

Maryland Department of Housing and Community Development
Maryland Community Foundations Association – Spring Meeting: April 19, 2021

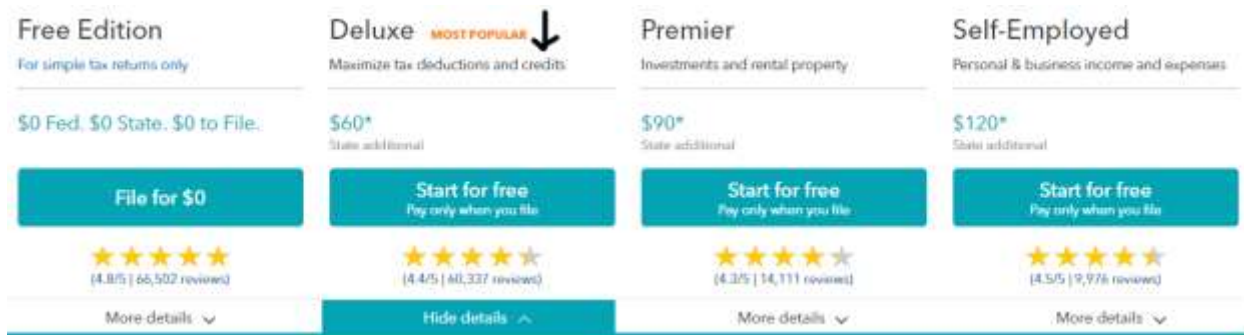
QUESTIONS FROM COMMUNITY FOUNDATIONS ABOUT ENDOW MARYLAND PROGRAM:

1) Is it possible to move toward online tax filing with Endow Maryland?

Filing Tax Credits Online-

Endow Maryland donors are able to file online via TurboTax and the location to claim those taxes is in the 502CR section when filing online.

If donor is self-preparing/filing they so need the Deluxe (\$60) version of TurboTax in order to e-file for Endow Maryland tax credits. A person cannot upload Endow documentation using the basic software. *Please see the example of Turbo Tax below:*



According to the Maryland Comptroller's office, any accounting firm would have the necessary software to process the tax credits electronically.

NOTE: The Comptroller's office is currently working on updating their own website which would allow Maryland residents to file state taxes directly on their website at no cost. The goal is to have this feature available in about a year and a half.

Accepting e-signatures for Donor Acknowledgement Form:

Endow Maryland does accept e-signatures with a date stamp (ex. you have sent the document to the donor via software such as DocuSign) We cannot accept forms where the donor has simply "typed in" their name and date.

2) Describe your processes: at the beginning of the year; at the End of the year; and with each tax credit certification.

At the Beginning of the Year:

- **Each community foundation needs to be registered to have access to submit contributions for certification. (NOTE: Program staff automatically registered**

community foundations for 2020 and 2021 – beginning 2022 each foundation will need to do this step and training will be provided)

- **The online system needs approximately 30 days in advance to prep for “roll over” to the new calendar year**

At the End of the Year:

- **The end of September send an email with the current available balance**
- **Starting in October send a monthly email with current available balance – switch to weekly email when the balance reaches \$50,000 – send final email when credits are used**
- **Generate tax credit certification report for the calendar year and submit to the Comptroller** – this report provides Comptroller with the donor information and the dollar amount of tax credits that have been certified for that donor.

Tax Credit Certification:

Contributions submitted for certification are processed in the order they are received – Endow submissions and Community Investment Tax Credit submissions are processed in the same system. There are over 130 nonprofits, this includes the 14 community foundations, submitting certifications for processing during any calendar year. For 2020 we processed 162 Endow certifications and 1,093 CITC certifications. Depending on volume, and other workload, it can take up to 30 days for a certification to be processed.

Verify all Donor information

Name, social security number or fed id number, address all must match the information entered into the system and the Donor Acknowledgement and contribution Thank You letter from the foundation – all documents must also be checked for/have signatures

Verify Contribution

Confirm contribution amount and type as entered and that amount and type matches support documentation/proof of contribution submitted, confirm tax credit eligible amount

Verify All Uploaded Documents

Are documents signed and dated, is the information on the documents correct/complete

If any of the above items are not correct then the certification is returned to the foundation to provide the information needed to approve the certification

If Approved – certification moves to Leadership Review for final approval and signature of Department acknowledgement letter for the Donor of tax credits certified (Leadership also verifies Donor information, Contribution and tax credit amount)

NOTE: *We are working to update the system statuses so that you will be able to see when a certification has been moved to “In Leadership Review” – currently the status you see only says “In Review” throughout the whole process. This change should be effective as of April 23*

3) How can we ensure we receive timely information at the end of the year?

Since moving to the online system in 2020, every registered user for each of the community foundations has access to the available balance and can log in and see the total available balance and the total amount of pending certifications at any time.

Based on our records in 2019 and 2020 we sent emails out about the status of the available balance at the end of the year on the following dates

2019	2020
9/26/2019	9/30/20
10/8/2019	10/14/20
11/18/2019	11/12/20
11/20/2019	11/18/20
12/8/19- all credits were used	11/30/20
	12/2/20
	12/16/20
	12/21/20
	12/22/20- all credits were used

4) What assurances can you give us that the portal can open by January 15 in 2022?

In preparation for 2022 and for subsequent years we will be implementing the following:

- Within the first two weeks of December 2020 we will hold a training for the community foundations on how to register in the online system – we will also provide a “How-To” training guide for your use
- At the December training we will also provide you with a copy of the Donor Acknowledgement Form for 2022 as well as the Certification of Contribution Form you use to collect donor information – these documents will also be available to you to download in the online system in January 2022
- We will open the online system January 1 for you to log in and register for the 2022 calendar year.
- We will open the system 7 business days following January 1 for you to be able to enter contributions for certification – you will not be able to enter certifications until your registration is complete.