led continuously by Program Director Teffany Henderson, the clinic has become a regional model of service-oriented leadership by providing free, high-quality tax preparation to low- and moderate-income individuals across 11 localities. The clinic relies on certified volunteers who manage every aspect of service—from client intake to tax preparation and filing, both in person and virtually. TAP's VITA Clinic is a vital resource offering an accessible alternative to costly and predatory tax services.

The clinic's adaptability, including early adoption of secure online filing and its swift transition to contactless service during the COVID-19 pandemic, demonstrates innovative leadership that has inspired similar programs across the region. Under Teffany's guidance, the clinic exemplifies how sustained volunteer leadership builds community trust and long-term impact.

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Volunteers bring knowledge, patience, and care to each appointment—ensuring clients understand their returns and receive the maximum refunds possible. In February alone, 75% of clients were women or seniors, with an average adjusted gross income of $24,250. The program returns an estimated $550,000 annually to the local economy, supporting housing, healthcare, and education for vulnerable families.

By choosing to give their time, TAP's volunteers lead with intention and heart—ensuring no one is left behind. This leadership creates a sustainable model of service that transforms lives, strengthens communities, and inspires others to step up and serve. For the last four years, the VITA Team at Total Action for Progress (TAP) has included seven dedicated volunteers—Steve Cronemeyer, David Hunter, Diane Johns, John Normandy, Gerald Oefelein, Barbara Stecker and Tom Willard. These volunteers have provided a long-lasting impact for individuals in the community. The VITA Team assists each tax customer with respect and dignity. From providing tax education to basic financial literacy, each volunteer goes above and beyond to ensure tax customers understand tax refunds and financial obligations.

Operating entirely through dedicated volunteer effort, the clinic consistently meets rigorous IRS standards while serving both rural and urban communities. Every hour donated translates directly into accurate tax returns, crucial refunds, and financial stability for families who need it most. The Tax Clinic's success over the last four years is possible thanks to the VITA Team's exceptional level of service and genuine hearts to provide a valuable service to those in need in the community. This group of volunteers shares the mission to make a difference in their communities. They are reliable and a trusted source for preparing tax returns. Often, tax customers are at ease when seeing a familiar face at the Tax Clinic. The VITA Team is the heart of free tax assistance in the Roanoke community.

As with TAP, all our coalitions value their volunteer contributions to their local communities.

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Free Tax Preparation Results

In addition to the federal returns electronically filed, coalitions filed Commonwealth of Virginia returns. The Virginia refund amount includes the new partially refundable EITC credit. Several coalitions partner with the local Commissioner of the Revenue (COR) office. The local VITA processes the federal return and then sends the taxpayer to the local COR for state filing. Many coalitions collect their own data which helps them refine their messaging to target clients in need of assistance.

The coalitions working with VACAP and the Virginia CASH Campaign posted results for the extended **2024** tax year:

- **Over 20,200** total federal returns filed
- **Over $19.6 million** in federal refunds (electronic returns)
- **$987** average federal refund

- **3,627** returns processed with EITC
- **Over $6.5 million** in EITC refunds
- $**1,813** average EITC refund
- **Over $4.75 million** in Child Tax Credit/Additional Child Tax Credit

- **Over $4.9 million** savings to taxpayers
- **$26,700** average adjusted gross income

- **Over 15,500** state returns filed electronically
- **Over $3.2 million** in state refunds

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Plans for the 2025-2026 Season

As part of VACAP's Pathways from Poverty to Prosperity Summit, held in Richmond September 29-October 1, 2025, the Virginia CASH Campaign held a half-day Fall Classic Training for all VITA staff and leaders. Topics included a panel discussion with three successful VITA programs, marketing and communications best practices, updates from federal IRS SPEC representatives, and opportunity for valuable peer discussions in afternoon roundtables led by experiences VITA facilitators. The Virginia CASH Campaign grant application process is currently underway for the upcoming filing season. Grant applications were due on November 7th this year. Twenty-one applications were received, and grant awards will be announced by December 12, 2025.

VITA coordinators are looking forward to a successful tax filing season and are currently engaging in preparation efforts like volunteer recruitment, training, and marketing to prospective filers. This year we expect more opportunities to assist unbanked Virginians as the IRS moves away from issuing paper checks and thus our referral services will be needed more than ever. In addition, with uncertainty on federal funding for many related services the program sites will rely on this state appropriated investment more than ever to triage need in this core human service and financial empowerment program area.

Virginia Community Action Partnership is grateful for the increased appropriation this year and looks forward to reporting on successes assisting Virginians with federal and state tax filing compliance in the year ahead.