



Kekaha Federal Credit Union

Kekaha, Kauai, Hawaii

Entry for the 2008 Dora Maxwell Social
Responsibility Award



Volunteer Income Tax Assistance

helping people help themselves





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Kekaha Federal Credit Union

Kekaha Federal Credit Union was chartered in 1938 to serve the employees of the Kekaha Sugar Company on the Island of Kauai. Kekaha Sugar Company closed in late 2000. Years prior to the plantation closing, Kekaha FCU expanded its field of membership to include businesses in the community.

Today, Kekaha FCU is a full-service credit union with a field of membership encompassing the entire island of Kauai. It is also a Community Development Credit Union that caters to the financial needs of low-income residents. Kekaha FCU has \$17.5 million in assets and serves over 1,700 members.





Our Recipe For Success

- Take one under served population.
- Add one very committed credit union—Kekaha FCU works best.
- Fold in equally committed community partners.
- Blend until smooth and desired results are achieved.



Kekaha FCU participated in the Volunteer Income Tax Assistance (VITA) program because of a community need and a shared purpose.

- The VITA program encourages and help people file for their Earn Income Tax Credit (EITC). The EITC is a credit the IRS uses to encourage families to work and get off of public assistance.
- The Aloha United Way and U.S. Senator Daniel Akaka stated that over \$10 million a in EITC is unclaimed by Hawaii residents.
- The EITC is based on family income up to \$40,000. The lower the income, the greater the tax credit up to \$5,000 for a family of four.

Why VITA is vital to our community

- The community of Kekaha has a median household income of \$39,680.
- There are only three VITA sites on the entire island of Kauai
- The nearest VITA site to Kekaha is 20 miles away, an inconvenience to the many low-income and senior citizens in the community.



Goal: File 38 Federal Tax Returns

(Benchmark of success set by Aloha United Way and the Internal Revenue Service)

Community partners help our small credit union implement an ambitious project.

■ Kekaha FCU

- Normally open five days a week from 8:00 a.m. to 4:00 p.m., opened on Saturdays for VITA program
- Credit union became a Certified VITA site
- Manager became Certified VITA site coordinator and tax preparer at basic, intermediate, and advance level

■ Aloha United Way

- Provided marketing materials, including radio and print ads
- Coordinated promotional events and educational sessions

■ Internal Revenue Service

- Provided online tax filing software
- Technical help with software and individual tax return questions



Our Success Strategy

Kekaha FCU Manager Scot Tsuchiyama was trained and qualified for VITA program responsibilities, which included:

- **Site coordinator**
 - Responsible for filing reports
 - Set out compliance materials
 - Checked tax returns for accuracy
- **Tax preparations at advance level**
 - The credit union could do taxes for almost anyone (wage earners, pensioners, sale of real property, small businesses with less than \$3,000 in gross receipts)
- **Scheduling appointments**
 - Refresh and update the appointment schedule at least twice a day
 - Adjusted the appointment time by reviewing the intake officers questionnaires



Our Success Strategy

Involved all staff in the process.

- Frontline credit union staff served as intake officers
 - Screened calls for income qualification
 - Recorded vital information
 - Name, phone number, social security number, address, dependence, types of income
 - Informed people of documentation needed
 - Social Security card, valid ID, dependents Social Security cards, W-2s, and last year's tax return
 - Scheduled appointments and made reminder calls



Our Success Strategy

Utilized existing technology for efficiency.

- Use the IRS for online filing of tax returns
 - A tax return could be completed in as little as 10 minutes
 - Telephone support for unusual situations



Our Success Strategy

Utilized marketing collateral and support of partner organization.

- Use the Aloha United Way to market the VITA site
 - Radio ads
 - 144 spots a day over six radio stations for three months
 - ½ Page Newspaper ads
 - Three times a week in three different newspapers for two months
 - Lobby posters for credit union and low-income housing projects



Results: We exceeded our goal!

- Kekaha FCU prepared 108 federal tax returns
 - \$83,862 in total refunds
 - 26 tax returns qualified for EITC
 - \$41,660 in EITC credits
 - 70 tax returns also had state refunds due
 - \$7,623 in state of Hawaii refunds
 - 44 returns were done for Economic Stimulus payments



- \$104,685 total refunds put into the local economy.
- Personal satisfaction
 - One member declared that her \$5,460 refund check was the most money she every received.
 - People served saved over \$10,000 in tax preparation fees.
 - Five people had no bank account before opening one at the credit union to accept their tax refund electronically
 - One member brought doughnuts for the staff and another brought homemade tarts to show their appreciation.
 - One senior member commented “We are lucky you are doing tax returns; we use to travel 20 miles to Lihue for free tax service”.

Kekaha FCU Wins 2008 Aloha United Way Small VITA Site Award

Aloha United Way Honors credit union partners

KEKAHA FCU AND the Hawaii Credit Union League were among those honored by Aloha United Way (AUW) for their participation in the free Volunteer Income Tax Assistance (VITA) effort

Lt. Governor James Aiona was the keynote speaker at the May 7th luncheon sponsored by AUW's Family and Individual Self-Sufficiency Program. The event honored of all of the volunteers and partners who participated in the program statewide.

Kekaha FCU was recognized as "Best Small Site Coordinator" for offering free income tax preparation services for people in the community. Kekaha FCU Manager Scot Tsuchiyama completed over 100 tax returns with assistance from Aloha United Way volunteers.

The Hawaii Credit Union League received the "Best Partner - Site Expansion" award for increasing the number of VITA credit union VITA sites. Last year, Valley Isle Community FCU was the sole credit union VITA site; this year Kekaha FCU, Hickam FCU, and IEG FCU were added.

Volunteers for the VITA program

undergo many hours of training and testing to obtain IRS certification and then work at their VITA sites during the business hours, evenings and on weekends from late January through mid-April in order to provide this valuable service to low income taxpayers. "These volunteers are amazing and we're happy that we can do something to recognize their hard work and giving spirit," said Susan Tamanaha, A UW Program Coordinator.



HCU's Pam Divito-Paiaina (above) and Kekaha FCU's Scot Tsuchiyama (left) receive awards from Lt. Governor James "Duke" Aiona and AUW's Susan Au Doyle.





Summary

This project truly demonstrated the power of partnerships. By working with like-minded organizations, Kekaha FCU achieved results we could not have done on our own.

Our passion is to help the people of our community rise above their financial circumstances and become productive members of society.

Through our VITA site project, we helped get the Earned Income Tax Credit to the people it was intended to benefit. If not for our efforts to educate people about EITC and our free tax preparation service, many in our community may not have received this much needed tax credit.