

SCICF Newsletter

Our mission is to contribute to a better life for people of South Central Iowa by helping donors to carry out their charitable intent and by providing responsible stewardship of gifts for community purposes.

November 2012



The Ricker family: Bruce, Lindsay, Michell, Blake, Jaren and Randi

WIN-WIN The Endow Iowa Program extends a tax break to charity-minded donors, while their gifts benefit communities large and small. *By Christine Riccelli*

An innovative state program is making it easier for Iowans to stretch their charitable dollars. Through the Endow Iowa Program, you can receive a 25 percent state tax credit for a donation to a permanently endowed fund at a qualified community foundation. For example, if you're in the 35 percent tax bracket and give \$10,000, the donation will cost you just \$4,000 after the state tax credit and federal tax deductions. The program is a win-win: You get a tax break, and your gift, through the endowment, benefits your community forever.

Created by the Iowa Legislature in 2003 and administered by the Iowa Economic Development Authority, the program provides for about \$4.5 million in tax credits each year (available on a first-come, first-served basis), says Angela Dethlefs-Trettin, former executive director of the Iowa Council of Foundations (ICoF) who joined the Community Foundation of Greater Des Moines in September. Individuals, businesses and financial institutions can apply for the credits.

Since moving back to their hometown of Mt. Ayr in 1996, Dr. Bruce and Michell Ricker have been inspired by how endowments, held at the South Central Community Foundation, have helped transform their community. The funds have, for example, supported the renovation of the town's historic Princess Theater and the construction of a teen center. Such successes motivated the Rickers to establish their own endowment at the South Central Community Foundation as a way to give back to the community they love, with the Endow Iowa Tax Credit providing a major incentive, Michell Ricker says. "The Endow Iowa Tax Credit inspired us to give more, as we would get even more 'bang for our buck,'" she says.

Similarly, the tax credit has prompted donors throughout the state to establish or give to endowed funds; since the Endow Iowa Program began, it has generated more than \$100 million in donations to Iowa's 130 community foundations, Dethlefs-Trettin says. What's more, the program has served as a model for other states. The Kentucky Legislature passed a similar tax credit in 2010, and a related bill has been introduced in the Minnesota Legislature. The ICoF also has launched conversations with donors, community foundations, legislators and leaders in Illinois, Maryland, Utah and Indiana—all of which, according to Dethlefs-Trettin, show interest in starting such a program. As she proudly notes, "Endow Iowa continues to be the most coveted philanthropic program in the nation.

Afton Fire Department



The Afton Volunteer Fire Department received a \$10,500 grant from Endow Union County-SCICF to purchase 5 sets of personal protective equipment.



\$2 for \$1 Match to Chariton 4th of July Endowment Fund



Chariton 4th of July Endowment Fund has received a \$2 for \$1 matching grant from Lucas County-SCICF. They need to raise a \$1,000 to receive a \$2,000 grant to their endowment fund. If you would like to help the Chariton 4th of July Endowment Fund meet this goal, please contact the foundation office 641-217-9105. All gifts of \$100 or more qualify Iowa donors to receive a 25% Endow Iowa tax credit.



M.N. Viner Endowment Fund

The M.N. Viner Endowment Fund was established in 1998 to benefit the Leon Library. The initial gift to the endowment was just over \$3,000. Today the fund's market value is over \$80,000, generating annual payouts of around \$3,500!



Eugene & Vera W. Marquis Scholarship

This scholarship was established in 2002 with an estate gift of just over \$350,000 from Eugene and Vera W. Marquis, a Clarke County couple who wanted to leave their legacy by helping local students to further their education. This fund has awarded 107 scholarships, totaling \$164,000, to high school seniors and college students from Clarke County. Today, the market value of the fund is over \$460,000. What legacy do you want to leave?

Community Foundation Week 2012

November 12–18

During the week of November 12-18, 2012, the South Central Iowa Community Foundation will join more than 700 community foundations across America for *Community Foundation Week* to tell the stories of lives changed, jobs created, and communities transformed through philanthropy's partnership with private and public community leaders and organizations.

"The South Central Iowa Community Foundation works every day to help address the needs of our community, including education, community beautification, conservation, safety and many more. Community foundations impact lives, solve problems, and improve futures," said Diane Bear, executive director. "In a down economy, with limited resources and a growing need for services to help families in need, we are more determined than ever to bring our community partners together to find innovative and effective solutions to our local community needs."

Community foundations are independent, public entities that steward philanthropic resources from institutional and individual donors to local nonprofits that are the heart of strong, vibrant communities. In the past year, SCICF has awarded over \$1 million in grants to our 5 county area consisting of Clarke, Decatur, Lucas, Ringgold and Union; and our 3 affiliate counties of Adams, Appanoose and Wayne. Several grants awarded benefited our local hospitals, schools, fire departments, daycare facilities, public libraries, swimming pools, conservation, walking trails, senior centers and community beautification.

Individuals, families, organizations and businesses establish endowment funds to ensure the permanency of projects, organizations or educational scholarships. Many of these funds are named after an individual, a family, an organization or a business. These donors are all ages and come from all types of backgrounds—they are homemakers, farmers, business leaders, professionals, volunteers, educators, laborers. The size of their gifts varies too; they know that every endowment, no matter what the amount, can make a significant difference.

Community foundations represent one of the fastest-growing forms of philanthropy. Every state in the United States is home to at least one community foundation—large and small, urban and rural—that is advancing solutions to a wide range of social issues. The 2011 Columbus Survey found that despite the recession, giving by the nation's 100 largest community foundations actually increased slightly in 2010 to \$3.7 billion and exceeded pre-recession levels seen in 2006 and 2007.

Launched in 1989 through a proclamation by former president George H.W. Bush, the first Community Foundation Week included a congressional briefing about the work of community foundations throughout America and their collaborative approach to working with the public, private, and nonprofit sectors to address community problems.

#GIVINGTUESDAY™

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On Tuesday November 27, 2012, charities, families, businesses and individuals are coming together to transform the way people think about, talk about and participate in the giving season. It's a simple idea. Find a way for your family, your community, your company or your organization to join in acts of giving. Tell everyone you can about what you are doing and why it matters. Join a national celebration of our great tradition of generosity. Together we'll create ways to give **more**, give **better** and give **smarter**.

HOW AN ENDOWMENT FUND WORKS

An essential component of the work of community foundations is building a permanent collection of endowed funds through contributions made by many donors—individuals, families, organizations and businesses—for a variety of charitable causes. When you make a contribution to an endowment fund, that gift is carefully invested for maximum return and growth, ensuring that the endowment will exist in perpetuity. The growth of endowment funds and the income earned help to provide financial support necessary to carry out your charitable objectives. Endowed funds held at SCICF have a 5% granting policy. This means that over time, more grant dollars are available to the community as the endowment fund itself continues to grow.

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Iowa donors giving \$100 or more to an endowment fund within SCICF qualify for a 25% Endow Iowa Tax Credit.