2027 LITC Grant Application Training: Budget Basics

LITC Program Office | June 9, 2026

Low Income Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

TAXPAYER ADVOCATE SERVICE

YOUR VOICE AT THE IRS

Presenters

- Otis Simpson, LITC Budget Analyst
- Donald Garrett, LITC Budget Analyst
- Michelle Harrell, LITC Budget Analyst

LITC
Low Income
Taxpayer Clinics

Learning Objectives

- Learn about the statutory and regulatory requirements and limitations of an LITC budget
- Understand how to navigate and input budgetary information into the LITCGrants Portal
- Review common errors on submitted LITC budgets

Key Information and Webinar Pointers

- The grant application period opened on May 6, 2026, and runs through July 6, 2026.
- Please keep your microphone muted.
- Type questions into the chat; we will address them at the end of each section.
- Today's session is not being recorded. The slide deck will be available on the LITC Toolkit after today's presentation.

All applicants are required to submit a proposed budget

- Form 13424-J, Detailed Budget Worksheet and Narrative Explanations, is required to apply
- The budget should estimate expenses for January 1, 2027, through December 31, 2027.
- In the budget, you will identify whether expenses will be paid with federal grant funds or from matching funds (or a combination of both)
- **You may request up to $200,000 in grant funds in your budget**

LITC
Low Income Taxpayer Clinics

"A low-income taxpayer clinic must provide matching funds on a dollar-for-dollar basis for all grants provided under this section."
26 USC § 7526 (c) (5)

LITC
Low Income Taxpayer Clinics

You are required to provide matching funds for every grant dollar

- For example, if you request $150,000 in grant funds, you must have at least $150,000 in expenses paid for by other sources in your budget
- Potential sources of matching funds:
  - Fundraised or generated cash
  - Other grants
    - If claiming another federal grant as matching funds, make sure this is allowed under that grant
  - Donated goods
  - Volunteer hours

The fair market value of donated goods & services can be matching funds

FMV Sources for Donated Goods

- The purchase price of the item
- If not typically sold, purchase price of similar items

FMV Sources for Volunteers

- The hourly rate of comparable staff
- The BLS hourly rate of comparable job role
- Attorneys, CPAs, and EAs are valued at $260 per hour for **representation work** done

Determine your likely sources of matching funds before starting your budget

Example

- $10,000 in Board donations
- $5,000 in community grant
- $52,000 in volunteer receptionists (4 individuals working 10 hours a week for 52 weeks at $25 /hr.)
- $3,000 in donated computers and software

- Applicant can request up to $70,000 in federal funds
- Because donated goods and services are already counted as expenses, applicant can propose up to $85,000 more in expenses

LITC
Low Income Taxpayer Clinics

Expenses must be reasonable, documented, and allocable

1. **Be necessary and reasonable for the performance of the federal award**

   2 CFR § 200.403(a)

2. **Be adequately documented**

   2 CFR § 200.403(g);

3. **Not used as matching funds for other federal grants**

   2 CFR § 200.403(f);

4. **If shared amongst different programs, properly allocated to LITC**

   CFR § 200.405(a)(2).

LITC
Low Income Taxpayer Clinics

Note: Pub 3319 has a list of example allowable and unallowable expenses

3 Things Needed for All Proposed Expenses

1. Total cost to the organization
2. How much of that cost is an LITC expense
3. How much of the LITC expense is paid by the grant

LITC
Low Income
Taxpayer Clinics

Non-Allocated Expense Example

The sponsoring organization spent $500 on LITC printing needs, including promotional flyers, mailers, and printing legal briefs.

- $500 total expense
- $500 * 100% = $500 LITC expense
- 80% paid by the grant = $400
- 20% paid by matching funds = $100

LITC
Low Income
Taxpayer Clinics

Allocated Expense Example

The sponsoring organization spends $50,000 annually on printing. It is administratively burdensome to track the cost of individual print jobs, so the clinic allocates printing costs based on FTE.

- The clinic has 3.45 LITC FTE out of a total 26 FTE (13.27%).
- $50,000 total expense
- $50,000 x 13.27% = $6,634.62 LITC expense
- 40% paid by the grant = $2,653.85
- 60% paid by matching funds = $3,980.77

LITC
Low Income
Taxpayer Clinics

LITC Grants Portal Registration and Log-In

Low Income Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

TAXPAYER ADVOCATE SERVICE

YOUR VOICE AT THE IRS

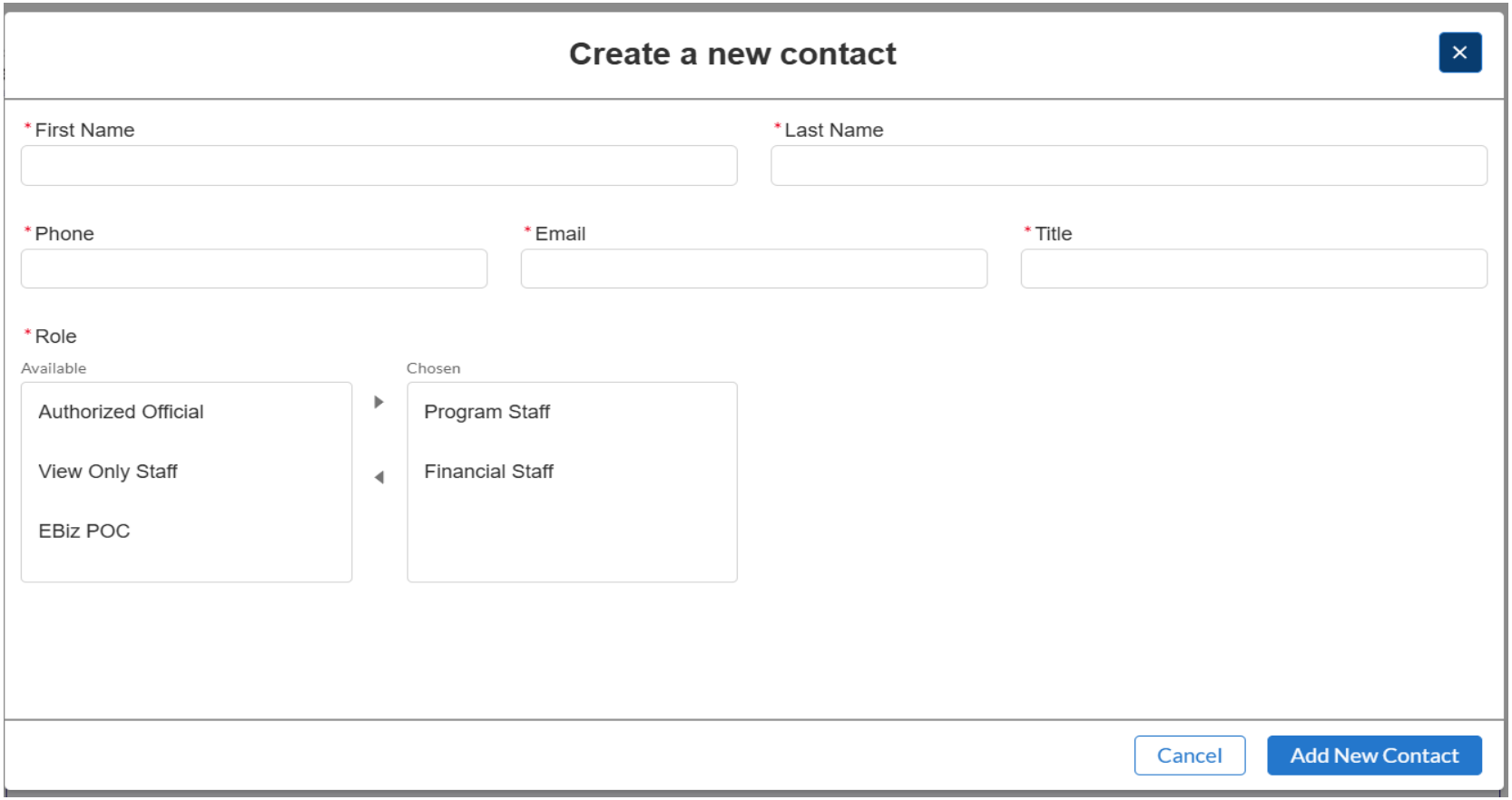
New Portal- Designed to Improve the User Experience (https://litcgrants.treasury.gov)

- Less administrative burden on clinics and Program Office staff
- Development and design flexibility
- Latest available technology
- Actionable data
- Reduced cost
- Streamlined and improved user interface

LITC
Low Income Taxpayer Clinics

Only Authorizing Officials and Finance Staff can edit the J form

- Authorizing Official: The individual can sign on behalf of the applicant and legally bind the sponsoring organization, able to manage accounts, submit applications, and view the budget and financial reports.
- Financial Staff: This individual can edit and view the budget and financial reports only.
- View Only: This individual can view the organization's applications, forms, and reports. It was created with auditors in mind.
- Program Staff: This individual can edit and view all of the organization's applications, forms, and reports, except for the financial budget and reports.
- Ebiz POC: This individual is designated on SAM, is responsible for authorizing personnel access into Federal Government electronic business systems, and can manage the account.



LITC
Low Income
Taxpayer Clinics

An official website of the United States government

Treasury CRM LITC

Telephone: 202-317-4700 | E-Mail: litcprogramoffice@irs.gov

Sign in with ID.me

Who is ID.me?

ID.me is a trusted provider specializing in digital identity protection, providing users with secure access to applications.

By selecting ID.me, you will be redirected to ID.me's website. ID.me is not a government entity. You consent to the privacy and security policies for identity and access management through ID.me Terms of Service | Privacy Policy. | FAQ

You have accessed a U.S. Government information system. There is no expectation of privacy in this system and your usage constitutes your understanding and consent to monitoring of your activities on the system. All data contained may be captured and disclosed or used for any lawful government purpose, including use by law enforcement officials as potential evidence of a crime. Unauthorized or improper use of this information system is prohibited and may subject you to disciplinary action, as well as civil and criminal penalties.

Navigating the LITC Grants Portal



Low Income Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

TAXPAYER ADVOCATE SERVICE

YOUR VOICE AT THE IRS

The Three Sections of the Portal Homepage

1. **Introduction:** Announcements and overview
2. **My Applications:** Access your application
3. **My Contacts:** Manage users within your organization

LITC
Low Income
Taxpayer Clinics

Two Types of Applications in the Portal

- **New Application:** Applicant seeking an LITC grant for the first time or a returning clinic whose LITC award period has ended or will end on December 31, 2026.

- **Continuation Request:** A returning clinic funded with a multiyear LITC grant that ends after December 31, 2026.

Application Forms- For New and Continuation Requests

- Standard Form 424, Application for Federal Assistance
- IRS Form 13424-M, Low Income Taxpayer Clinic (LITC) Application Narrative
- IRS Form 13424-J, Detailed Budget Worksheet and Narrative Explanations

LITC
Low Income
Taxpayer Clinics

Low Income Taxpayer Clinics
REPRESENTATION • EDUCATION • ADVOCACY

- Introduction
- My applications
- My contacts

Welcome to the LITC Grants Portal

Grant application forms

To be considered for 2026 LITC Program grant funding, all LITC New Grant Applications and Non-Competing Continuation (NCC) Requests must be submitted by 11:59 p.m. (Eastern Time) on **July 14, 2025.** The Funding Opportunity Number for the 2026 LITC grant is TREAS-GRANTS-042026-001. All grant applications must be submitted electronically in the LITC Grants Portal. Any forms submitted with the application may be released under the Freedom of Information Act (FOIA). In response to a FOIA request, the LITC Program Office will release these forms after appropriate redactions to ensure confidentiality of taxpayer information. If you have questions about the LITC Program or grant application process, please contact the Program Office at 202-317-4700 or by email at LITCProgramOffice@irs.gov.

Application forms

A complete LITC Grant Application consists of the following items, submitted through LITC Grants Portal and prepared in accordance with the relevant instructions provided in Publication 3319:

- Standard Form 424, Application for Federal Assistance

Help

For assistance on you submission and other questions, contact LITCProgramOffice@i

Legend

LITC
Low Income Taxpayer Clinics



Introduction

My applications

My contacts

Applications

Start a new application

My applications

	Application Id	Type	Deadline	Status	Edit/View	More Actions	Download
1	APP-0182	New	7/14/2025	In Progress			

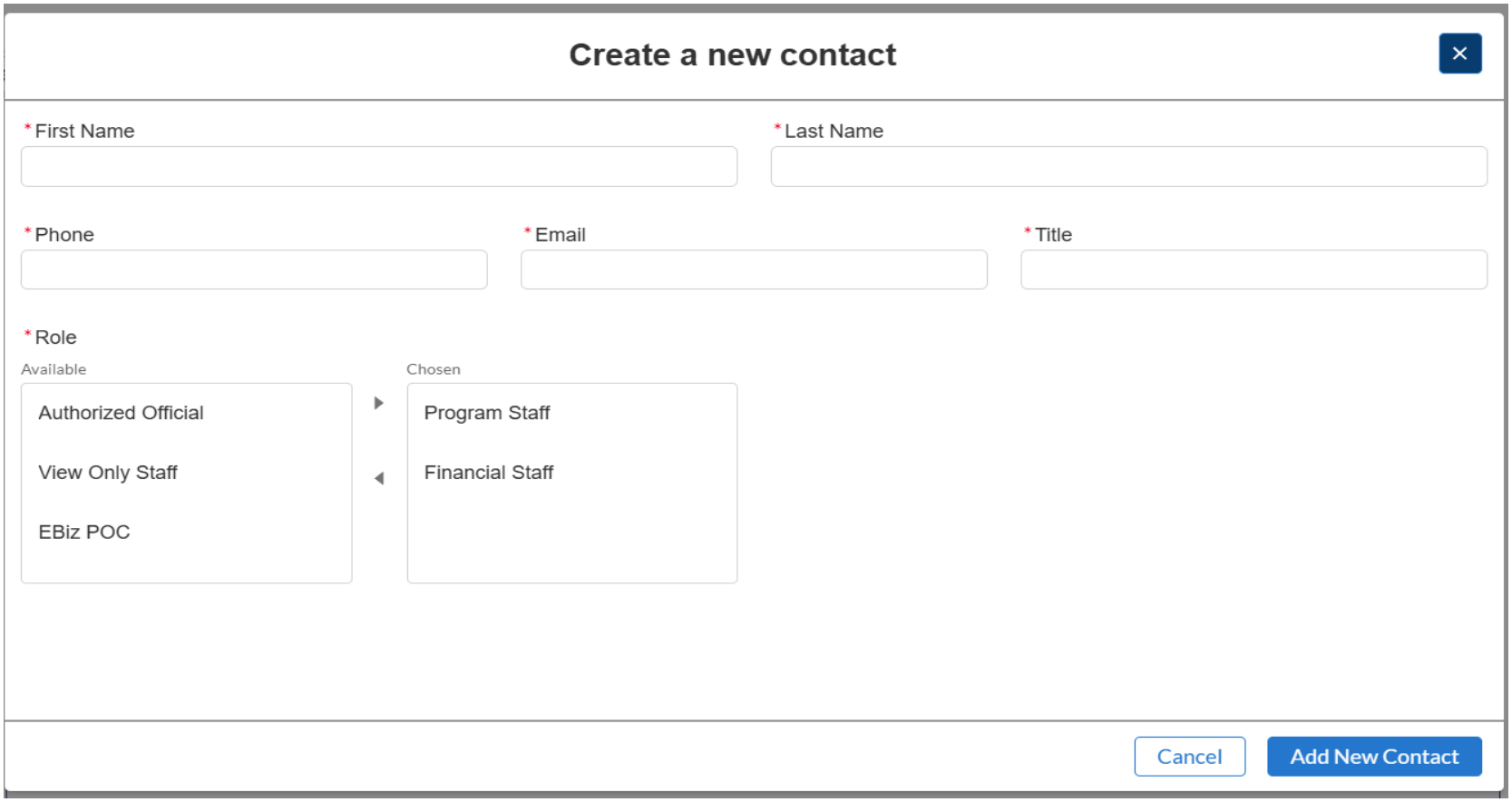


Contacts

Create new contact

	Name	Email	Title	Role	On-boarding email	Edit
1	Donald Taro Ya...	donaldigarrett...	Principal	Authorized Offi...	Resend	

LITC
Low Income
Taxpayer Clinics



LITC
Low Income
Taxpayer Clinics



Overview

General instructions

The information collected with these forms will be closely evaluated when reviewing and scoring the grant application. Please answer all the questions carefully and report all information completely and accurately. Please also review the instructions on each of the forms. The Form 13424-M is an interactive form and answers you provide about the type of application and program plan will determine what questions you are asked as you go through the form. Pay close attention to these early responses to ensure you are prompted with the questions that pertain to your clinic's program plan. Also, all three forms must be completed before the application can be submitted.

Standard Form 424: Application for Federal Assistance	Form 13424-J: Detailed Budget Worksheet and Narrative Explanations	Form 13424-M: Low Income Taxpayer Clinic (LITC) Application Narrative
In Progress	In Progress	In Progress

Note: you must complete all forms to submit your application.

Submit application



Form 13424-J

Low Income Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

TAXPAYER ADVOCATE SERVICE

YOUR VOICE AT THE IRS

Form 13424-J Fields- Designed to Improve the User Experience

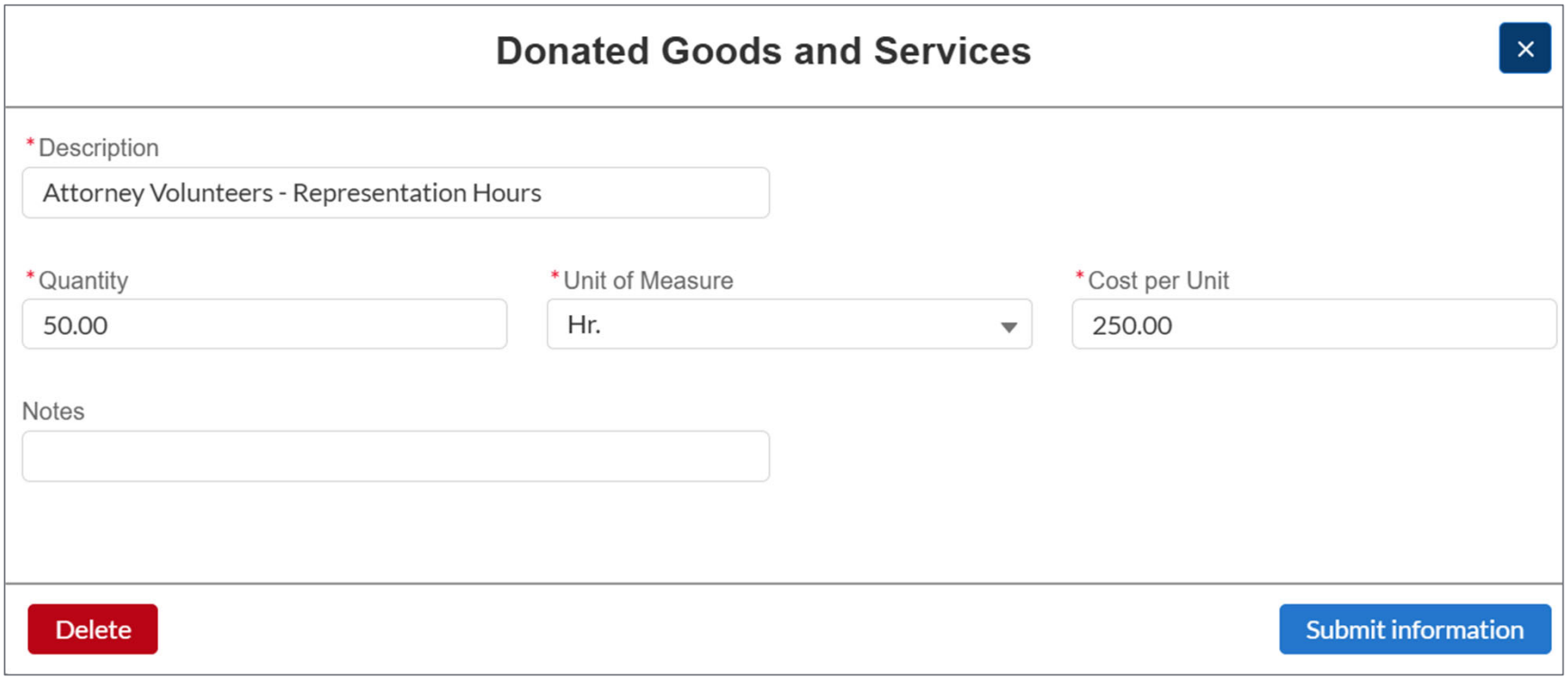
- ✓ Automatic math calculations
- ✓ Improved flow to address common errors
- ✓ Reportable and downloaded fields

LITC
Low Income Taxpayer Clinics

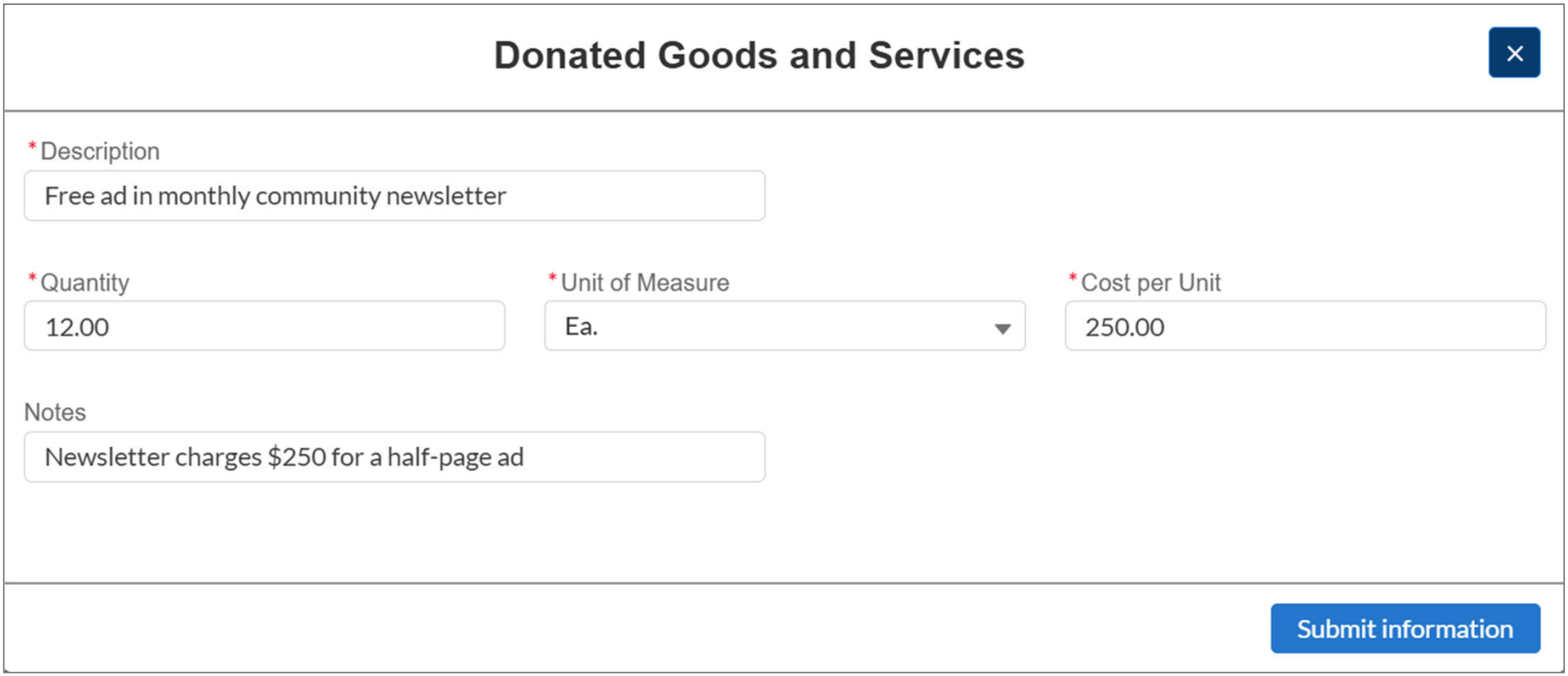
There are 6 budget line item types

- Donated Goods and Services
- Matching Funds
- Personnel
- Fringe
- Supplies, Travel, Contractual, Equipment, and Other
- Indirect Expenses

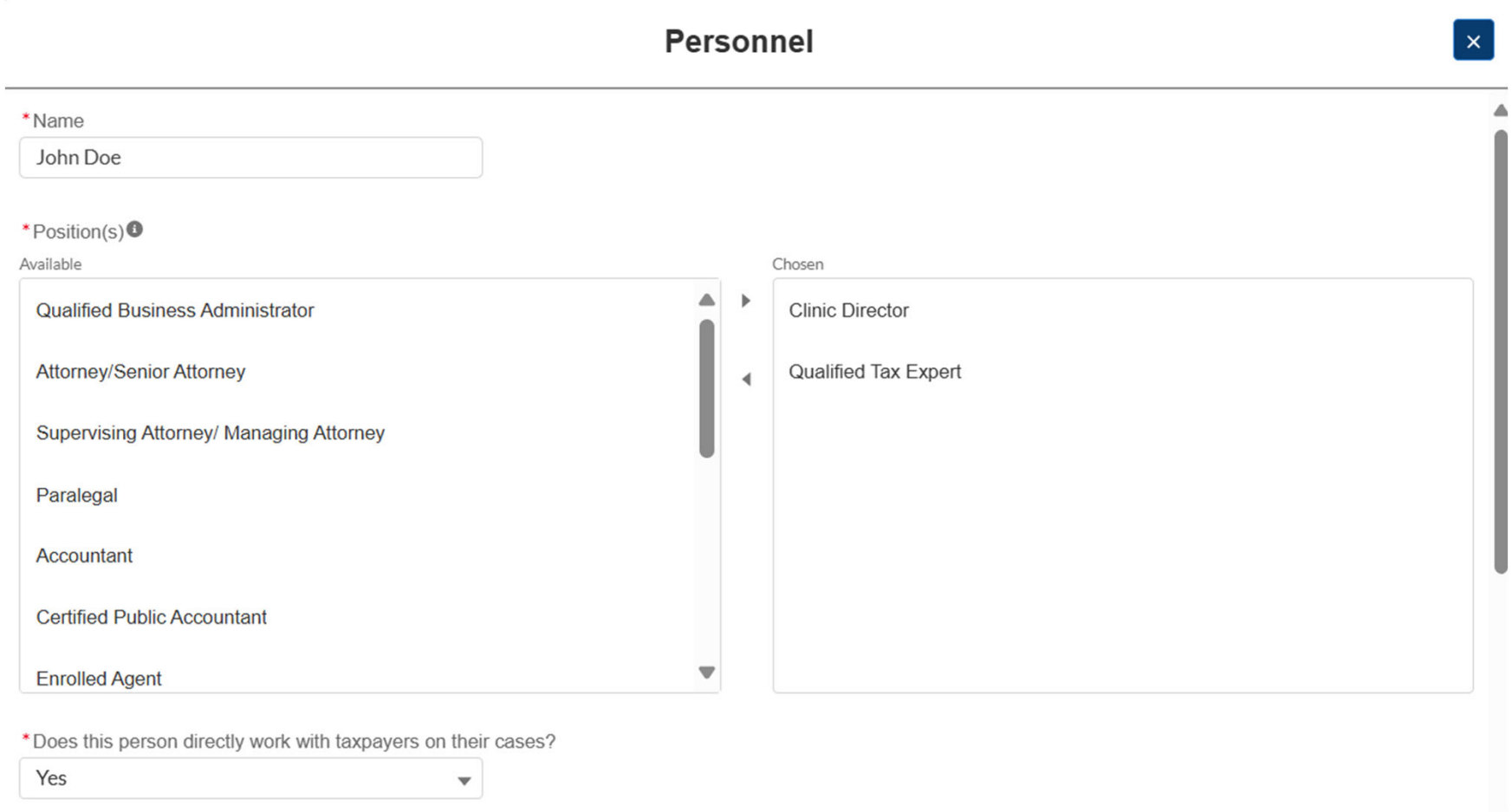




LITC
Low Income
Taxpayer Clinics



LITC
Low Income
Taxpayer Clinics



LITC
Low Income
Taxpayer Clinics

*Pay Type

Salary

*Pay Rate

50,000.00

*LITC Hours

2,080

*Total Hours

2,080

*% Federal

75.00000%

*% Match

25.00000%

Notes

Submit information

Low Income Taxpayer Clinics
REPRESENTATION • EDUCATION • ADVOCACY

* Pay Type

Hourly

* Pay Rate

15.00

* LITC Hours

1,500

* Total Hours

1,500

* % Federal

100.00000%

* % Match

0.00000%

Notes

3 students working 500 hours

Submit information

LITC
Low Income
Taxpayer Clinics

*Pay Type

Salary

*Pay Rate

42,000.00

*LITC Hours

866.000000

*Total Hours

866.000000

*% Federal

45.00000%

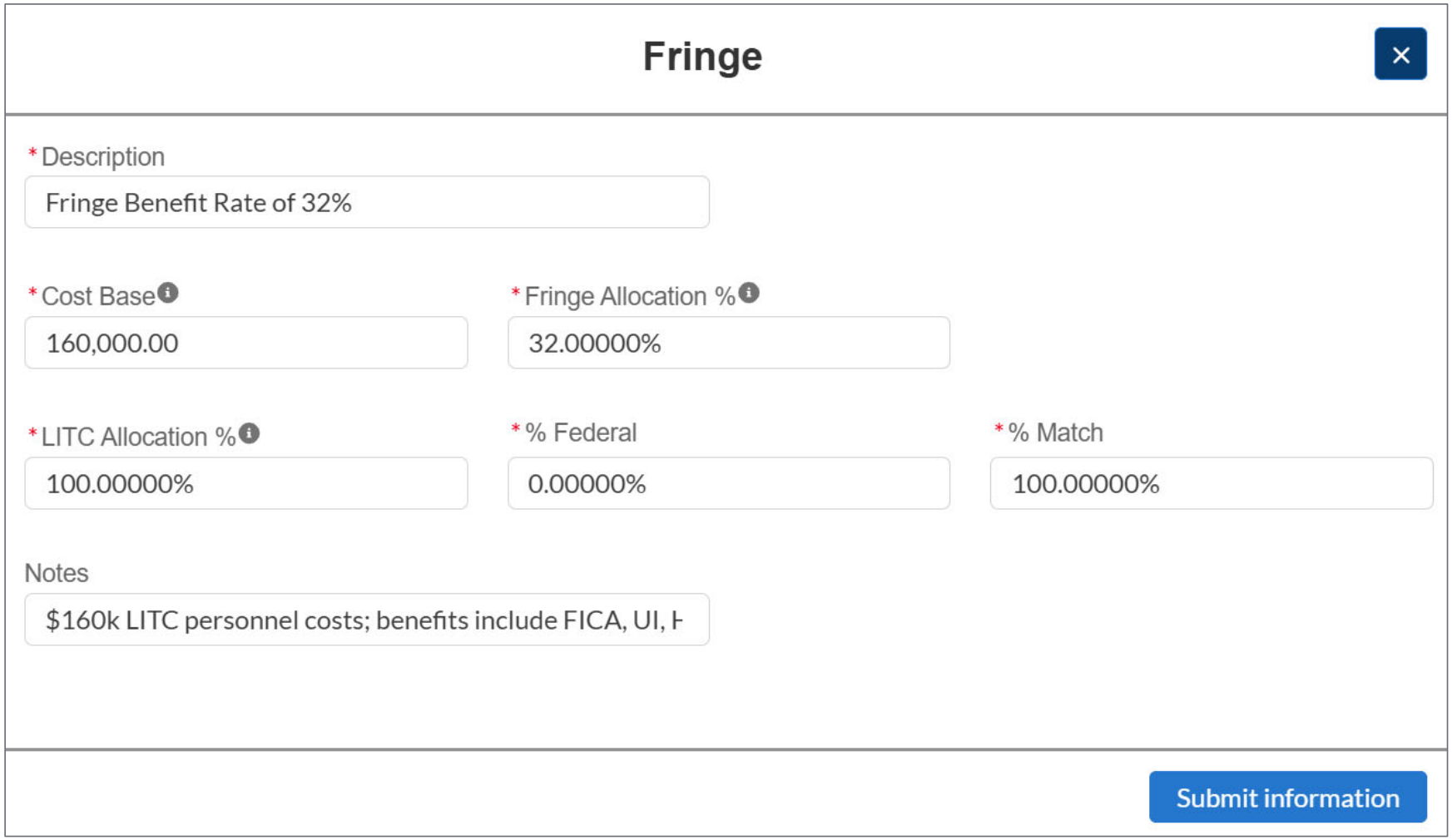
*% Match

55.00000%

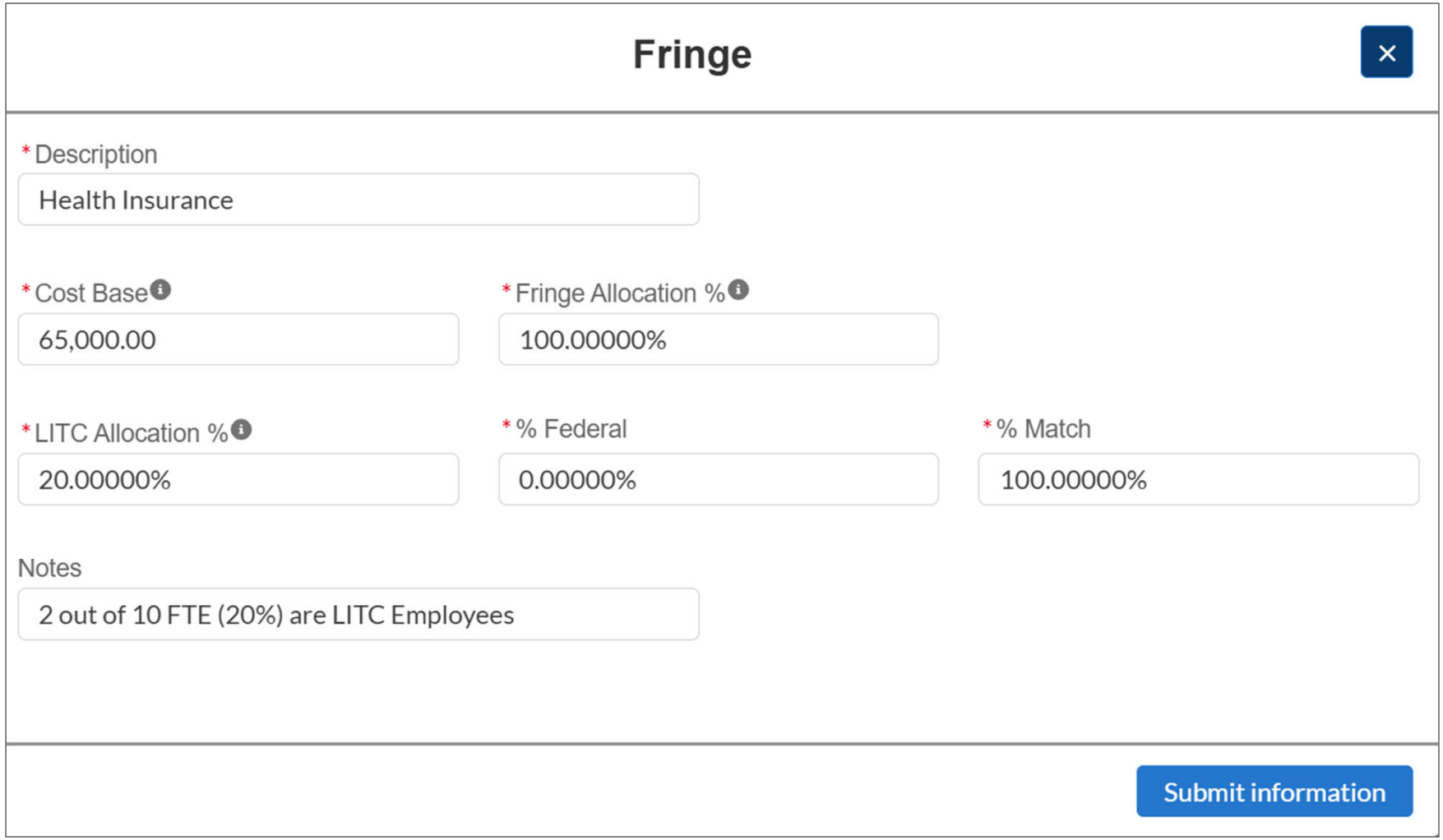
Notes

Retiring effective May 31

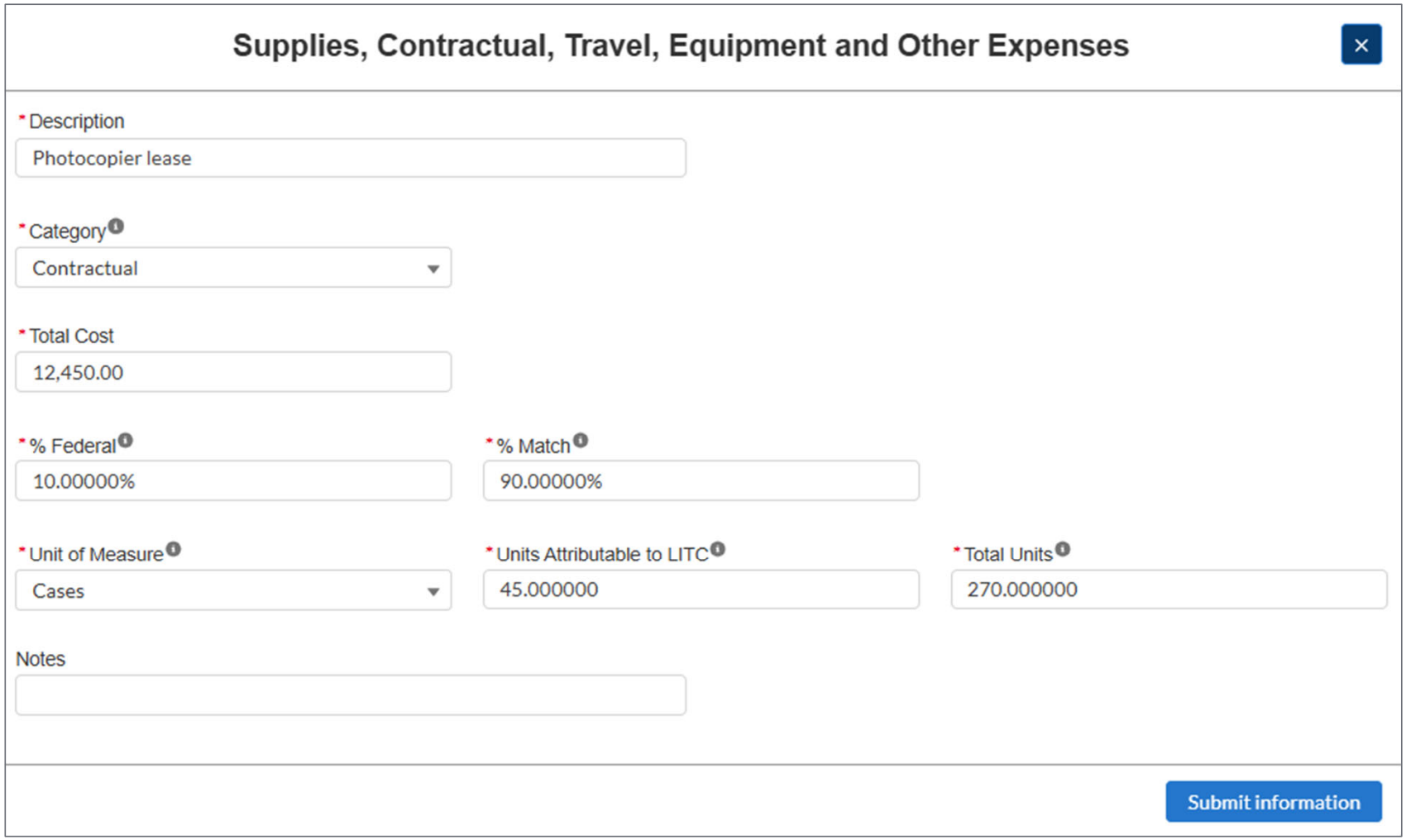
Submit information



LITC
Low Income
Taxpayer Clinics



LITC
Low Income
Taxpayer Clinics



LITC
Low Income
Taxpayer Clinics

Supplies, Contractual, Travel, Equipment and Other Expenses

* Description

LITC Conference Travel - 1 Person 4 nights

* Category

Travel

* Total Cost

1,700.00

* % Federal

100.00000%

* % Match

0.00000%

* Unit of Measure

Ea.

* Units Attributable to LITC

1.000000

* Total Units

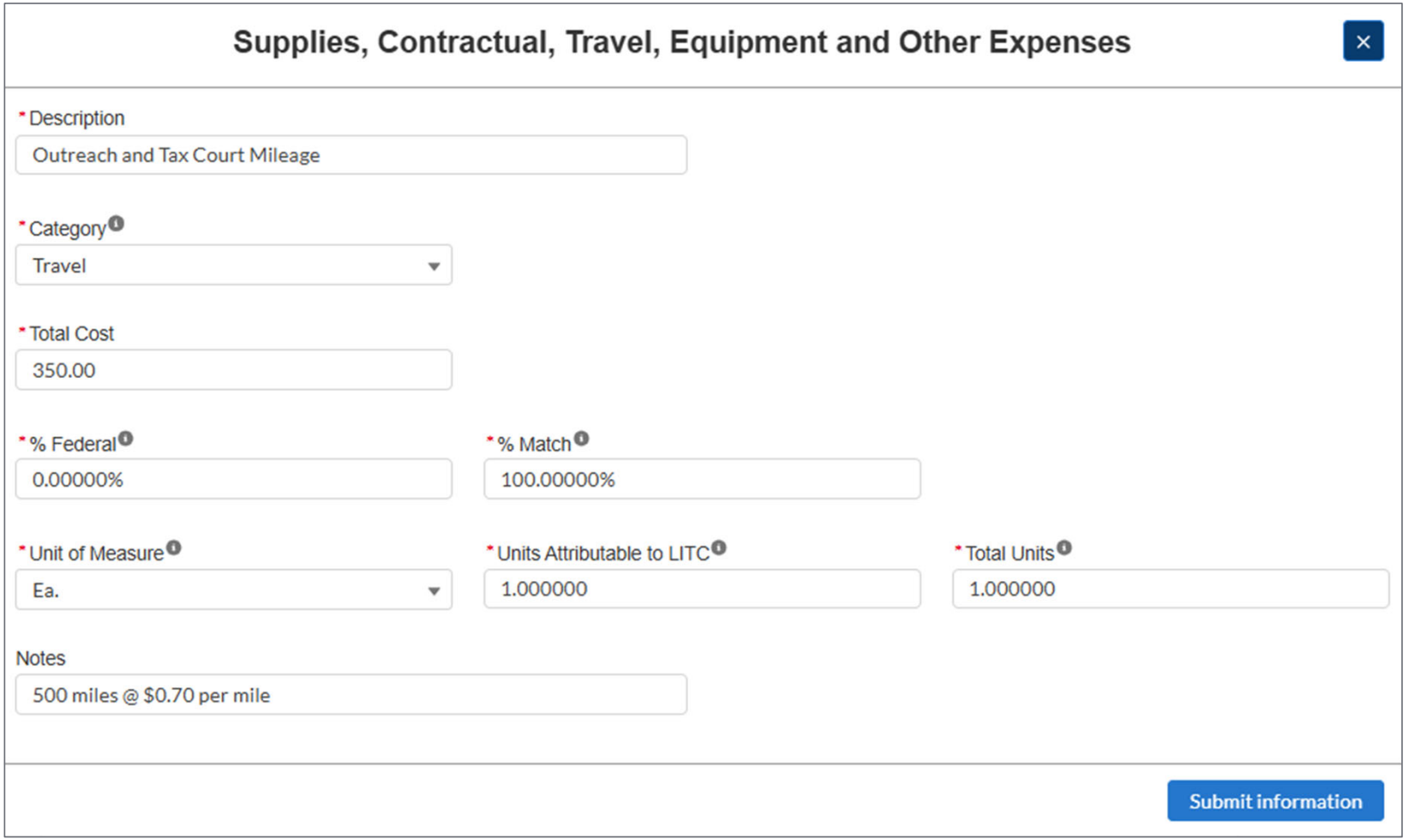
1.000000

Notes

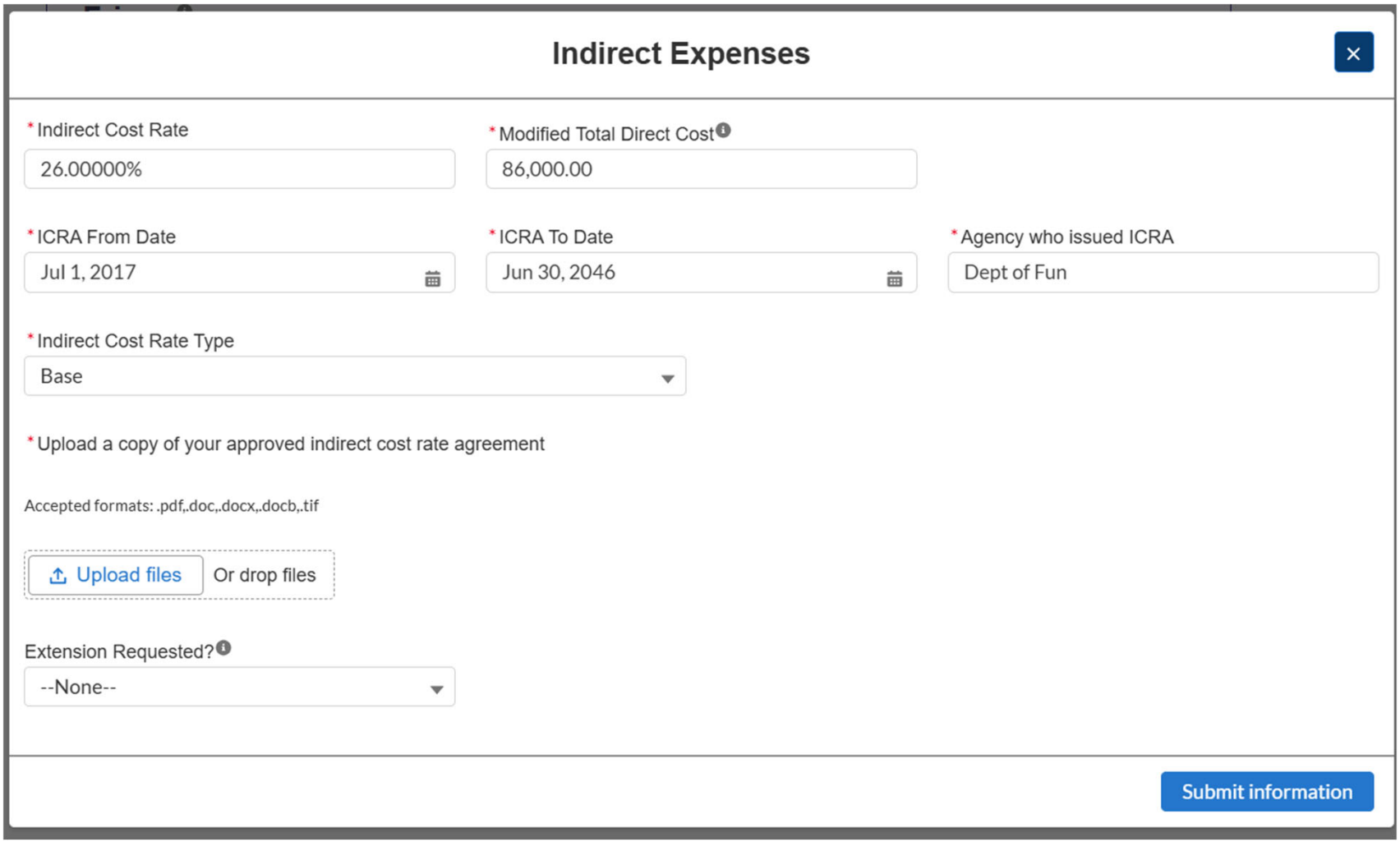
Flight ($500), Hotel ($800), Taxi ($150), Per Diem ($250)

Submit information

LITC
Low Income
Taxpayer Clinics



LITC
Low Income
Taxpayer Clinics



LITC
Low Income
Taxpayer Clinics

Common Errors (1)

Matching Funds

- Be specific about the source of grants/cash
- You do not need to enter the expenses for which the cash is paying
- Do not enter donated goods and services here

Donated Goods and Services

- Use the notes field to enter how you determined the fair market value of the goods/services
- Separate the goods and services into individual line items

Common Errors (2)

Personnel

- Personnel cannot be a paid employee and a volunteer at the same time
- % Federal and % Match should add up to 100%. If your employee does not work on LITC matters 100% of the time, please make adjustments to the LITC HOURS and TOTAL HOURS field

Fringe

- If you use a fringe benefit rate, write out which benefits are included in the notes field

Common Errors (3)

Travel

- Do not lump sum the travel budget
- Please have at least one entry for each travel event
- Identify the conferences or events you wish to attend

Equipment

- Only use this section for a single piece of equipment costing at least $10,000
  - See 2 CFR § 200.439
- Most LITCs do not have equipment

Common Errors (4)

Supplies, Contractual, & Other

- Donated software and supplies should be entered under DONATED GOODS AND SERVICES
- For allocated expenses, place the total cost to the organization in the TOTAL COST field, and then use LITC UNITS, TOTAL UNITS, and U/M fields to tell us your allocation method.

Indirect Expenses

- De Minimis is now up to 15%
- ICRA cannot be applied to donated goods/services

Upcoming Key Dates

- Application period closes July 6, 2026 at 11:59 PM ET.
- Drop-In / Q&A Sessions: June 16 and June 29, 2026, from 1pm to 2pm (ET).

LITC
Low Income Taxpayer Clinics

Application Resources

- LITC Training Materials- on the LITC Toolkit
- 2027 Publication 3319- Low Income Taxpayer Clinics (LITC) Grant Application Package and Guidelines
- 2 CFR Parts 200 and 1000, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- Internal Revenue Code Section 7526

LITC
Low Income
Taxpayer Clinics

Contacts

Budget Questions:

- Otis Simpson: Otis.L.Simpson@irs.gov

Questions about Grants.gov and SAM.gov:

- Michael Condict: Michael.J.Condict@irs.gov

Questions about Compliance Issues:

- Alayka Davis: Alayka.L.Davis@irs.gov

For general questions: LITCProgramOffice@irs.gov



Questions?



Low Income Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

TAXPAYER ADVOCATE SERVICE

YOUR VOICE AT THE IRS