

# Next Step KC Inc.

REVIEWED

## General Information

### Contact Information

<b>Nonprofit</b>	Next Step KC Inc.
<b>Address</b>	801 W. 47th Street Suite 500 Kansas City, MO 64112
<b>Phone</b>	(816) 559-4681
<b>Fax</b>	816 472-6623
<b>Website</b>	<a href="http://www.nextstepkc.org">www.nextstepkc.org</a>
<b>Facebook</b>	<a href="https://facebook.com/NextStepKC?fref=ts">facebook.com/NextStepKC?fref=ts</a>
<b>Twitter</b>	<a href="https://twitter.com/@nextstepkc">twitter.com/@nextstepkc</a>
<b>Email</b>	<a href="mailto:info@nextstepkc.org">info@nextstepkc.org</a>

### At A Glance

<b>Former Names</b>	Fair Community Credit KC CASH Bank On Save Up KC
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### How to donate, support, and volunteer

Donate to help Next Step KC improve the financial health of Greater Kansas City families. With your help, Next Step KC can move people from financial dependency to independence and stability. Consider supporting the work of Next Step KC, a non-profit 501(c)3 organization. Donations are tax deductible as permitted by law. Donors may mail a check directly to Next Step KC at 801 W 47th St., Suite 500, Kansas City, MO., 64112.

Next Step KC has a tremendous need for volunteers during tax preparation season. Next Step KC needs individuals who can assist with the Volunteer Income Tax Assistance (VITA) program. To learn more and to complete the online volunteer form visit our website [www.nextstepkc.org](http://www.nextstepkc.org)

# Mission & Areas Served

## Statements

### **Mission Statement**

Next Step KC is a community based, nonprofit organization working to encourage affordable and appropriate financial services and products for low to moderate income families in the Greater Kansas City area.

Vision: Building strong, stable families in Greater Kansas City, one financial step at a time.

### **Background Statement**

Next Step KC, Inc. is an incorporated and independent 501(c)(3) based in Kansas City, Missouri. This independent nonprofit entity encourages affordable and appropriate financial services and products for low to moderate income families in the Greater Kansas City area. The organization was created in 2013 through the merger of three existing initiatives: KC CASH Coalition (free tax preparation), Fair Community Credit (small dollar loan program) and BankOn SaveUp KC (financial education). The merger was undertaken to support broader, more effective, year-round programming while leveraging better use of staff, community opportunities and collective reach of the three initiatives. Next Step KC is governed by a volunteer Board of Directors, which monitors program finances, development, maintains organization by-laws, and regularly assesses program efficiency. Next Step KC is staffed by a volunteer Executive Director and two Program Directors who manage the day-to-day needs and relationships associated with each program. Next Step KC programming consists of three main program areas: implementation of the Volunteer Income Tax Assistance Program (VITA), management of the Small Dollar Loan Program and supporting community and client Financial Education

### **Impact Statement**

In 2015, Next Step KC's Small Dollar Loan Program (SDL) guaranteed 128 loans (75 new loans) totaling \$76,000. Small Dollar Loan clients are referred and vetted through its network of community partnerships and employers which include: Catholic Charities of Northeast Kansas; CHES; Communities Creating Opportunities; Community Services League; El Centro; Greater Kansas City Housing Information Center; Heartland Habitat for Humanity; Immigration Professionals; Ivanhoe Neighborhood Council; Jewish Vocational Services; LINC; Metro Lutheran Ministry; MU Extension; Operation Breakthrough; Prosperity Center; Salvation Army (Pathways of Hope); St. Mark Hope & Peace; St. Peter's Parish; Waddell & Reed; and the Women's Employment Network.

Next Step KC's Volunteer Income Tax Assistance Program (VITA) in tax year 2014 filed more than 7,400 Federal and State income tax returns. The average income of taxpayers served was \$17,964. VITA was able to secure \$3,197,754 in Earned Income Tax Credits (EITC) for its clients, saving them \$1,940,000 in tax preparation fees. More than 300 IRS-certified volunteers served at more than 30 sites in Kansas and Missouri through IRS-sponsored Volunteer Income Tax Assistance and Facilitated Self Assistance programs. Next Step KC VITA volunteers are trained by Next Step KC and through the partnerships at the Henry W. Bloch School of Management, Kansas City Kansas Community College, Johnson County Community College, and the Metropolitan Community Colleges. The impact for our clients is in maximizing their returns by capturing earned income tax credits (EITC) and offering a free tax and educational service.

The Program Director created a financial education curriculum to support developing a budget for a potential tax refund. 120 VITA clients were served through the Financial Empowerment Program serving a total of 207 clients from July 2015 to June 1, 2016.

## **Needs Statement**

1. The PEW Charitable Trust's July 2012 report "Payday lending in America, Who Borrows, Where they Borrow and Why" focused on small dollar products such as payday loans and title loans. Many of the surveyed borrowers used payday loans for convenience, believing the loans could be repaid by the next pay period. In reality, these unconventional loans averaged five to six months before they were repaid, mainly due to renewal fees and high interest rates. The PEW study exposed the need for fair lending alternatives to help with immediate financial needs and also to financially educate the borrowers. Next Step KC's Small Dollar Loan program is one example of filling this need with operational funds.
2. Next Step KC wants to scale up its Financial Empowerment Program and hire a Program Director to facilitate its offerings to Next Step KC's Small Dollar Loan referral partners as well as borrowers and VITA clients.
3. NSKC wants to build SDL's Guarantee Reserve to be able to offer more small dollar loans through mainstream financial institutions.
4. NSKC wants to maintain the tax education of its corps of over 300 VITA volunteers.
5. NSKC wants to raise funds to hire an Executive Director.

## **CEO/Executive Director/Board Chair Statement**

Next Step KC was formed in 2013 through the mergers of three community initiatives: KC CASH provided free income tax assistance to families making less than \$54,000 a year. Through this program we have helped thousands of people save hundreds of dollars on tax preparation fees and helping them understand their tax situations to better plan for the following year. With recent changes in tax laws around the affordable care act this service for the community is more important than ever; Fair Community Credit, designed to offer micro-personal loans to those in need to help them get through a financial crisis such as a larger than expected utility bill, car troubles, deposits for an apartment, etc. Through this program borrowers have access to loans that are payable over months instead of weeks and are reported to the credit bureaus as a way of also helping them build their credit. Given the Consumer Financial Protection Bureau's efforts to regulate payday lending, this initiative may prove extremely valuable in creating a place for people to turn when in need of small amounts of money. Bank On Save Up KC was an effort to bring two national banking campaigns to Kansas City. Bank On focuses on helping low to moderate income families into affordable bank accounts. Save up is a part of America Saves which encourages people to create savings for emergency needs.

As a community development officer and a former board member of each organization, I couldn't be more passionate about helping people save money on services they are in dire need of receiving and educating them on how to use those services appropriately. Next Step has brought three great initiatives together to simplify the lives of those we serve, not only through the products and services we offer but also by connecting them to other organizations when there is a deeper need. I am proud to be a part of Next Step KC and serve with a board that not only oversees but volunteers as well.

As we look to the future we are being vigilant in raising the necessary dollars to hire the right people to help us continue the work of serving the people of Kansas City. It is our goal to get ourselves in a place where we can continue to grow each program and product and know that with the help and support of our wonderful donors we will be able to continue to change the lives of those we serve.

Mario Urquilla  
Executive Director  
Chairman of the Board

## **Service Categories**

Financial Institutions/ Services (Non-Government Related)

## **Areas of Service**

### **Areas Served**

**Areas**

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MO - Jackson County Urban Core

MO - Clay County

MO - Lafayette

MO - Platte County

KS - Johnson County

KS - Wyandotte County Urban Core

# Programs

## Programs

### Small Dollar Loan (SDL) Program

<b>Description</b>	Next Step KC's Small Dollar Loan (SDL) Program (formerly known as Fair Community Credit) serves primarily as a loan guarantor that enables small dollar lending to low-to-moderate income clients through mainstream financial institutions, specifically, Central Bank of Kansas City, UMB and Holy Rosary Credit Union. The loans (\$300 or \$500) generally cover unexpected household expenses, medical expenses, auto repair, and utility bills as a fair credit option for qualified clients. Small Dollar Loan clients are referred and vetted through its network of community partnerships, including such organizations as Catholic Charities of Northeast Kansas, El Centro, Operation Breakthrough, Salvation Army, and the Financial Opportunity Center(s) to name a few. Small Dollar Loan clients must meet minimum guidelines. For example, the borrower must have an income of \$800 per month or \$9,600 per year.
<b>Category</b>	Public, Society Benefit, General/Other Banking & Financial Services
<b>Population Served</b>	General/Unspecified, ,
<b>Short-Term Success</b>	In 2015 Next Step KC's Small Dollar Loan Program experienced significant growth. The program's short term achievements included 96 new loans guaranteed while maintaining an 8% charge off (default) rate. The primary need for a loan of \$300 or \$500 was household expenses which included utilities. The loans issued were not only a solution to an immediate financial need, the loans also connected individuals and families to mainstream financial services; the loan is credit reportable and may help build or repair credit; the loan encourages and develops a savings behavior when the loan is paid off and the borrower continues to make the auto deposit into a savings account.
<b>Long- Term Success</b>	The long-term success of a Small Dollar Loan Program client is demonstrated by fulfilling the requirements of their small dollar loan. Small Dollar Loan borrowers also recognize unconventional or questionable lenders as they develop a relationship with mainstream financial service providers and access fair credit.
<b>Program Success Monitored By</b>	Next Step KC monitors program success by tracking the number of loans issued and number of loans paid in full. The financial institution partners provide monthly reports regarding the status of loans issued, including any delinquencies. It is the program goal to maintain a default rate of less than 10%. Another measure of the Small Dollar Loan program's success is Next Step KC's ability to maintain and build its guarantee loan loss reserve amount, maintaining its ability to be the guarantor of subsequent small dollar loans.
<b>Examples of Program Success</b>	In 2015 the Small Dollar Loan Program guaranteed 128 loans (75 new loans) for high risk individuals totaling \$76,000. These loans helped cover unexpected household, medical, auto and utility expenses. The loan default rate was 9%. 70% of the Small Dollar Loan borrowers are low to moderate income high risk borrowers. The term of the loan ( 6 months or 9 months) is designed to foster successful repayment of the loan which in turn develops confidence in financial decision making and encourages a savings habit.

## Volunteer Income Tax Assistance (VITA)

<b>Description</b>	<p>Next Step KC's Volunteer Income Tax Assistance (VITA) Program helps taxpayers with household incomes up to \$54,000 prepare their Federal and State income taxes at no cost. More than 300 IRS-certified volunteers are available at sites in Kansas and Missouri through IRS-sponsored Volunteer Income Tax Assistance and Facilitated Self Assistance programs.</p> <p>Next Step KC VITA volunteers are trained by the Next Step KC Program Director and through partnerships at the Henry W. Bloch School of Management, Kansas City Kansas Community College, Johnson County Community College, and the Metropolitan Community Colleges. The impact for VITA clients is in maximizing their tax return dollars by capturing earned income tax credits (EITC) and offering a free tax and educational service.</p>
<b>Category</b>	Public, Society Benefit, General/Other Banking & Financial Services
<b>Population Served</b>	General/Unspecified, ,
<b>Short-Term Success</b>	<p>The short-term success of the VITA program is measured by the number of clients receiving free and accurate Federal and State tax returns and the number of clients accessing appropriate Earned Income Tax Credits (EITC) and other tax incentives that are available to them.</p>
<b>Long- Term Success</b>	<p>The Next Step KC VITA Program measures success when monetary returns are realized for its clients through free tax preparation, Earned Income Tax Credit and other tax incentives. Long term success measures include refunds that are translated into savings accounts, other savings vehicles such as savings bonds, MyRA or an IRA as well as debt repayment. Clients move from financial dependency to financial stability.</p>
<b>Program Success Monitored By</b>	<p>The VITA Program success is monitored by the percentage of unchallenged Federal and State tax returns submitted for processing, a key measurement. The program strives to submit quality returns. The VITA program saved its clients almost \$800,000 in tax preparation fees in tax season 2015.</p>
<b>Examples of Program Success</b>	<p>For Tax Year 2015, Next Step KC VITA sites filed more than 4,000 Federal saving its clients at least \$800,000 in fees. Facilitated self-preparation, in partnership with United Way of Greater Kansas City yielded another 1600 federal tax returns, saving taxpayers an additional \$320,000 in preparation fees.</p>

## Financial Empowerment Program (FE)

<b>Description</b>	<p>Next Step KC's Financial Empowerment Program (FE) provides financial education opportunities for Next Step clients and partners. Next Step KC is an active partner in the Federal Reserve Bank Money Smart initiative and provides online resources through its website (<a href="http://www.moneysmartkc.org">www.moneysmartkc.org</a>). The website provides resources for budgeting, credit and monthly calendars of financial education classes sponsored by community partners. In addition, Next Step KC's Program Director provides financial education sessions through the Small Dollar Loan community and employer partners as well as provides supporting financial education during tax season. The Program Director is certified to teach the Consumer Financial Protection Bureau (CFPB) curriculum, Your Money, Your Goals and customizes sessions to meet the needs of a particular audience.</p> <p>As the Financial Empowerment Program grows, education will support the borrowers as they develop a financial institution relationship, possibly establish credit or repair credit and develop a savings habit resulting in emergency savings.</p>
<b>Category</b>	Public, Society Benefit, General/Other Banking & Financial Services
<b>Population Served</b>	General/Unspecified, ,
<b>Short-Term Success</b>	The Financial Empowerment Program short term achievements include creating MICRO financial goals to encourage positive change as well as advocating best practices for participants. Sessions are customized to meet the needs of the group and participants receive referrals to additional resources when needed.
<b>Long- Term Success</b>	The long-term ideal success of the Financial Empowerment Program is changing the client family's management of its financial resources in ways that preserve the stability and well-being of the family and enhance quality of life. Families, for example, may establish a savings account and create emergency savings; individuals may increase credit scores and/or decrease debt. Over the long-term families make better financial decisions and have confidence in their ability to manage their finances.
<b>Program Success Monitored By</b>	The financial education curricula used covers a variety of topics. Pre- and post-surveys gauge the individual's comprehension. MICRO goals are followed up after 30 days to measure behavioral change.
<b>Examples of Program Success</b>	Program success was evident during Community Tax Day 2016 as VITA clients attended a financial education opportunity, So You are Getting a Tax Refund ... Now What? Clients were encouraged to budget their anticipated refund much like a personal monthly budget on a worksheet created for the program. Several clients purchased savings bonds with the refund as part of the tax preparation.

# Leadership & Staff

## Executive Director/CEO

<b>Executive Director</b>	Mr. Mario Urquilla
<b>Term Start</b>	July 2013
<b>Email</b>	murquilla@nextstepkc.org

### Experience

Mario Urquilla joined Enterprise Bank & Trust as assistant vice president and community development officer in 2013. He plays a major role in the bank's community development initiative with an emphasis on client diversity. He also coordinates Enterprise's outreach to the local Hispanic business community. He has a long history of involvement with the Kansas City Hispanic business community as well as the banking industry. He began his career at Hawthorn Bank as a teller. He then moved to Commerce Bank, where he coordinated a Hispanic and non-profit banking program involving recruitment, marketing, public and community relations. He was also responsible for leading the Spanish on Command Program, providing non-Spanish speaking associates with the ability to engage in basic communications with Hispanic customers. He serves on the executive board of Next Step KC, the Greater Kansas City Hispanic Chamber of Commerce and other outreach groups.

## Senior Staff

### Shatomi Luster

<b>Title</b>	VITA Program Director
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### Rebecca Gripp

<b>Title</b>	Director, Small Dollar Loan Program
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### **Experience/Biography**

Ms. Gripp spent the past six years building a financial education program for low to moderate income individuals and families as well as managing a matched savings program for high risk youth to further their education at Catholic Charities Kansas City-St. Joseph, Inc. She also coordinated a social enterprise for Hispanic women during her tenure.

Ms. Gripp spent ten years working in the financial industry as a Senior Financial Education Consultant for JPMorgan Chase. Prior to joining JPMorgan she worked twelve years as a corporate trainer at General Electric and Time Warner, specializing in team development, call center excellence and consultative inbound and outbound sales.

Drawing upon her personal and professional life experiences, each of her sessions incorporates cutting edge concepts related to behavioral finance and contains an actionable item for participants.

Ms. Gripp is well known for her ability to capture and maintain the interest of her audiences, regardless of the complexity of the information. She is a powerful passionate speaker. Her large family and faithful community help her maintain a healthy balance in her life.

## Staff

<b>Paid Full-Time Staff</b>	0
<b>Paid Part- Time Staff</b>	2



<b>Volunteers</b>	300
<b>Retention Rate</b>	0%
<b>Paid Contractors</b>	2

## Plans & Policies

<b>Organization Has a Fundraising Plan</b>	Yes
<b>Organization Has a Strategic Plan</b>	Yes
<b>Management Succession Plan</b>	Under Development
<b>Organization Policy and Procedures</b>	Yes
<b>Nondiscrimination Policy</b>	Yes
<b>Whistleblower Policy</b>	Yes

## Collaborations

The foundation of Next Step KC is collaborations. The Greater Kansas City United Way Provides inkind support of the Small Dollar Loan Program and VITA. The Small Dollar Loan Program works with over 20 community referral partners and four financial institutions, including The Salvation Army, Catholic Charities of Northeast Kansas, LISC Financial Opportunity Centers, Operation Breakthrough, Metropolitan Lutheran Ministry and LINC; UMB, Central Bank, Missouri Bank and Holy Rosary Credit Union.

The VITA program works with numerous partners to provide tax preparation services onsite including Full Employment Council, six community colleges, El Centro, Catholic Charities of Northeast Kansas, Community Services League and University of Missouri Kansas City Bloch Business School.

The Financial Empowerment Program works closely with the FDIC and Federal Reserve Bank to provide best practices. Staff is a member of the Alliance for Economic Inclusion and on the Steering Committee for Federal Reserve Money Smart Month. Partnerships include the Small Dollar Loan community referral partners as well other financial education service providers.

## Government Licenses

**Is your organization licensed by the government?** No

# Board & Governance

## Board Chair

<b>Board Chair</b>	Mr. Mario Urquilla
<b>Term</b>	July 2013 to June 2017
<b>Email</b>	murquilla@nextstepkc.org

## Board Members

<b>Name</b>	<b>Affiliation</b>
Ms. Shaylyn Dean	Missouri Gas Energy
Ms. Katherine Elliott	UMB Scout Financial
Mr. Adam LaBoda	Spencer Fane Britt & White
Mr. Jeff McCool	Bank of the West
Mr. James A. Meyer	Retired, FDIC
Ms. Mary Jo Moore	V.P. Consultant
Mr. Brent Schondelmeyer	LINC
Ms. Carol Smith	United Way
Mr. Mario Urquilla	Enterprise Bank
Mr. Jerry Venters	Retired
Mr Paul Wenske	Retired, Federal Reserve Bank of Kansas City
Mr. A. Donald Wise	Park University

## Board Demographics - Ethnicity

<b>African American/Black</b>	1
<b>Asian American/Pacific Islander</b>	0
<b>Caucasian</b>	10
<b>Hispanic/Latino</b>	1
<b>Native American/American Indian</b>	0
<b>Other</b>	0

## Board Demographics - Gender

<b>Male</b>	9
<b>Female</b>	3
<b>Unspecified</b>	0

## Governance

<b>Board Term Lengths</b>	3
<b>Board Term Limits</b>	0
<b>Board Meeting Attendance %</b>	75%

<b>Written Board Selection Criteria?</b>	Under Development
<b>Written Conflict of Interest Policy?</b>	No
<b>Percentage Making Monetary Contributions</b>	0%
<b>Percentage Making In-Kind Contributions</b>	90%
<b>Number of Full Board Meetings Annually</b>	12

# Financials

## Fiscal Year

<b>Fiscal Year Start</b>	July 01, 2015
<b>Fiscal Year End</b>	June 30, 2016
<b>Projected Revenue</b>	\$232,200.00
<b>Projected Expenses</b>	\$231,970.00
<b>Endowment Value</b>	\$0.00
<b>Spending Policy</b>	Income Only
<b>Percentage</b>	0%

## Detailed Financials

### Revenue and Expenses

<b>Fiscal Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Total Revenue</b>	\$136,804	\$118,542	\$133,206
<b>Total Expenses</b>	\$154,130	\$126,471	\$94,122

### Revenue Sources

<b>Fiscal Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Foundation and Corporation Contributions</b>	\$133,924	\$114,746	\$132,497
<b>Government Contributions</b>	\$0	\$0	\$0
<b>Federal</b>	\$0	\$0	\$0
<b>State</b>	\$0	\$0	\$0
<b>Local</b>	\$0	\$0	\$0
<b>Unspecified</b>	\$0	\$0	\$0
<b>Individual Contributions</b>	\$0	\$0	\$0
<b>Indirect Public Support</b>	\$0	\$0	\$0
<b>Earned Revenue</b>	\$880	\$3,612	\$0
<b>Investment Income, Net of Losses</b>	\$0	\$0	\$0
<b>Membership Dues</b>	\$0	\$0	\$250
<b>Special Events</b>	\$0	\$184	\$459
<b>Revenue In-Kind</b>	\$0	\$0	\$0
<b>Other</b>	\$0	\$0	\$0

## Expense Allocation

Fiscal Year	2015	2014	2013
Program Expense	\$154,130	\$126,471	\$94,122
Administration Expense	\$0	\$0	\$0
Fundraising Expense	\$0	\$0	\$0
Payments to Affiliates	\$0	\$0	\$0
Total Revenue/Total Expenses	0.89	0.94	1.42
Program Expense/Total Expenses	100%	100%	100%
Fundraising Expense/Contributed Revenue	0%	0%	0%

## Assets and Liabilities

Fiscal Year	2015	2014	2013
Total Assets	\$107,635	\$47,284	\$55,213
Current Assets	\$107,635	\$47,284	\$55,213
Long-Term Liabilities	\$0	\$0	\$0
Current Liabilities	\$89,671	\$0	\$0
Total Net Assets	\$17,964	\$47,284	\$55,213

## Short Term Solvency

Fiscal Year	2015	2014	2013
Current Ratio: Current Assets/Current Liabilities	1.20	--	--

## Long Term Solvency

Fiscal Year	2015	2014	2013
Long-Term Liabilities/Total Assets	0%	0%	0%

## Top Funding Sources

Fiscal Year	2015	2014	2013
Top Funding Source & Dollar Amount	--	--	--
Second Highest Funding Source & Dollar Amount	--	--	--
Third Highest Funding Source & Dollar Amount	--	--	--

## Capital Campaign

Currently in a Capital Campaign?	No
Goal	\$0.00

## Foundation Comments

- FYE 6/30/2015, 2014, 2013: Financial data reported using IRS Form 990-EZ.
- Foundation/corporate revenue line item may include contributions from individuals.

