



Fort Dodge Community Foundation and United Way

Investing in our community, today, tomorrow ... forever

Tax Benefits of a Philanthropic Gift

Fort Dodge Community Foundation and United Way is a public charity that enables people with philanthropic interests to develop last legacies through funds that support causes, programs and organizations in their community that they care about, easily and effectively. Choosing us to be your catalyst for creating a long, lasting change in your community, will grant you tax savings along with a sense of fulfillment.

ENDOWED GIFT

With an **endowed gift**, the Endow Iowa Tax Credit gives incentives to give more for less. Those who give to a permanent endowed fund through a qualified community foundation or affiliate organization, they are eligible for a 25% tax credit for their gift on their Iowa Income Tax. Also, you will receive a credit on your federal income taxes if you itemize as to the amount of your donation multiplied by your tax bracket. One limitation on an endowed fund is that only up to 5% can be granted out on an annual basis.



ENDOW IOWA

EXAMPLE:

Your Initial Gift	\$10,000
Endow Iowa Tax Credit	\$2,500
Tax Bracket Credit	<u>\$3,500</u>
Total Cost to Donor	\$4,000

Let's say you donate \$10,000 to an permanent endowed fund. You will receive a \$2,500 credit on your Iowa Income Taxes (\$10,000 x 25%). For this example, your tax bracket is 35%. In this case, you will save \$3,500 on your Federal Income Taxes (\$10,000 x 35%).

In the end, the actual cost of your charitable gift is \$4,000. Your savings is \$6,000.

NON-ENDOWED GIFT

Non-Endowed gift is another option. The difference between endowed and non-endowed is with non-endowed funds, you cannot take the 25% Iowa tax credit and there is no dollar limit on any disbursements. Therefore, based on the above example, you would have a cost of \$6,500 and only a savings of \$3,500.