

**Refund to Assets 7 (R2A-7)**  
**US Savings Bond Project – Tax Season 2010**  
**Request for Proposals**  
**D2D Fund, Inc., (617)-541-9066**  
[www.d2dfund.org](http://www.d2dfund.org)

D2D Fund (D2D) and its partners will offer Series I U.S. Savings Bonds as a tax-time savings tool for the fourth consecutive year during Tax Season 2010. D2D invites organizations operating VITA sites to participate in the 2010 project by responding to this Request for Proposal (RFP). The RFP outlines D2D's objectives for Tax Season 2010 and requirements for participation.

Please read through the RFP carefully, and then complete the Application for Refunds to Assets 7 (R2A-7) (designed using SurveyMonkey) by clicking on this link:

[http://www.surveymonkey.com/s.aspx?sm=BHawSczXqev8KsuPy9SCxg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=BHawSczXqev8KsuPy9SCxg_3d_3d)

no later than **September 21<sup>st</sup>, 2009**. Please call us at the above phone number with any questions or email Preeti Mehta ([pmehta@d2dfund.org](mailto:pmehta@d2dfund.org)), Christina Kasica ([ckasica@d2dfund.org](mailto:ckasica@d2dfund.org)) or Timothy Flacke ([tflacke@d2dfund.org](mailto:tflacke@d2dfund.org)).

Please note that you can go back and complete a partially completed application while the application process is open until **September 21st, 2009** and before you **exit** the application by clicking on the **"Done"** button at the end.

To go back to the application, access the application by clicking on the above link using the same computer that you used to begin the application. You will be taken to the last page completed. After September 21st, the process will be closed, so you will not be able to access the application form. Also, if you exit the application by clicking on the "Done" button at the end of the application you will not be able to re-enter the application.

More detailed instructions for completing the application are available on the first page of the application form after you click on the link above. Please review them carefully before you start the application process.

D2D will complete the review process no later than **October 8<sup>th</sup>, 2009**.

### **I. Background**

In 2009, D2D partnered with 67 VITA sites in 19 states to offer U.S. savings bonds at tax time. To learn more about the project and its results, read D2D's report of the 2009 pilot at [www.d2dfund.org](http://www.d2dfund.org). D2D and its partners used a web-based system for ordering and processing bonds. This system, known as the Savings Bond Portal, was created in partnership with H&R Block. H&R Block Bank provided the back end processing necessary to complete the bond order process and will continue to be a key partner in 2010.

D2D's objective is to provide quality savings opportunities for lower income families at scale. Within the context of its savings bond work, D2D's long term goal is that the option to purchase a bond should be returned to the tax return, for example by leveraging the Form 8888 (which allows tax filers to split their

refunds). Returning US Savings Bonds to the tax return requires a change in the Treasury Department's administrative policy. In 1962, tax filers could choose to receive their refund in the form of savings bonds. With Form 8888 tax filers can apply just a *portion* of their refund to saving, allowing flexibility in allocating their refund towards both savings and spending goals.

D2D also advocates other changes to the U.S. Savings Bond program to capitalize on the potential of this important saving tool. In 2008, D2D and its partners formed the Savings Bond Working Group (SBWG) to lead the effort to achieve its long term vision. The Working Group has met regularly since then. VITA sponsors who participate in the savings bond pilot are strongly encouraged to join and participate in the SBWG. You can read more about the SBWG here: [www.d2dfund.org/workinggroup](http://www.d2dfund.org/workinggroup).

D2D is optimistic about its policy change goal for U.S. Savings Bonds at tax time given the new administration's focus on savings and investment for *all* Americans. It has recently heard reports of changes to IRS Form 8888 possibly even for tax season 2010, indicating that its tax time bond purchase proposal is receiving serious consideration by senior Treasury officials. However, as of this writing, **no policy change is confirmed** and D2D's pilot will continue as planned per this RFP.

## II. Important lessons D2D has learned from past Refunds to Assets pilots

D2D believes the following elements are essential to effectively offer U.S. savings bonds during tax time. Please review each of the following carefully as you respond to this request.

1. **Site staff / volunteer commitment** – for sites to be successful, site managers, site coordinators and other staff and volunteers must be engaged and knowledgeable about the program and invested in its success. For example, staff and/or volunteers who are greeters at tax sites and those who perform the intake functions can play a significant role in offering bonds at tax site.
2. **Tax site staffing** in the past, most sites have hired a dedicated and trained “*bond coordinator*” to offer bonds to clients. Some sites have used “*cash coaches*” or “*asset specialists*” trained to ask clients about several financial products and services. Clients should also be made aware of bonds' availability through signage, literature, table toppers, etc., all of which will be furnished by D2D to participating sites.
3. **Commitment to interface with every client** – at successful sites, staff and volunteers approach **every** client with a bond offer. Opportunities to do this occur at every stage of the tax preparation process: while clients wait in waiting areas, during intake, in discussions with a cash coach or asset specialist, during tax preparation and finally during the quality review stage. Face to face interaction is key to successful bond promotion. The “ask” is best made by enthusiastic staff persons or volunteers, trained to acquaint clients with bonds, explain bond features and answer questions. Staff and/or volunteers ensure that each client hears about bonds at least five times between being asked personally and by being made aware of well-placed marketing aids.
4. **Advocacy** – Helping the community, region and nation at large understand the importance of saving, the will to save in the VITA community and the need for easy access to trusted savings products like U.S. Savings Bonds is important to site success.
5. **Pre-season training** – the most accurate predictor of how well a VITA site volunteer or staff member will support a savings bond offering is the quality and extent of orientation and training he or she receives.
6. **A plan for on-going motivation** – offering savings bonds can be challenging. Even at a tremendously successful site, nine out of ten clients who are offered savings bonds will say “no.” The most

successful sites develop strategies to keep volunteers and staff energized, such as publicizing interim results - sharing progress from other sites (to provide a sense of perspective and community), and assigning key personnel to cheer staff on and keep motivation and energy levels high.

7. **Client demographics** – VITA clients must use direct deposit to purchase a bond. Therefore, a site with a high proportion of customers with bank accounts is optimum. Purchasers tend to be parents, and have substantial federal tax refunds. The most successful VITA sites have clienteles that align, to a great degree, with these characteristics.
8. **Site characteristics** – in order to offer savings bonds, a site must have access to the Internet, a photocopier, and a secure storage facility (to keep original documents on file for three years after tax season). Ideally, a site will run Tax Wise software (Desktop, *not* Online) and have permission to display posters about savings bonds on the walls. In terms of physical characteristics, a site with a waiting room provides a good venue for introducing and describing savings bonds. Sites that have been in the same location for more than two seasons are generally easier for clients to find and more likely to have operational bugs worked out.

### III. Overall Objectives for R2A-7:

1. Ensure a tax time savings bond purchase option returns to the tax filing process.
  - a. Demonstrate continued demand (take-up) for savings bonds.
  - b. Continue to educate elected officials about the potential and simplicity of the tax time bond proposal.
  - c. Improve the quality of pilot bond order processing.
2. Prepare to ensure the tax time bond purchase policy is successfully implemented, once the policy is assured.
  - a. Lay the foundation for a comprehensive marketing effort of the new policy.
  - b. Advocate that the federal government / current Administration adopt as a public policy goal the promotion of saving and thrift.
  - c. Test innovative approaches to marketing.
3. Lay a foundation for future, related policy issues
  - a. Better understand the potential of incentives in driving saving (through savings bonds), as represented by proposals to expand the Saver's Credit
  - b. Inform the development of an "R Bond" proposal (often linked to the Administration's Auto IRA proposal).
  - c. Research the impact of public assistance asset limits on savings bond take-up.

**Time-frame:** R2A-7 will run from the opening of Tax Season 2010 through June 15, 2010. Sites will be asked to offer bonds for at least the first eight weeks of tax season.

### IV. VITA Site Requirements and Responsibilities

A primary consideration in choosing VITA partners for Tax Season 2010 is their ability to help achieve the above objectives. Following are the requirements for participation. VITA sites must:

**D2D Liaison** – appoint someone to act as a D2D liaison before, during and after tax season. Preparing for the project requires, on average, two hours a week for planning calls (marketing, training, operations etc.) through October and November, and more time as volunteer training and site set up gets underway.

### **Before tax season**

**Agreement** - execute a “Savings Bond Portal Terms of Service Agreement” with H&R Block.

**Volunteer and staff training** – work with D2D to incorporate “*how to*” and motivational material on saving at tax time and savings bonds into tax preparer training; deliver training to all tax preparers and appropriate other site staff prior to tax season. Start training as early as possible. Staff or volunteers that will use the portal to order bonds will need to be certified to do so.

**Tax season preparation** – learn procedures for bond order processing and customer service; participate in at least four conference calls and/or webinars before tax season and during (as need warrants) for project updates and to provide feedback.

**Marketing** – develop a promotion plan to mention bonds at least five times to each client. D2D will help with plans as needed.

### **During Tax Season**

**Marketing** – actively promote savings bonds to clients per promotion plan; present benefits of a bond purchases in small group settings or one-on-one; distribute marketing materials

**Administration** – ensure that client bond orders, disclosures and authorizations, and any other paperwork are completed correctly and on time; conduct a quality control review on all bond orders.

**Problem Resolution** – work with D2D to resolve any client inquiries or other issues that arise in connection with the bond offering (e.g., missing bonds, IRS offsets, etc.)

**Advocacy** – support efforts to advocate savings bonds on the tax return and related issues

### **After tax season**

**Wrap up and follow-up:** provide feedback on overall Tax Season 2010 pilot experience, work with D2D to resolve any open order or client issues. Participate in a final group conference call.

## **V. D2D Responsibilities**

To support R2A-7 pilot sites D2D will provide the following:

- Project management and evaluation – overall leadership, project planning, coordination and communication; information sharing among test sites and with H&R Block Bank. Project evaluation.

- Saving bond order and delivery– D2D will operate the web based the savings bond ordering and client authorization system with H&R Block and work with H&R Block Bank to facilitate delivery of bonds to client addresses.
- Marketing – D2D will create and deliver marketing materials to VITA sites
- Training support – D2D will design and implement training for site staff and volunteers on a variety of topics relating to offering bonds;
  - how to discuss savings at tax time with tax clients
  - U.S. savings bond features and how to offer them to clients
  - How to use the savings bond ordering system to perform several order-related functions
- Staff selection support – if requested, interview prospective bond coordinators or sales staff
- Troubleshooting – help resolve issues or concerns that arise from sites related to bond order processing
- Advocacy and Communications – provide coaching and support in the form of talking points and other materials as necessary

### **Funding for Research & Advocacy sites**

D2D has a limited number of \$3,400 stipends available to select sites that wish to support the research objectives of the project and be particularly active in advocacy activities. These stipends are intended to cover expenses related to:

- supporting the pilot’s evaluation effort by collecting data on bond purchasers through surveys, focus groups and other evaluation programs
- staff time dedicated to the promotion of savings bonds, savings bond-related training and oversight of portal operations
- (optional) participation in one or more of the sub-pilots described below

To be considered for the stipend, in addition to the requirements above, sites must also:

**Agreement** - execute a contract with D2D regarding the terms of pilot participation (expectations, funding, liability, data requirements, etc.).

**Education and Research** – support the research objectives of the project by collecting surveys from bond purchasers. D2D will use an online survey tool to collect surveys from sites. Tax preparers and/or bond coordinators will be asked to enter survey data in Survey Monkey. Sites will also be asked to maintain a simple calendar of when bonds are offered during tax time. As part of the evaluation effort, sites may be asked to support purchaser focus groups or follow-up survey efforts.

**Advocacy** – support the SBWG in preparing and advancing savings bond policy objectives by joining and actively participating in the SBWG, including quarterly conference calls and one active sub-team. Other activities may include scheduling visits to local offices of senators and representatives, visits to relevant agencies (e.g., the Treasury Department), letter writing, obtaining local media coverage and identifying bond purchasers who may support the advocacy work. Bond purchasers so identified and site staff may be invited to appear in videos, speak to their communities about savings bonds, or attend conferences to talk about their experiences. Sites may also be asked to collect anecdotes about the reasons clients purchased (or did not purchase) savings bonds.

**Evaluation, wrap up and follow-up** – obtain and provide anonymous tax client data to D2D, provide feedback on overall Tax Season 2010 pilot experience, work with D2D to resolve any open order or client issues. Participate in a final group conference call, and in a follow-up survey.

**Optional participation in one or more of the following sub-pilots:**

1. Conduct a sub-pilot grassroots community outreach strategy tapping and cultivating respected community representatives (e.g., church leaders, past bond buyers, past bond coordinators, focus group participants) to spread the word about savings bonds and saving at tax time.
2. Test the effectiveness of alternative marketing collateral informed by D2D's ZMET research and by incorporating behavioral economics concepts.
3. Inform the development of an "R Bond" proposal (often linked to the Administration's Auto IRA proposal) by:
  - a. marketing and framing existing Series I savings bonds as tools for retirement savings
  - b. better understanding the potential of incentives in driving saving via savings bonds by simulating an expanded saver's credit that a) applies to savings bonds and b) is refundable, in order to gauge impact on saving demand and the profile of savers.
  - c. targeting tax clients who are not eligible to save for retirement elsewhere.