

**Endow Iowa Tax Credit and County Endowment Fund Programs - 2013**  
A Report to the Governor and the Iowa Legislature

Submitted by the Iowa Council of Foundations  
and the Iowa Economic Development Authority  
**January 2014**



## Endow Iowa Tax Credit Program

Endow Iowa Tax Credits are state tax credits provided to Iowa taxpayers (individuals or businesses) who donate to permanent endowment funds at qualified community foundations or community affiliate organizations serving the communities of Iowa. The Iowa Code (15E.305(2)) authorizes \$6 million for Endow Iowa Tax Credits annually.

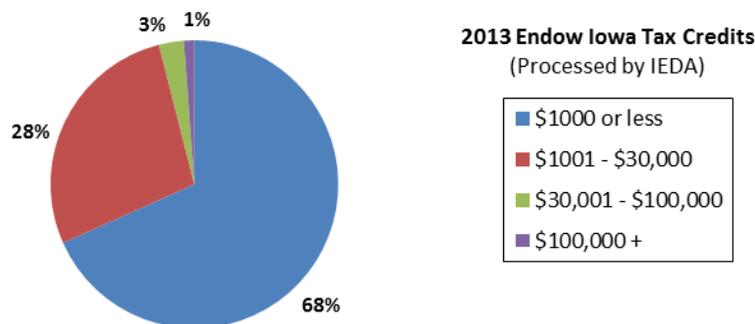
The following is a summary of the credits awarded in calendar year 2013 (*as of January 21, 2014*).

- Approximately \$5,999,996 in Endow Iowa tax credits were awarded;
- Tax credit applications showed approximately \$23,999,983 in charitable giving was leveraged by the credits;
- The donations went to at least 15 different community foundations and community affiliate organizations;
- The \$5,999,996 million in donations was comprised of more than 3,072 separate donations.

Donation Amount	2013 Donations	2012 Donations	2011 Donations	2010 Donations	2009 Donations	2008 Donations	2007 Donations	2006 Donations
\$1000 or less	2,099	2,153	1,849	1,491	1,346	1,297	655	423
\$1001 - \$30,000	851	832	663	457	481	483	318	177
\$30,001 - \$100,000	86	54	59	49	43	68	45	37
\$100,000 +	36	35	25	28	17	30	20	18
Total Donations	3,072	3,074	2,596	2,025	1,887	1,878	1,038	655

Of the 3,072 total donations made in 2013, 244 were from business establishments (corporations) or from financial institutions. The remaining 2,828 donations were from individual donors. The legislation requires that at least 10% of the donations be in amounts of \$30,000 or less. Dividing the donations into categories of less than or more than \$30,000 gives the following:

- 96% (equaling 2,950 donations for a total of \$6,938,279) of the donations and were made in individual donations of \$30,000 or less;
- 4% (equaling 122 donations for a total of \$17,061,704) of the donations were made in individual donations of more than \$30,000.



Since inception of the Endow Iowa Tax Credit Program, Iowa Community Foundations have leveraged more than \$143,611,363 in permanent endowment fund gifts. The contributions were made through more than 17,124 donations.

### **County Endowment Fund Program**

The County Endowment Fund Program was established by HF 2302 in the 2004 Legislative Session. While it is separate from the Endow Iowa Program, the programs have similar goals — to build the community foundation infrastructure to encourage additional philanthropy throughout the state, ultimately leading to increased local charitable assets and retention of wealth for the benefit of Iowa communities.

The Iowa Legislature created the County Endowment Fund Program by providing eight-tenths of one percent (0.8%) of the state's commercial gaming tax revenue to support the initiative, resulting in \$11,595,704.75 available for Community Foundations or Community Affiliate Organizations throughout Iowa in 2013. Three percent of that amount (\$347,871) was provided to the state's Lead Philanthropic Entity, the Iowa Council of Foundations, and \$70,000 was provided to the Iowa Economic Development Authority for activities in support of the program and community foundation work. Approximately \$11.3 million was then distributed among 85 Community Foundations and/or Community Affiliate Organizations; each of the 85 organizations received approximately \$132,327 through this program. Of that amount, the legislation requires that each organization put 25% into a permanent endowment fund, and distribute the other 75% to charitable causes and/or organizations in their service area.

The distribution dollars from the County Endowment Fund Program to the community foundations in 2013 occurred in late August. The timing of this distribution was such that most of the recipients have not yet made awards of the 75% portion of the funds; however, we now have complete information on the results of the eighth year's distribution of funds (in September of 2012, \$125,958 was provided to each organization). **The summary provided on the County Endowment Fund Program in this report reflects the grants awarded with the dollars distributed to the Community Foundations in *September of 2012*.**

The majority of the 85 organizations referred to above were formed as a direct result of the impetus provided by the County Endowment Fund Program created by the Iowa Legislature. Each of the organizations has a governing body comprised of 5 or more community leaders or advocates for local philanthropy, with many of the organizations having 10 or more members. Annually, more than 1,500 local leaders are actively involved in community foundation work from border to border across the state. This widespread involvement and commitment of local leaders and community members is but one benefit that can be added to the financial growth of community foundation organizations which directly impact the vitality of communities of all sizes — both now and in perpetuity.

### **Grant Awards Snapshot**

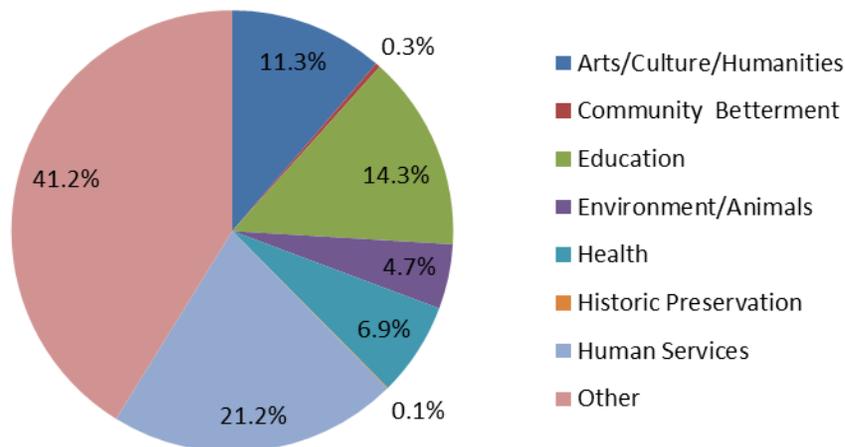
The Iowa Council of Foundations and the Iowa Economic Development Authority began collecting reports in August of 2013 from each of the 85 community foundations involved in the 2012 County Endowment Fund Program; the responses provided information on grantmaking activity as well as progress toward continued asset development. According to the reported information, the volunteers serving on these community foundation governing bodies collectively reviewed 2,971



grant applications totaling nearly \$17.7 million in grant funding requests and awarded nearly \$8.3 million in grants through the County Endowment Fund Program. (Please note: the summary provided on the County Endowment Fund Program reflects the grants awarded with the dollars distributed to the Community Foundations in *September of 2012*.)

As in previous years, the grants awarded by the local community foundations through the County Endowment Fund Program reached into all areas of charitable need within communities. In the reports, the community foundations were required to note whether a funded project was a capital or program-based award; and where each grant fit within a range of focus areas (Arts/Culture, Education, etc.) as shown in the pie chart below. According to the information provided by the community foundations participating in this program, 56% of the total County Endowment Fund grants were awarded to capital projects and 44% were awarded to programming.

**Focus Areas of 2012 County Endowment Fund Grants**  
*2144 grants, \$8.3 million in funding awarded statewide*



Complete listings of all the individual County Endowment Fund grants awarded by each of the 85 community foundations involved in the Program are listed in a joint publication produced by the Iowa Council of Foundations and the Iowa Gaming Association (*to be distributed in early February 2014*). This information will also be available on the website for Iowa Community Foundations website ([www.iowaCommunityFoundations.org/grant-search.aspx](http://www.iowaCommunityFoundations.org/grant-search.aspx)) in early February. It is also on file with the Iowa Economic Development Authority.

**Iowa Community Foundations Initiative**

The impact of the County Endowment Fund Program and the Endow Iowa Tax Credit Program can be seen in communities across Iowa. Charitable projects continue to reap the benefits of both programs through grant support dollars as well as assistance in building endowments that will support them in perpetuity. Through endowment building, grantmaking, and community leadership, more than 130 community foundations are making a difference today that will be felt throughout Iowa well into the future, making the impact of community-based philanthropy endless.

Eighty-five of Iowa's 130 community foundations participate in the County Endowment Fund Program and all are eligible to participate in the Endow Iowa Program (providing they meet qualification standards). The majority of Iowa community foundations are led by active volunteers in local communities (referred to as affiliate community foundations) which have a "host" community foundation that serves as the legal and administrative hub for the local organization. The host community foundations work to provide individualized learning and/or larger group opportunities for the affiliates with whom they work directly; some convene their affiliate community foundations via regional meetings, quarterly meetings, or one-on-one meetings for specific opportunities related to asset development or grant-specific work.

The success of Endow Iowa and the County Endowment Fund Program is dependent on a strong community foundations network. To that end, the Iowa Community Foundations Initiative has become a core program area for the Iowa Council of Foundations (ICoF) in its role as the state's Lead Philanthropic Entity (LPE)—a designation the organization has held since 2004. The Initiative is focused not only on administering and marketing the Endow Iowa and the County Endowment Fund Programs; but also supporting the network of community foundations and affiliate community foundations across the state. This is accomplished through a variety of strategies to both *directly promote* these programs and *to strengthen the community foundation field* to ensure their effective implementation.

Below are highlights from this work in 2013. (For more information about the Iowa Council of Foundations, please visit [www.iowaCouncilofFoundations.org](http://www.iowaCouncilofFoundations.org).)

#### **Building Awareness Among Potential Donors and Nonprofit Partners**

This includes continued efforts to distribute targeted advertisements and public service announcements about the Endow Iowa Tax Credit Program and community foundations through a variety of media outlets, including Iowa Public Radio, Iowa Public Television, *ia* magazine, *The Iowan* magazine, the statewide edition of the *Des Moines Business Record (Business Record Iowa)*, and *Business Record* online. In October, the ICoF promoted Iowa Community Foundations, Endow Iowa, and the County Endowment Fund program at the annual Iowa Tourism Conference by leading an educational session and staffing an exhibit booth.

In November, the ICoF also represented the Iowa Community Foundations as a collaborative partner for the annual Iowa Nonprofit Summit held in Des Moines. The statewide summit featured a variety of workshops aimed at professional development for nonprofit staff and volunteers and drew nearly 300 registrants over a two-day period.

#### *Endow Iowa 10<sup>th</sup> Anniversary*

2013 marked the 10<sup>th</sup> anniversary of the Endow Iowa Tax Credit Program. To mark this milestone and promote further awareness of the program statewide, the ICoF:

- Worked with community foundations across the state to document a variety of donor stories about endowments that were established early in the program, how they've grown, and their impact today. These stories can be found on the Iowa Community Foundations website at [www.iowacommunityfoundations.org](http://www.iowacommunityfoundations.org).
- Hosted a special recognition ceremony for both Endow Iowa and the County Endowment Fund (which was signed into legislation in early 2004) in November. This event brought together community foundation leaders from around the state, representatives from the



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Iowa Economic Development Authority, the Department of Revenue, and other key stakeholders.

- Worked with the Governor's office to hold a re-signing of HF 620 (a bill which expanded the Endow Iowa tax credit base), bringing together community foundation leaders and members of the Iowa Council of Foundations Board of Directors for a photo opportunity.
- Distributed a statewide press release about the 10<sup>th</sup> anniversary of Endow Iowa and the recent expansion of the program during National Community Foundation week (November 12 - 18.)

### **Targeted Outreach to Professional Advisors**

The professional advisor community (attorneys, accountants, estate planners, financial planners, and financial advisors) continues to be a key audience for outreach and education about Iowa Community Foundations. The ICoF, on behalf of the Iowa Community Foundations, supported collective outreach to this important constituency group through several marketing and educational opportunities. This included advertisements promoting Iowa Community Foundations in the *Iowa Lawyer magazine*. New in 2013 was a partnership with the Iowa Society of Certified Accounting Professionals (Iowa CPA Society) which included ad placements in the organization's monthly print and online newsletter as well as sponsorship of the Society's annual Exempt Organizations Conference. For the second year in a row, the ICoF staff presented on community foundations and the Endow Iowa Tax Credit Program at the Professional Adviser Annual Continuing Education Conference which was hosted by the Iowa State University Foundation's Office of Gift Planning.

### **Strengthening the Community Foundation Field**

The success of the County Endowment Fund program and the Endow Iowa program are dependent on a strong community foundations network. In its role as LPE, the ICoF continued to offer a wide variety of educational opportunities specifically tailored to the Community Foundation Network to ensure the effective implementation of both of these programs throughout 2013:

#### **Community Foundation Fundamentals Course**

In the fall of 2013, the ICoF partnered with the national Council on Foundations to offer the Community Foundation Fundamentals course in Des Moines. Community Foundation Fundamentals is designed to help staff and board members quickly comprehend community foundation organizational essentials. This two-day course, created and led by experienced leaders in the community foundation field, covered these and other topics:

- History of the community foundation movement
- Basic information on governance, resource development, and donor relations
- Key legal and legislative issues and information on grantmaking
- Community leadership and fiduciary responsibilities

The course was presented by Michael L. Batchelor, President of the Erie Community Foundation, Erie, PA, Veronica Blake, Chief Executive Officer of the Placer Community Foundation, Auburn, CA and Suzanne Friday, Counsel, Council on Foundations, Washington, D.C. Limited to 40 participants, this event drew community foundation representatives from across Iowa, as well as Kentucky, Ohio, and Wisconsin.

### **CONNECT: Community Foundation '13 Networking Summit**

The Iowa Council of Foundations hosted the annual CONNECT: Community Foundation '13 Networking Summit in Des Moines on February 11, 2013. The Summit provides community foundation staff and volunteers sessions on understanding the life stages of Iowa community foundations, strategies for forging successful partnerships around endowment building, opportunities to ask legal questions directly from national experts, and more. The event is structured to allow ample time for participants to network with their colleagues and develop strategies to implement in their local communities.

More than 80 community foundation representatives attended the 2013 Summit. Session topics included how to develop donor engagement strategies; ethical and legal considerations in the affiliate and host foundation relationship; public relations and media relations for community foundations; and building relationships with professional advisors. Attendees were also offered the opportunity to apply for mini-grants designed to assist in developing new ideas learned at the Summit. Eleven Iowa community foundations utilized this opportunity to set ideas into motion in their own communities. The CONNECT '14 Networking Summit will be held on February 11, 2014 in Des Moines.

### **ICoF/ IGA Publication on the County Endowment Fund Program**

Each year, the Iowa Council of Foundations partners with the Iowa Gaming Association to produce a publication providing detailed information on the County Endowment Fund Program and the grants awarded in each of the 85 counties. The 2011/2012 report released in early 2013, "*Building Iowa's Communities Through Philanthropy*," includes grant information and summary statements for the grants awarded by the Community Foundations participating in the program as well as information about the community foundations governing body members, contact names, total assets, and overall asset growth.

### **Community Foundation & Affiliate Resource of the Week**

The Iowa Council of Foundations shared updates, best practices, resources, and highlights from local community foundations with colleagues through an electronic newsletter titled *Resource of the Week*. This tool provided materials for community foundations to use locally (such as promotional materials for Community Foundation Week), announcements of upcoming educational sessions, sample brochures and event templates from other community foundations, articles featured in local publications, and more. Each *Resource of the Week* encourages colleagues to share with one another and submit resources to the network as an additional form of networking and learning.

### **[www.IowaCommunityFoundations.org](http://www.IowaCommunityFoundations.org)**

The ICoF continued to expand the web presence for Iowa Community Foundations. The website (which includes a searchable map by county name, zip code, or region of Iowa) provides resources to potential donors, professional advisors, and others about partnerships with local community foundations. The foundations can also choose to have their entire web presence hosted within this site, allowing individual updates, edits, and content changes which make having a web presence easy and accessible.

Additional functionality was upgraded in the site for Iowa Community Foundation staff and volunteers. The Knowledge Center component was expanded to include access to recordings of past training sessions, webinars, and educational opportunities from the ICoF for community



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foundations. The Knowledge Center also houses all toolkits produced to guide community foundations through a variety of presentations, processes, and conversations. All community foundation volunteers, board members, and staff have access to the Iowa Community Foundations Knowledge Center by request.

### **Staff-Like Capacity Support**

The Iowa Council of Foundations supported nine staff-like capacity grants throughout 2013 with a specific focus on providing new or expanded local staff-like capacity to support efforts for growing endowments at affiliate community foundations. Activities associated with this work have included community presentations; local board engagement; individual donor visits; professional advisor outreach; and partnerships with nonprofits, chambers, economic development groups, schools, and more. Year-end reports for grants awarded in 2013 are due May 31, 2014. To date, the response has been tremendous, with recipients reporting the creation of new funds, increased board member engagement, and an enhanced community presence.

### **Community Foundation Café Webinar Series**

The Iowa Council of Foundations continued to produce the *Community Foundation Café* webinar series. Designed for statewide participation by community foundation staff and volunteers over the lunch hour, the Café series is structured to last between 30 minutes and one hour. The series features topics developed based on feedback from community foundations and are focused on professional development. The 2013 sessions included: *Collaborating in Philanthropy to Advance Community Development*; *Making Ends Meet: The Cost of Living in Iowa*; *Increasing Impact: Understanding Measurements of Impact in Evaluation*; and *the Impact on Giving After the Repeal of the Michigan Community Foundation Tax Credit*.

The sessions are recorded to allow playback throughout the year in the secure login area of the IowaCommunityFoundations.org website. Following each webinar, the materials are shared with participants so they can use the presentations and/or handouts with their colleagues locally. The series will continue in 2014 with topics covering a variety of issues related to community foundation growth and asset development.

### **VISTA Program for Iowa Community Foundations**

In 2013, the Iowa Council of Foundations completed the second year of its statewide AmeriCorps VISTA program specifically for Iowa Community Foundations, in partnership with the Iowa Office of the Corporation for National and Community Service. This program provides support to Iowa Community Foundations in capturing the transfer of wealth and building the capacity of local community foundation volunteers to grow endowments. The ICoF was able to make 10 VISTA positions available through the program, with placements made in eight community foundations (sites) across the state. Each full-time position worked to build the capacity of local community foundation volunteers, connect with community organizations about the power of endowment building, grow planned giving awareness and documented expectancies, and, ultimately, increase the overall capacity and growth potential of community foundations. The work of the VISTA members was so successful, two VISTA members have now gone on to become full-time employees at their host sites.

VISTA members in the program assisted Iowa Community Foundations in leveraging over \$3 million in contributions in the second year of the program, facilitated 57 new trainings to help

position community foundation volunteers to capture endowment dollars, provided 159 new tools, and conducted 169 outreach sessions to share information about the transfer of wealth and grant opportunities from local community foundations. For 2014, the program has 9 VISTA members working across include 10 VISTA members across 5 sites.

### **Networking/Learning Opportunities for Affinity Groups**

The ICoF also continued its efforts to support a learning community structure among the affiliate staff liaisons from each host community foundation through formal quarterly meetings and informal networking opportunities. Through this structure, affiliate staff liaisons explore best practices, share lessons learned, discuss strategies, brainstorm new ways for support, and more. A similar structure for community foundation CEOs is also in place.

### **Collaboration with the Iowa Economic Development Authority**

The IEDA continues to administer the Endow Iowa Tax Credit Program and the County Endowment Fund program. The IEDA maintains information on its website relating to these programs, including Frequently Asked Questions, a Status Update on Tax Credits, and other related information. The IEDA works closely with the Lead Philanthropic Entity (ICoF), as well as other agencies to support the various philanthropic initiatives in Iowa. IEDA staff work with the ICoF as a resource for answering technical questions related to Endow Iowa, charitable giving vehicles and community foundations. The ICoF provides the IEDA with a platform for distributing communications through the community foundation network and in gathering the required annual board resolutions for participation in the Endow Iowa Tax Credit Program.

### **Summary**

In 2013, the Iowa Council of Foundations continued its longstanding support for the community foundation movement in Iowa – from further development of a statewide VISTA Program for Iowa Community Foundations to promotion of the field to the professional advisor community to targeted educational programs. These efforts continue to result in increased endowment growth and community impact through a robust network of Iowa Community Foundations across the state.

In 2014, the Iowa Council of Foundations will continue its support of the community foundation infrastructure by exploring new opportunities for outreach, education, and information-sharing. The new year promises to be yet another year in which community-based philanthropy will grow, resulting in even stronger communities . . . For **good**. For **Iowa**. For **ever**.



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