

# Iowa Center for Economic Success

Board of Directors Meeting  
October 21, 2021



Iowa Center for Economic Success  
2210 Grand Ave  
Des Moines, IA 50312  
515.283.0940  
[www.THEIOWACENTER.org](http://www.THEIOWACENTER.org)

# Contents

Agenda ..... 3

Minutes from August, 2021..... 4

President’s Report..... 8

Direct Services Highlights ..... 10

Financial Dashboard Notes September 2021 ..... 13

Financial Dashboard – September 2021..... 14

Financial Dashboard—Cash Analysis 10/12/2021 ..... 15

Financial Dashboard – Revenue Detail ..... 16

Iowa Center Loan Fund – Cash & Loans Analysis..... 17



## Agenda

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING

October 21, 2021 – 7:30 AM

- |      |                                     |                         |
|------|-------------------------------------|-------------------------|
| I.   | Welcome                             | Bill Wright             |
|      | a. Board Action                     |                         |
|      | i. Minutes from August 2021 Meeting |                         |
| II.  | The Iowa Center Values              | Katie Hentges           |
| III. | President's Update                  | Megan Milligan          |
| IV.  | September 2021 Finance Report       | Alex Polzin/Mari Bunney |
| V.   | Open Discussion                     | Board                   |
| VI.  | Adjourn                             | Bill Wright             |

\*\*After adjournment please plan to stay for an open house with the staff. This will be a great time to visit with staff, ask any direct questions you may have, and look around the office space. We will also have fresh baked croissants from a DreamBuilder client.

NEXT EXEC COMM MEETING – Friday, November 19, 2021

NEXT BOARD MEETING – December 16, 2021 (3<sup>rd</sup> Thursday of every other month)



## Minutes from August, 2021

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING

MINUTES: August 19, 2021 – 7:30 AM

Zoom Virtual Meeting

Present: Sema Didic, Kelly Whitting, Franklin Codel, Bill Wright, Megan Milligan, Jodi Rhone, China Wong, Mari Bunney, Ann Rollow

Staff: Katie Hentges, Alex Polzin

7:35 am Bill Wright calls meeting to order. Welcomes everyone. Asks Kelly and Sema to introduce themselves.

### Motion

Motion to approve the June 2021 Board of Directors meeting minutes.

Jodi Rhone motions to approve meeting minutes, Franklin Codel seconds. All aye.

Bill: The June 2021 Board of Directors meeting minutes are approved.

### Team Values

Katie Hentges discusses the team value centered around we are always ready.

### President's Report

Megan Milligan, President + CEO

Megan speaks on the office updates.

### IEDA:

The state decided to pull the TSB loan program back under their umbrella. There's a sense of urgency within The Iowa Center to help our clients as IEDA is not ready to take on the loan processing. Megan met with Debbie at IEDA—and this was because the state has scored low on their small business support so they wanted to take it internal. They did ask for a proposal to help them and what it would entail. We have been looking for the gaps. We are looking into what it would look like to work with IEDA on things like counseling. But this has pushed us to begin fundraising for The Iowa Center Loan Fund account.

**Annual Campaign:**

We still have to raise \$300,000. So we have two big annual campaigns. We have paused hiring for our marketing/social media position and Katie is doing that position and Megan continues to carry on the fundraising.

**WBC:**

Advisory committee. We are re-building the WBC Committee. We are looking for about 5 people from the board

Bill: The fact that we raised \$52,500 from the board. Thank you to the major donor who contributed to the fund. To see that number was amazing.

Franklin: When you talked to Debbie Durham you said they're pausing...what does that mean and how long?

Megan: Everything is quite ambiguous they have not hired the position to manage this. When they decided to take it in-house, they didn't quite realize what that meant. Originally, they had posted a position for outreach to travel the state. But then they realized they needed a loan officer. And they needed an underwriter. It is a full stop on anybody that was a client of ours that was in the process. Our team worked so hard to get everything out of the door. Jill has shared she hopes for it to be 4 months. Part of why we wanted to start this loan fund was not instead of TSB but in addition to TSB. I wouldn't count anything for at least 6 months. So, any clients of ours that are in the pipeline will stop and they will have to start over.

Franklin: How did they not take credit for it? I feel they could have taken credit for anything they wanted.

Megan: I think part of it was growth outside of the metro area. So I think that will become a focus for them.

Franklin: So the contract runs out at the end of the month? Is there any indication they will extend it?

Megan: No, they have not. I don't think they will at this point. I think the team wants to make this work and go for it.

Franklin: is there any update on CDFI?

Megan: We were told it wouldn't be looked at until November. They're overwhelmed and flustered when we reached out to them. We have applied to be an SBA lender as well—and they have reached out to us several times to give us updates. But that's not through the treasury.

## Audit Committee Update

Mari Bunney, Treasurer

Ann and Jodi joined Alex and Mari on putting together the RFP. We sent it out to four firms. We have received it back from two. We are following up with the other two. We will review and will report back to the next board meeting who we are proposing.

## Year End Financials

Alex Polzin, Director of Finances and Admin

Mari Bunney, Treasurer

Alex reviews the dashboard notes.

We did 625k in loans plus 190k out in July. We are ending this contract as strong as we possibly can.

Alex breaks down the year end financials.

Megan speaks about the contributions—Principal didn't contribute due to a timing delay on their part.

Franklin: Does this include or exclude The Iowa Center loan fund?

Alex: It excludes it. The Iowa Center Loan Fund is not on this. You will see the expenses come through.

Franklin: So The Iowa Center Loan Fund financials will be reviewed with the exec comm. Will they ever be shown to the full board?

Megan: Yes, I think that's a conversation we need to have.

Franklin: I think sharing it a couple times a year would be helpful.

Megan: Yes, The Iowa Center is running and maintaining the loan fund

Alex: The Iowa Center Loan Fund has its own set of books. I report all the financials to Megan and Jose.

There is a reporting process in place. It's looking like these two consolidated into one audit.

Megan:

We have three types of giving: who we have counted on from donors for several years. The new ones (like 2 years) and the 3rd is brand new—I know this can be doubled over the next few years. There has got to be companies that want to donate money. I need introductions—and I would love to have you join me—I will ask the money but it is helpful if you're there with me. But if you would rather just do an email intro and then I do the follow up that will work too.

## Finance Report

Alex Polzin, Director of Finance + Admin

Mari Bunney, Treasurer

Alex gives the finance report. Discusses the financial dashboard regarding the Stanley Funds and the TY 2021 VITA site reimbursement.

Questions? None.

## Fundraising Dashboard

Megan Milligan, President + CEO

We have three types of giving: who we have counted on from donors for several years. The new ones (like 2 years) and the 3rd is brand new—I know this can be doubled over the next few years. There has

got to be companies that want to donate money. I need introductions—and I would love to have you join me—I will ask the money but it is helpful if you're there with me. But if you would rather just do an email intro and then I do the follow up that will work too.

Questions? None.

### Open Discussion

Megan: I would like to formally acknowledge the executive committee for agreeing to do a second term. Las year was unique and I really appreciate everything you have all done.

Alex: yes, thanks to the executive committee for coming on for another year.

### Motion

Motion to adjourn the August 2021 Board of Directors meeting minutes.

Kelly Whitting motions to adjourn, Franklin Codel seconds. All aye.

Bill: The August 2021 Board of Directors meeting is adjourned. (8:20 AM)



# President's Report

*Megan Milligan*

October 2021

## Highlights

- **Office Updates**

- We are working from the office Mondays, Tuesdays, and Thursdays, and an option to work from home on Wednesdays and Fridays. This seems to be a great setup for us—the interaction we are seeing while in the office together has been so great. We have a great core group of people that really get along and have a lot of fun working together.
- Ben Schultz our Client Services Manager stepped down from his role at The Iowa Center to go back to his roots in HR. During the interim while in the hiring process Jose, Russ and Katie will be handing his various duties.
- We are still searching for the right candidate for the Women's Business Center Program Director. Teleza Daniels is filling the role during the interim.

- **Speaking + Networking Engagements**

- Attended several virtual meetings representing The Iowa Center
- **Action Item: Board - Please share any introductions or speaking opportunities you might be aware of in which I might be able to participate**

- **Classes + Coaching Update**

- All classes and events will continue to be online through FY22 Q2.
- Most classes are being recorded, branded for The Iowa Center, and posted on our website for viewing later.

- **Fundraising Update**

- We received notification that we were awarded a three-year grant (\$194,306) through the Kauffman Foundation. This is a long-term project that will include the Muscatine Community College and The Community Foundation of Greater Muscatine.
- We received notification from Principal that our grant was approved for \$50,000.

- **Microloan Update**

- Jose and team closed out the TSB loan program with IEDA—but continue to provide feedback as needed.

- Jose and Megan have been holding meetings with local lenders sharing information regarding The Iowa Center Loan Fund and CDFI certification.
- **VITA Update**
  - The VITA grant was awarded from the IRS and the DHS matching grant was also approved for this upcoming year.



## Direct Services Highlights

### Classes + Coaching

- **Ongoing/Upcoming educational events:**
  - **Always Ready: Financials** This is a one-hour program that runs select times throughout the month.
    - Always Ready: Financials shows the clients what they need to do to always be ready to apply for a loan, file for taxes, and buy or sell goods and real estate. We will also show how to repair and build your credit.
  - **Always Ready: Business Plan** This is a one-hour program that runs select times throughout the month.
    - Turn dreams into plans with a small group, one-hour business planning class. The Iowa Center staff will help kickstart the client's business plan by providing a road map on completing the plan and what the next steps are to business ownership.
  - **FocusME** will began mid September 2021, and will end November 9.
    - FocusME provides a space for entrepreneurs to support each other with connections and accountability as each entrepreneur sets their own professional and personal goals with the guidance of a coach facilitator.
  - **Small Biz Essentials** Tuesdays from 12-1pm, online
    - Small Biz Essentials will connect the client with local subject matter experts who will share best practices on many different elements of running a small business. Some of these will be part of our Teach-Train-Coach model which allows our clients a deeper dive into the subject.
    - Upcoming webinars:
      - October 19: Break Through the Noise with Influencer Marketing
      - November 2: 5 Elements of an Effective Website
      - November 16: Tax Tips for Small Business Owners
  - **The Story Of...** (*formerly known as First Fridays*)
    - The Story Of...are stories of Iowa entrepreneurs and small business owners that are making their mark in our communities. As our clients are creating their story, we ask that they treat themselves to this time each month to rekindle the entrepreneurial spirit and connect with others.
      - *November 5: Volition Skate*
      - *December 3: XBK*
  - **BizFluent**
    - BizFluent is a collection of 3 separate week-long intensive courses designed for entrepreneurs who want to become an expert in key components of their small

business. Targeting small business owners who want to handle their own marketing, website development and operations. There is a fee for this course, but the fees fluctuate depending on how many classes you enroll in.

- BizFluent Marketing: October 25 – 28
- BizFluent Build Your Own Website: November 15 – 18
- BizFluent Admin and Operations: December 13 - 16

- **The Nest**

- The Nest is an Iowa Center Incubator launching August 2021 designed to bridge the resource gap for existing business owners through group coaching, 1:1 coaching, networking opportunities, and access to the whole team and resources at The Iowa Center.

## Asset Development

- **The Iowa Center Loan Fund: Q1 FY2022**
  - Total Aggregate Amount Disbursed since Program Inception is \$160,500
  - Loans Disbursed 7 for Q1 FY22
  - Funds disbursed in Q1 FY22 is \$40,000
- **Targeted Small Business Loans: Q1 FY2022**
  - TSB-Total Aggregate Amount Disbursed since our program inception: \$3,840,247.67
  - Funds disbursed in Q1 FY22 of 368,000.00
  - Loans disbursed in Q1 FY22 is 13
- **Microloans: Reporting for Q1 FY22**
  - TSB-Total Aggregate Amount Disbursed since our program inception: \$4,000,747.67
  - Funds disbursed in Q1 FY22 of 408,000.00
  - Loans disbursed in Q1 FY22 is 20
- **Taxes for TY2020**
  - 7,710 E-filed returns,
  - 294 Paper returns and amended returns
  - 672 Clients assisted who did not file
  - 386 Volunteers

## Staff Updates

- **Client Services Update (Jose Venales & Russ Dale)**
  - Always Ready (August - September)
    - 51 unique clients
  - Client Triage Meetings (August - September): 81
- **Women's Business Center (Teleza Daniels)**
  - The Women's Business Center Core grant was approved beginning of October. We were able to set our own metrics for the upcoming grant cycle—we have not gotten notification of metrics approval yet.
  - We held our first advisory committee meeting in September. It was a great success—the deputy director of the Women's Business Centers joined us on zoom and gave us great praise during and after the event. We are thankful to all of the board members who volunteered to join the committee.

- Milestones/Metrics for FY21 (WBC fiscal year is 9/30-9/29 2021)
  - Unique Clients: 417 (we currently sit at 417)
  - Business starts: 17 (we currently sit at 17)
  - Capital Infusions: 76 (we currently sit at 25\*\*this metric was drastically increased from last year)
- **Microloan (Jose Venales & Russ Dale)**
  - Always Ready: Financials will continue-- educating the loan clients on the loan process—the goal is to help prepare our clients to be *Always Ready*
  - Always Ready is now a prerequisite to applying for a microloan, creating a much more efficient process for both client and staff. By having the full client triage experience we are ensuring that each applicant that enters the loan pipeline is ready for that step in their entrepreneurial journey.
- **Marketing + Social Media (Katie Hentges & Russ Dale)**
  - If you would like more information on the classes and events please visit our recurring classes page at: <https://theiowacenter.org/recurring-classes-events/>
  - We also encourage and invite all board members to attend our events. To find a full list of all of our classes, dates, times, and topics go to: <https://theiowacenter.org/services/classes/>
- **VITA (Karla Evans)**
  - I have been communicating with 2 potential partners that have a large number of Limited English Proficient clients, which is one of the populations that we are trying to reach. They will not come on board this year, but one has committed to next year.
  - The Iowa Center VITA Site will have a new FSA (Facilitated Self-Assistance) option. This will enable clients to prepare their own taxes by using a link provided by us, while having access to a certified tax preparer for questions.
  - We also received notice of the VITA Grant continuing for the next year and are almost ready to submit our acceptance.



# Finance Report

*Alex Polzin, Director of Finance + Administration*

October 2021

Financial Dashboard Notes September 2021

Fiscal Year Ending June 30, 2022

1. July – September 2021 P& L variance review
2. 9/30/2021 Restricted Cash Analysis
3. Ewing Marion Kauffman Foundation gift awarded September 2021 (3-year grant period)
4. Iowa Center Loan Fund portfolio update

# Financial Dashboard – September 2021

Fiscal Year Ending June 30, 2022

Statement of Activities (July 1st, 2021 to September 30th, 2021)				
	YTD Actual	YTD Budget	YTD Variance	2022 Annual Budget
<b>Revenue</b>				
Contributions	197,976	42,755	155,221	216,500
Government Grants	125,000	125,000	-	811,888
Contract Income	66,390	61,000	5,390	71,411
Program Income	1,967	6,425	(4,458)	25,700
Investment Income	(31)	750	(781)	3,000
<b>Total Revenue</b>	<b>391,302</b>	<b>235,930</b>	<b>155,372</b>	<b>1,128,499</b>
<b>Expense</b>				
Personnel	185,629	195,184	9,554	780,734
Occupancy	15,440	14,442	(997)	57,769
Office Expense	7,839	12,845	5,006	51,380
Marketing	1,920	600	(1,320)	2,400
Programming	29,815	30,763	948	123,050
Tax Sites	37,951	21,830	(16,121)	209,192
Insurance	1,541	1,859	318	7,435
Professional Development	35	188	153	750
Amortization & Depreciation	3,737	3,737	0	14,948
<b>Total Expense</b>	<b>283,906</b>	<b>281,447</b>	<b>(2,459)</b>	<b>1,247,658</b>
<b>Net Revenue (Loss)</b>	<b>107,396</b>	<b>(45,517)</b>	<b>152,913</b>	<b>(119,159)</b>

Statement of Financial Position (As of September 30th, 2021)			
	9/30/2021	6/30/2021	Change
<b>Assets</b>			
Bank Accounts	840,084	872,234	(32,150)
Endowment Fund	29,702	29,734	(32)
Accounts Receivable	286,300	260,684	25,616
Prepaid Expenses	2,564	3,795	(1,231)
Fixed Assets	55,298	59,035	(3,738)
<b>Total Assets</b>	<b>1,213,948</b>	<b>1,225,482</b>	<b>(11,535)</b>
<b>Liabilities</b>			
Accounts Payable	7,283	115,942	(108,660)
Payroll Liabilities	7,373	18,100	(10,727)
Deferred Income	173,251	173,251	0
Other Liabilities	139,094	138,637	457
<b>Total Liabilities</b>	<b>327,000</b>	<b>445,930</b>	<b>(118,930)</b>
Total Net Assets	886,948	779,552	107,396
<b>Total Liab. &amp; Equity</b>	<b>1,213,948</b>	<b>1,225,482</b>	<b>(11,534)</b>

Accounts Receivables Detail		
Name	Amount	Description
IRS	-	VITA21 IRS: July-Sept.
DHS	32,500	EITC DHS Grant: Aug-Sept.
IEDA	-	IEDA TSB
SBA CARES	173,251	CARES Act Bal. in Deferred Income Liabilities
SBA WBC	37,500	SBA Women's Business Center: July-Aug
Stripe	429	Program Class Fees July-Sept.
Other	(7,380)	Prior Year True-up Journal Entry
Principal	50,000	Principal Operating Gift
<b>Total</b>	<b>286,300</b>	

Statement of Activities Variance Notes
Contributions are budgeted by month of expected gift - Kauffman received Sept. 30, 2021 (1/2 of 3-yr grant)
July-Sept expense is for prior FYE VITA expense reimbursements requests (See June 2021 Tax Sites + variance)
Program expenses budgeted evenly over 12 months

# Financial Dashboard—Cash Analysis 10/12/21

Fiscal Year Ending June 30, 2022

<b>9/30/2021</b>	<b>Description of funds</b>
14,655.14	Current Liabilities
147,153.00	Restricted Kauffman Funds (3-yr Grant Agreement)
62,578.00	Restricted CARES Funds (2-yr Grant Agreement)
170,425.00	Restricted Stanley Gift (Board)
310,000.00	Restricted Mgmt (3 month Operations)
135,272.99	Unrestricted Funds
<b>840,084.13</b>	<b>All Bank Accounts</b>

# Financial Dashboard – Revenue Detail

September 2021

Fiscal Year Ending June 30, 2022

Contributions Income			
Organization	Annual Budget	Accrued YTD	Cash Received YTD
Wells Fargo-Grant	100,000	-	-
Principal-Grant	30,000	50,000	-
US Bank	12,500	-	-
Bankers Trust	2,500	-	-
Regions Bank	10,000	-	-
BNC Insurance	10,000	-	-
Bank Iowa	500	-	-
Iowa State Bank	1,000	-	-
Drake University	5,000	-	-
AARP	5,000	-	-
Two Rivers Bank & Trust	5,000	-	-
Utwa h Savings Bank	1,000	-	-
Community Foundation	5,000	-	-
<b>Erving Norton Kauffman Foundation</b>	-	147,153	147,153
Individuals	29,000	823	823
<b>Total</b>	<b>216,500</b>	<b>197,976</b>	<b>147,976</b>

Government Grants Income			
Government Agency	Annual Budget	Accrued YTD	Cash Received YTD
IRS - VITA	15,000	38,750	38,750
DHS - EITC	19,500	48,750	16,250
SBA - CARES Act*	173,251	-	-
SBA - WBC	150,000	37,500	-
SBA - PPP Loan Forgiveness*	138,637	-	-
<b>Total</b>	<b>676,438</b>	<b>125,000</b>	<b>55,000</b>

Contract Income Update			
Organization	Annual Budget	Accrued YTD	Cash Received YTD
IEDA - TSB lending	61,000	61,000	61,000
VITA Tax Site	10,411	5,390	5,390
<b>Total</b>	<b>71,411</b>	<b>66,390</b>	<b>66,390</b>

Program Income			
Program	Annual Budget	Accrued YTD	Cash Received YTD
All Large Classes	-	-	-
Women's Business Center Classes	25,700	1,967	1,538
<b>Total</b>	<b>25,700</b>	<b>1,967</b>	<b>1,538</b>

Fundraising Notes
Principal prior fiscal year corporate pledge not received before 6/30/2021 - \$50,000 pledged and wire pending as of 9/30/2021
Kauffman grant awarded for \$294,306 for a 3 year period, with restrictions. \$147,153 received in September 2021 and recognized as revenue.

Government Grants Notes
SBA CARES Act Receivable of \$173,251.00 is the balance of the total \$415,982 that is still held with the SBA and booked to Deferred Income Liab.
SBA PPP #2 \$139,639 is recorded as 'Other Liability' until the forgiveness application is accepted and revenue recognized.

Program Income Notes
Classes provided by The Iowa Center for a fee include Dream Builder, FocusMe, Financially Savvy, & Dreammaker.
The full class list can be found at <a href="https://theiowacenter.org/class-catalog/">https://theiowacenter.org/class-catalog/</a>

September Income Notes
IA DHS August Invoice payments expected in October
IRS VITA July-Sep grant payments received in early September
IEDA Contract is paid in full as of 8/31/2021. No outstanding TSB loan processing.

Grant & Contract Terms
SBA (WBC) grant years: September 30, 2020 - September 29, 2021
SBA (CARES Act) grant years: May 1, 2020 - April 30, 2022 (extended 12 months from original terms)
VITA (IRS) grant years: October 1, 2020 - September 30, 2021
VITA (DHS) grant years: July 1, 2020 - September 30, 2021
IEDA (TSB) contract terms: August 16, 2018 - August 31, 2021 (Ended 8/31/2021)
Merchant lease ends February 29, 2030

# Iowa Center Loan Fund – Cash & Loans Analysis

October 12, 2021

Description	9/30/2021
Number of loans outstanding	13
Average original loan amount	\$ 10,000.00
Current outstanding loans balance	\$ 91,000.00
Average current outstanding balance	\$ 7,000.00
Cash available for new loans	\$ 136,350.70