

# ORGANIZATIONAL OVERVIEW

Prepare + Prosper (P+P) is a community-based nonprofit organization that provides free tax and financial services to low- and moderate-income communities. By providing these services to families, individuals, and sole-proprietors every year, P+P helps to facilitate economic security. Many of the people we serve receive tax refunds that help them meet basic needs, and begin to save for the future.

In 1971, P+P was built on the idea that those who can afford it least should not have to pay to access tax credits they have earned. Formed by a group of accounting professionals, P+P has grown into a complex and robust organization, sought nationally for its expertise in tax preparation and financial capability for low-income families.

## Need For Our Services

Tax credits offer essential financial assistance to millions of this country's working poor. According to the Brookings Institution, the Earned Income Tax Credit (EITC) is the nation's largest and most effective anti-poverty tool lifting an average of approximately 6.5 million Americans out of poverty each year. Due to this credit, paired with other credits, refunds can add up to 50% of one's income.

Because of the significant refunds that low-income taxpayers receive and the fact that many are financially under-served, they are often targeted by paid preparers and other financial service providers that charge high fees and up sell unnecessary financial products. Families are spending a portion of their tax refund just to access it.

What's more, many families we serve are asset-poor, meaning they lack enough savings to cover basic expenses for three months in the event of an emergency or disruption in income. Forty two percent of our customers (n=9,000+) have no savings and another 37 percent have less than \$500 in savings. For many, tax time is the one time of year when they receive a large sum of disposable income, making savings a reality. We address this "money moment" of tax time by working with our customers to connect them to financial services that facilitate financial stability and financial capability.

## 2015 Accomplishments



Assisted  
**13,256 taxpayers**  
in filing taxes, free of charge



Identified + filed for  
**\$25.3 million in refunds**  
for taxpayers in Minnesota



**6,000 dependents**  
(often children) benefited from  
tax refunds



Enlisted the help of  
**555 volunteers**  
who donated **26,465 hours**  
filing **27,379 returns**



**947 taxpayers saved**  
**\$1.6 million**  
of their refunds



**125 people**  
are reaching financial goals in our  
financial coaching program

# Programs and Services

## Tax Preparation Services

Leveraging the help of nearly 500 volunteers, P+P provides free tax preparation to individuals making \$30,000 or less and families making \$53,000 or less.

All taxes are prepared by volunteers who go through 15+ hours of training and are IRS-certified.

We operate 10 Volunteer Income Tax Assistance (VITA) sites during tax season and one during the off-season. Our locations are situated in the hearts of the low- to moderate-income communities that we serve.

Additionally, we have a remote tax preparation program that we use technology to prepare taxes for individuals who live in rural areas, are homebound, have a disability, or are elderly.

## Self-Employment Program

P+P fills a gap in services in the Twin Cities area for small business owners. We offer free tax and financial services paired with education for sole-proprietors earning \$53,000 or less.

Navigating the tax system can be difficult, particularly for small business owners whose returns can be complex. We take a holistic approach to their tax situation, helping them with recordkeeping, and compliance in addition to tax preparation.

We also provide access to volunteer financial planners and other financial services to help them stabilize and hopefully grow their small businesses.

## Financial Services

We utilize the tax code as a vehicle to facilitate financial stability. We maximize the “money moment” that tax time provides by offering financial services and products that help families increase the financial impact of their tax refunds.

Through negotiated partnerships with financial institutions, P+P is able to offer financial products such as savings accounts and pre-paid debit cards, regardless of banking or credit history.

P+P also provides services like access to credit reports, public benefits screening and robust referrals to partner organizations that offer more intensive financial counseling.

## Money Mentors

P+P offers one-on-one financial coaching through its volunteer-based Money Mentors program.

Money Mentors capitalizes the tax-time money moment to launch a longer-term relationship with customers so that refunds last longer, savings are tracked, credit scores improve, and reliance on predatory financial products and services decreases.

Much like a trainer at the gym, a volunteer financial coach works to create an action plan to reach financial goal(s) and create true change.

Over the course of 4 or 8 months, coaches help customers accomplish their financial goal(s) by listening, asking informed questions, helping customers refine their goals, and providing feedback, support, and tools.

# Initiatives

## FAIR

Spearheaded by Northwest Area Foundation, leaders from the Twin Cities have come together to form the Financial Access and Inclusion Roadmap (FAIR) initiative. They have a shared vision of connecting the 210,000 financially under-served individuals - largely low-income and from communities of color - to opportunities that ultimately increase financial health and wealth.

Believing that there is an opportunity, P+P is leading the charge to bring to market a consumer-centric product(s) that is simple, intuitive, and transparent and that will be married with information and real tools to help consumers better manage their money, transact, save, and build credit.

## Training + Technical Assistance

P+P trains and equips organizations around Minnesota in developing and implementing free tax preparation programs. We aim to increase access to free tax and financial services for all Minnesotans, no matter their location.

We offer in-depth assistance through classroom trainings, webinars, on-site support, e-bulletins and more.

In 2015, we offered training and technical assistance to 15 organizations in Minnesota who are operating 35 VITA sites.

## Claim it! Campaign

P+P manages the statewide Claim it! campaign to increase utilization of the Earned Income Tax Credit (EITC), the nation's largest and most effective anti-poverty tool, and to increase awareness of free tax assistance.

The campaign utilizes a variety of marketing, communication, and outreach tactics to connect with thousands of EITC eligible taxpayers in Minnesota by working with over 250 organizations in more than 100 cities across Minnesota.

In 2014, Minnesota taxpayers claimed an addition \$32 million in EITC refunds as compared to 2013.