

preparation programs assisting applicable taxpayers and members of underserved populations.

“(b) USE OF FUNDS.—

“(1) IN GENERAL.—Qualified return preparation programs may use grants received under this section for—

“(A) ordinary and necessary costs associated with program operation in accordance with cost principles under the applicable Office of Management and Budget circular, including—

“(i) wages or salaries of persons coordinating the activities of the program,

“(ii) developing training materials, conducting training, and performing quality reviews of the returns prepared under the program,

“(iii) equipment purchases, and

“(iv) vehicle-related expenses associated with remote or rural tax preparation services,

“(B) outreach and educational activities described in subsection (c)(2)(B), and

“(C) services related to financial education and capability, asset development, and the establishment of savings accounts in connection with tax return preparation.

“(2) REQUIREMENT OF MATCHING FUNDS.—A qualified return preparation program must provide matching funds on a dollar-for-dollar basis for all grants provided under this section. Matching funds may include—

“(A) the salary (including fringe benefits) of individuals performing services for the program,

“(B) the cost of equipment used in the program, and

“(C) other ordinary and necessary costs associated with the program.

Indirect expenses, including general overhead of any entity administering the program, shall not be counted as matching funds.

“(c) APPLICATION.—

“(1) IN GENERAL.—Each applicant for a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(2) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications which demonstrate—

“(A) assistance to applicable taxpayers, with emphasis on outreach to, and services for, such taxpayers,

“(B) taxpayer outreach and educational activities relating to eligibility and availability of income supports available through this title, including the earned income tax credit, and

“(C) specific outreach and focus on one or more underserved populations.

“(3) AMOUNTS TAKEN INTO ACCOUNT.—In determining matching grants under this section, the Secretary shall only take into account amounts provided by the qualified return preparation program for expenses described in subsection (b).

“(d) PROGRAM ADHERENCE.—

“(1) IN GENERAL.—The Secretary shall establish procedures for, and shall conduct not less frequently than once every