ENDOW IOWA

FOR GOOD. FOR IOWA. FOR EVER.
Iowans are giving more to endowed funds at Iowa Community Foundations each year.

**ENDOW IOWA TAX CREDIT PROGRAM**

**2013**
- Waiting list: 947 donations
- Resulted in: $1.0 M carry over tax credits
- Leaving only $4.96 M available for 2014

**2014**
- Waiting list: 1,400 donations
- Resulted in: $1.5 M carry over tax credits
- Leaving only $4.5 M available for 2015

**2015**
- Waiting list: 1,493 donations
- Resulted in: $1.3 M carry over tax credits
- Leaving only $4.7 M available for 2016

**2016**
- Waiting list: 1,603 donations
- Resulted in: $2.8 M carry over tax credits
- Leaving only $3.2 M available for 2017

**2017 LEGISLATIVE SESSION REQUEST**

- Requesting legislation that would increase the annual limit of Endow Iowa tax credits available from $6 million to $8 million
- Increase needed to keep up with the demand of this worthwhile program
- More tax credits mean more endowed assets for Iowa’s future
Continuous growth for our communities, through Iowa Community Foundations.

GROWTH OF ENDOWED ASSETS AT ACCREDITED COMMUNITY FOUNDATIONS AND THEIR COUNTY AFFILIATES:

<table>
<thead>
<tr>
<th>Year</th>
<th>Endowed Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$95,657,632</td>
</tr>
<tr>
<td>2016</td>
<td>$710,799,275</td>
</tr>
</tbody>
</table>

TOTAL GROWTH: $615,141,645 = 643% GROWTH

NUMBER OF ENDOw IOWA GIFTS YEAR OVER YEAR:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0</td>
</tr>
<tr>
<td>2006</td>
<td>1</td>
</tr>
<tr>
<td>2007</td>
<td>2</td>
</tr>
<tr>
<td>2008</td>
<td>3</td>
</tr>
<tr>
<td>2009</td>
<td>4</td>
</tr>
<tr>
<td>2010</td>
<td>5</td>
</tr>
<tr>
<td>2011</td>
<td>6</td>
</tr>
<tr>
<td>2012</td>
<td>7</td>
</tr>
<tr>
<td>2013</td>
<td>8</td>
</tr>
<tr>
<td>2014</td>
<td>9</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
</tr>
<tr>
<td>2016</td>
<td>11</td>
</tr>
</tbody>
</table>

Continuous growth for our communities, through Iowa Community Foundations.

BENEFITS OF THE ENDOw IOWA TAX CREDIT PROGRAM:

- STRENGTHENS communities through philanthropy
- DEVELOPS local community leadership
- CREATES charitable giving vehicles in communities of all sizes
- KEEPS DOLLARS IN IOWA and invests in Iowa’s future
- PROVIDES a new opportunity for collaboration
- ENCOURAGES contributions that provide support now and in the future
- The State of Iowa is a NATIONAL LEADER in supporting and promoting philanthropy.
HOW THE PROGRAM WORKS

• Endow Iowa Tax Credits allow donors to have an even greater impact on their charitable interests in their community now and in the future.

• Eligible gifts qualify for credits on a first-come/first-served basis until the yearly appropriated limit is reached. If the current available Endow Iowa Tax Credits have been awarded, qualified donors will be eligible for the next year’s Endow Iowa Tax Credits. Community foundations encourage donors to act early in the year to ensure they receive Endow Iowa credits.

• All qualified donors have five years to use their Endow Iowa Tax Credits.

• Tax credits of 25% of the gifted amount are limited to $300,000/person or $600,000/couple if both are Iowa taxpayers.

The charitable gifts must be made:
• To a permanent endowment fund which limits distributions to 5%.
• For the benefit of one or more Iowa charitable causes.
• By individuals, corporations or financial institutions.
• Through a qualified community foundation that is confirmed in compliance with National Standards for U.S. Community Foundations.

This is an exciting program that benefits both donors and charities in Iowa.

Below is an approximation of the net after-tax costs of establishing a fund:

<table>
<thead>
<tr>
<th>Cash Gift (examples of different gift amounts)</th>
<th>$ 1,000</th>
<th>$10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less tax benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Net federal tax savings (approximated assuming 35% tax bracket)</td>
<td>–$ 350</td>
<td>–$ 3,500</td>
</tr>
<tr>
<td>• Endow Iowa Tax Credit (before federal tax effect)</td>
<td>–$ 250</td>
<td>–$ 2,500</td>
</tr>
<tr>
<td><strong>Net cost of contribution</strong></td>
<td><strong>$ 400</strong></td>
<td><strong>$ 4,000</strong></td>
</tr>
</tbody>
</table>

Gifts of appreciated assets: The net cost could be even lower if capital gains taxes and/or alternative minimum taxes are avoided.

NATIONALLY ACCREDITED IOWA COMMUNITY FOUNDATIONS

Cedar Falls Community Foundation
Community Foundation of Carroll County
Community Foundation of Greater Des Moines
Community Foundation of Greater Dubuque
Community Foundation of Greater Muscatine
Community Foundation of Johnson County
Community Foundation of Northeast Iowa
Community Foundation of the Great River Bend
Community Foundations of Southwest Iowa/Omaha Community Foundation

Fort Dodge Community Foundation & United Way
Greater Cedar Rapids Community Foundation
Greater Poweshiek Community Foundation
Keokuk Area Community Foundation
Pella Community Foundation
Pottawattamie County Community Foundation
Siouxland Community Foundation
South Central Iowa Community Foundation