

Attachments to the OMB Supporting Statement: *Due diligence documentation requirements for EITC, CTC, AOTC and HOH, and the recertification process after a disallowance/reduction of credits*

## Moderator's Guide

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## Moderator's Guide

### **I. Welcome and Introductions:**

#### **A. Introduction of the moderator**

Good morning/afternoon. My name is <first name> and I will be your moderator for this session. I work for the Internal Revenue Service as a social scientist. Today I will be leading a discussion to get your feedback about due diligence documentation for paid preparers.

#### **B. What is a moderator?**

My job as a moderator is to:

- Help guide the flow of conversation
- Make sure everyone's comments are heard
- Ensure that questions about the topic are covered

You will see me referring to this outline during our session. The outline includes all issues I need to raise with the group and helps me keep the discussion on track. It is important that we cover all the issues. Therefore, I may have to break off the conversation in order to move on to another area in the guide.

#### **C. Ground Rules**

Before we begin, I'd like to review some ground rules for today's discussion.

- For the IRS to speak with the public, we are required to have approval from the Office of Management and Budget. Their approval number for this project is 1545-1349. If you have any comments regarding this study, please write to: IRS, Special Services Committee, SE:W:CAR:MP:T:M:S – Room 6129, 1111 Constitution Avenue, NW, Washington, DC 20224." **[NOTE: Post this bullet on newsprint/white board for each session.]**

- There are no known risks to you for taking part in this focus group session. All the data the IRS collects will be kept private to the extent allowed by law. Your name will never be linked to your comments, nor will it appear in any written reports or publications.
- Please speak just one at a time so everyone has a chance to participate.
- Please don't engage in side conversations-- we need for everyone to hear what the others are saying and for everything that's said to be heard.
- Sometimes I'll go around the table and ask everyone for their input. At other times, I will just open a topic for general discussion.
- We would like to hear from everyone in the group, but you don't have to answer every question.
- There are no right or wrong answers in today's discussion. We expect to hear differences in how people see things.
- Feel free to disagree. The purpose of a group session is for us to learn things in group interchanges that we don't get out of one-on-one discussions. If someone says something you disagree with, please let us know.
- If anyone needs to use the restroom, they are located <specify>.
- Your participation is voluntary. Therefore, at any point in time you may leave the room.
- If you have a cell phone, please turn it to silent.
- The session will last one hour.

#### **D. Introduction of Participants**

To begin, I'd like each of you to introduce yourself using your first name only, and let us know where you are from.

#### **II. Discussion**

As I mentioned at the start of the session, our goal today is to gather information about due diligence documentation. Specifically, I'm going to ask about the documents you request and the documents you retain for the Earned Income Tax Credit (EITC), the Child

Tax Credit (CTC), Additional Child Tax Credit (ACTC), American Opportunity Tax Credit (AOTC), Credits for Other Dependents (ODC), and Head of Household (HOH).

NOTE: *Reiterate points about differences of opinion and not reaching consensus.*

### **A. Requesting documents – Existing Clients**

For EXISTING/RETURNING clients who claim benefits (EITC, CTC, ACTC, AOTC, ODC, and HOH) you are required to complete Form 8867: *Paid Preparer's Due Diligence Checklist*:

1. What documents do you request the client bring with them?
2. Why do you request they bring these documents?
3. What documents do clients have difficulty obtaining?
4. How did you decide these documents are what you need for due diligence?  
PROBE: (1) IRS regulations  
(2) education / training  
(3) software manufacturer  
(4) business practice
5. How do you communicate with EXISTING/RETURNING clients (prior to them coming in) about the documents they may need to bring?

### **B. Requesting documents – New Clients**

For NEW clients for whom you discover you will need to complete Form 8867: *Paid Preparer's Due Diligence Checklist* (EITC, CTC, ACTC, AOTC, ODC, and HOH):

6. What additional documents do you request these clients provide?  
  
REWORDED: In terms of documents you request, do you treat new clients any differently than existing clients?
7. Why do you request these additional documents?

### **C. Requesting documents – Recertification**

For clients for whom you discover need to RECERTIFY:

8. What additional documents do you request these clients provide?
9. Why do you request these additional documents?

#### **D. Document Retention**

10. What client documents related to due diligence do you retain?
11. Why do you retain these documents?  
PROBE: (1) Is the retention of these documents specific to due diligence?  
(2) Is the retention of these documents part of your own record keeping?
12. Why do you retain these documents?  
PROBE: (1) IRS regulations  
(2) education / training  
(3) software manufacturer  
(4) business practice
13. Do you retain different documents based on the type of client (Existing, New, Recertification)?

#### **E. Information Sources**

14. What sources of information do you use to determine what documentation you may need for due diligence?  
PROBE: (1) Treasury Department Circular No. 230: *Regulations Governing Practice before the Internal Revenue Service*.  
(2) 886-H-EIC  
(3) 886-H-HOH
15. What sources of information do you use to determine what documentation you may need to retain for due diligence?

#### **III. Closing**

Thinking about our discussion this morning/afternoon, is there anything else you would like to share regarding any of the topics we discussed.

*Thank you very much for coming and sharing your ideas with us—we really appreciate your time.*

Recruitment Script

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Recruitment Script

Hello, my name is \_\_\_\_\_. I work for the Internal Revenue Service and I'm recruiting tax professionals to participate in a focus group. May I speak with you for a couple minutes?

The purpose of the session is to gather information from tax professionals about due diligence documentation. Specifically, we're going to discuss the documents you request and the documents you retain for certain refundable credits and Head of Household.

Do you serve clients who will require you to complete Form 8867: *Paid Preparer's Due Diligence Checklist*?

If no, Terminate

If yes, Continue

IF NO

Unfortunately, we are only recruiting preparers who serve clients with a due diligence requirement.

Thank you for your time.

IF YES

The focus group is scheduled for one hour, and your input will help improve the information we provide on due diligence documentation.

Your participation in the focus group is completely voluntary and is scheduled for <date>, <time>, and will be held at <location>.

Are you interested in participating?

*If the tax professional agrees to participate, provide a reminder sheet containing the focus group date, time and location.*

*If the tax professional does not agree to participate, thank them for their time.*

Focus Group Reminder

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Focus Group Reminder

Thank you for agreeing to participate in this due diligence focus group. For your convenience, we have listed the date, time and location of the session below.

Focus group date: <date>

Focus group time: <time>

Focus group location: <location>