



FOR RELEASE ON November 10, 2022

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Iowa Joins Nationwide Celebration to Recognize the Local Impact of Community Foundations

[November 10, 2022] – Iowa is home to more than 130 community foundations – at least one in each county – and from November 12-18 they will join in a nationwide celebration to recognize the increasingly important role these philanthropic organizations play in fostering local collaboration and innovation to address persistent civic and economic challenges.

Community foundations are independent, public entities that steward philanthropic resources from individual and institutional donors to local nonprofit organizations that are the heart of strong, vibrant communities.

During National Community Foundation Week, community foundations come together to share and reflect on stories of impact of their recent work. Iowa community foundations continue to play an important role in responding to critical needs and leading collaborative efforts to support their communities. Iowa's network of community foundations, supported by the Iowa Council of Foundations (ICoF), is also eyeing a few priorities for strengthening philanthropy in our state during the 2023 legislative session.

“We have an incredibly strong community foundation network in Iowa,” said Kari McCann Boutell, president of the Iowa Council of Foundations. “It’s one of the strongest models in the nation, thanks to two programs the Iowa Legislature put in place nearly 20 years ago.” Those two programs are the Community Endowment Fund Program and the Endow Iowa tax credit program.

Created in 2004 by the Iowa Legislature, the County Endowment Fund Program is funded by a percentage of the state’s commercial gaming tax revenue, which currently does not include online sports betting revenue.

These funds are distributed annually to participating community foundations located in the 84 counties without a state-issued gaming license. In those counties, 75 percent of the annual allocation is directed to foundation grantmaking activities, while the remaining 25 percent is added to each county’s permanent endowment fund, providing support for nonprofits now and in perpetuity. This two-pronged approach has provided thousands of dollars for local projects each year, while ensuring there are resources for future needs.

The 15 counties with a state-issued gaming license benefit from their local Qualified Sponsoring Organization, which distributes a portion of gaming revenues in their respective areas.

The other program enacted by the Iowa Legislature to promote community-level giving is the Endow Iowa tax credit. The Endow Iowa program encourages donations to endowed funds held at accredited community foundations across Iowa, benefitting local nonprofits now and in the future.

The program was launched in 2003 and has leveraged over \$359 million in endowment gifts to support Iowa communities and charitable causes. This program has made nearly \$84 million in tax credits available to Iowans.

For the past nine years, the annual tax credit limit has been \$6 million per calendar year and each year every tax credit has been distributed. In fact, the 2022 and 2023 tax credits have all been allocated via a waitlist. The 2024 waitlist is already growing and will be discontinued beginning July 1, 2023. Iowa community foundations hope to secure additional dollars for this program during the 2023 Iowa state legislative session to keep this program working effectively for Iowa communities and donors.

Both state-legislated programs contribute to the continued growth of community foundations and their benefit to local communities. According to the ICoF, Iowa community foundations distributed \$106.2 million in 2021 and the collective endowed assets at Iowa community foundations is now \$1.1 billion as of June 30, 2022. These endowed assets will benefit communities in each of Iowa's 99 counties forever.

"Despite the many challenges facing our communities," said McCann Boutell, "Iowa community foundations are more determined than ever to bring their partners together to find innovative and effective solutions for the most pressing social problems facing Iowans. In 2023 we hope to sustain and grow both programs to continue Iowa's long, successful history in community-based philanthropy."

About Community Foundations Week

Community Foundations Week was created in 1989 by former President George H.W. Bush to recognize the work of community foundations throughout America and their collaborative approach to working with the public, private, and nonprofit sectors to address community problems.

For more information about the Iowa Community Foundations Initiative or to locate your local community foundation, please visit www.IowaCommunityFoundations.org.

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The Iowa Council of Foundations (ICoF) strives to strengthen and grow philanthropy in Iowa. Since 2004, the Iowa Council of Foundations has served as the state's Lead Philanthropic Entity for the County Endowment Fund and Endow Iowa Tax Credit programs.