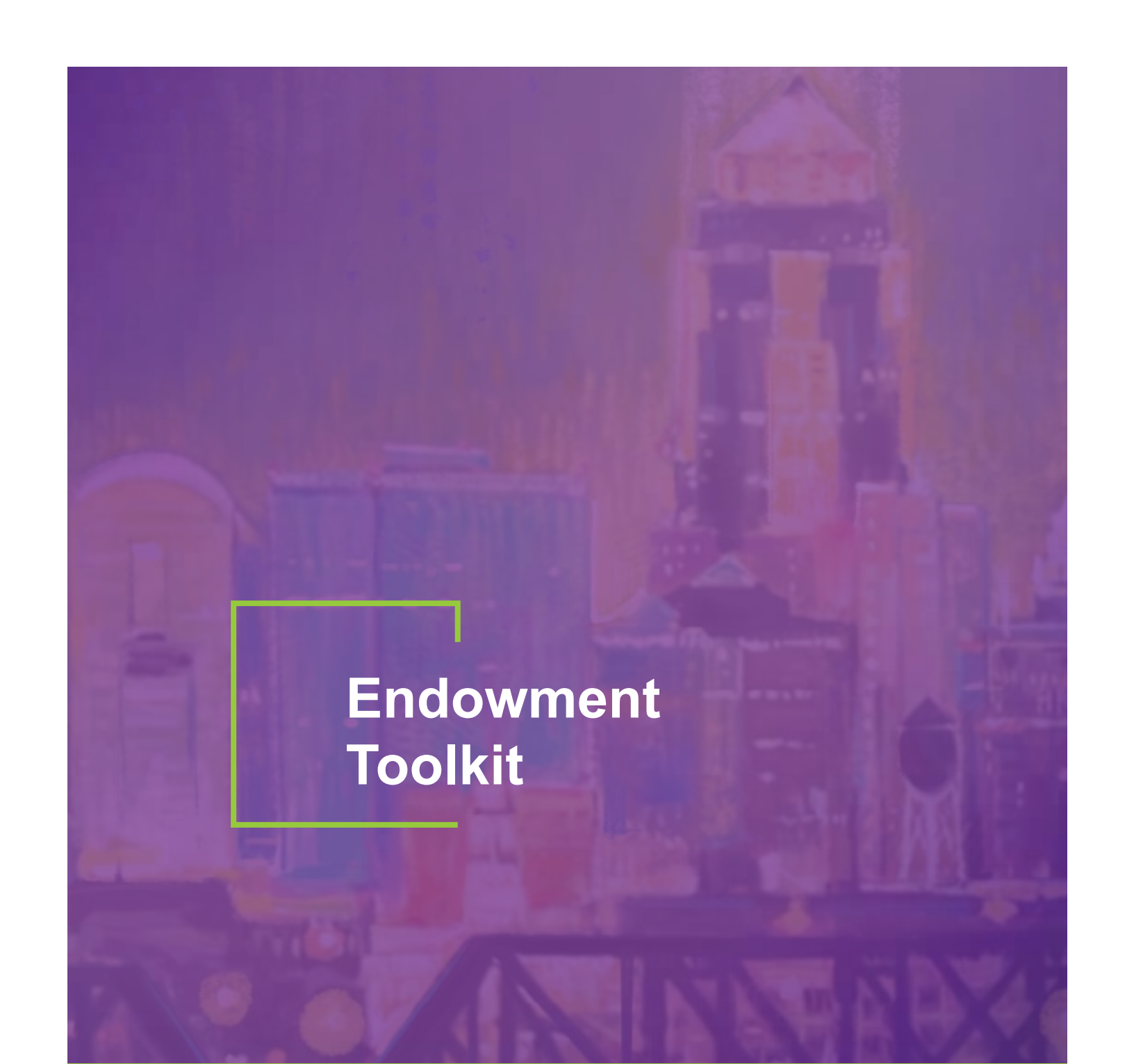




Endowment Toolkit

At the core of every successful nonprofit is a strong focus on long-term sustainability.

We've developed this toolkit to support you and your board in understanding and building your endowment—an essential tool for securing your mission for the future.

An endowment is for any nonprofit that is thinking beyond tomorrow. Whether you're a small community-based organization or a large regional institution, an endowment provides stability, predictability and the means to grow your impact over time. It's for your mission, your legacy and the generations yet to come.

An endowment is more than a financial asset—it's a statement of permanence. It tells your donors, partners and community that your organization plans to be here for the long haul. Endowments provide a dependable stream of income, help weather financial fluctuations and empower strategic growth with confidence.

We've walked this road with many organizations like yours. Our team understands the unique opportunities and challenges nonprofits face in this community. We bring not only financial expertise but also a deep understanding of local donor behavior, legacy planning trends and charitable giving expertise.

We're not just advisors— we're partners, committed to helping you build a legacy that lasts.



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Why Partner with Us?



With over 50 years of service to our community, we are connected and invested in growing charitable giving. Through services such as endowment management and personalized planned giving options, we help local nonprofits build a sustainable future. And we are committed to sharing this expertise with you through high-quality customer service and prompt response. Our team stands ready to answer any questions you have, because we know we are simply better together.

A partnership with the Community Foundation not only offers you access to world-class investment management but also enhances your charitable giving programs to offer efficiency for greater impact.

What Sets Us Apart



Turnkey Solutions

The Community Foundation forms relationships with all aspects of a nonprofit's team. We work with everyone in your organization, from executive directors to development and marketing professionals, to help you build a strong endowment.



No or Low-Cost Trainings

We provide board and staff [training sessions at no cost or for a nominal fee](#) on fundraising, finance and budgeting, board service and staff development topics.



Customized Services

We believe in offering flexible and customized services that meet the diverse needs of the donors and organizations we serve. We can tailor our services to meet the needs of your nonprofit, including sub-accounting, which allows customized named funds for your endowment, operating or other program-related funds. Sub-accounting and tracking different pools of money with different purposes is our core business. This also provides ease and peace of mind for your donors to ensure their wishes for their gifts are fulfilled.



Gift Acceptance

The Community Foundation comes alongside you to [accept and process a variety of gifts](#) beyond cash, including appreciated securities, real estate, business interests, personal tangible property, retirement plans, life insurance and agricultural assets. Working with the Community Foundation allows you to expand giving options for your donors that leads to greater giving.



Investment Oversight

We recognize that nonprofits in our community are mission focused and may not have the resources to be investment experts. We add value by providing access to our formal Investment Policy and a thorough Gift Acceptance Policy. Our Investment Committee and Investment Consultant, Marsh, which provides top-tier investment management and oversight, allows nonprofits to focus on their mission knowing the [investments are carefully monitored](#) according to best practice investment and gift acceptance policies and procedures.



Economies of Scale

At the Community Foundation, charitable dollars from donors and nonprofits are pooled for investment purposes. Therefore, [we can provide access to asset classes that may not be available to a nonprofit on its own](#). Additionally, we can access and hire investment managers at a lower cost given economies of scale and purchasing power.



Access to the Endow Iowa Tax Credit Program

The Community Foundation provides [access to Endow Iowa Tax Credits](#). The Endow Iowa Tax Credit program may allow taxpayers to receive a 25% Iowa tax credit, plus normal federal charitable income tax deductions. This has proven to be a strategic, tax-wise solution and incentive for thousands of Iowa donors.



Ease of Administration

Our [online portal](#) provides your team access to view fund information, including donor contact information, along with investment returns and grant distributions. Email notifications are also provided when gifts are contributed to your fund(s).



"As we've grown as an organization, so has our relationship with the Community Foundation. We still rely on their expertise, whether it's connecting us with partners, exploring the lay of the land and the best way to move through opportunities or even specific technical questions about our agency funds. I do not think the Great Outdoors Foundation would be as effective as we are today, or even have the same impact, without the Community Foundation."

– HANNAH INMAN, chief executive officer of the Great Outdoors Foundation

Frequently Asked Questions



Q: What is an agency fund?

A: The Community Foundation offers [agency funds](#) as an opportunity for nonprofits to grow sustainable support. Agency funds serve as endowments for nonprofit organizations with the Community Foundation providing responsible and professional fund administration and investment.

Agency funds allow organizations to request a percentage, most often 5%, of the fund's total balance to be distributed annually. While designed to support the organization in perpetuity, these funds are considered "quasi-endowments." Nonprofit organizations have the flexibility, with board approval, to withdraw up to 100% of the balance, if needed.*

*This additional distribution is not available on Endow Iowa-qualified Agency Funds

Q: What types of organizations can establish a nonprofit agency fund at the Community Foundation?

A: Nonprofit organizations with an IRS 501(c)(3) status can establish an agency fund at the Community Foundation. We encourage organizations dedicated to fostering growth and stability to reach out to us about opening an agency fund. These funds are an excellent option for those aiming to increase investment efficiencies, maximize tax-wise giving opportunities for their donors and accept a variety of gift types. They are also ideal for organizations looking to grow their fund through planned giving and estate planning strategies.

Q: What is an Endow Iowa agency fund?

A: [Endow Iowa](#) qualified agency funds operate similarly to an agency fund, with up to 5% of the fund's total balance available for distribution to the nonprofit organization each year. However, due to Endow Iowa legislation, an organization cannot take more than 5% annually. The advantage of an Endow Iowa fund is the 25% state tax credit that donors receive when they make a gift into the fund.

Q: Why would we encourage a donor to give to an endowed agency fund versus directly to our organization?

A: While annual operating and programmatic fundraising is key to meeting a nonprofit's mission, equally as important is ensuring a sustainable future. Encouraging donors to give to your endowed fund ensures their gifts provide long-term, sustainable support for your mission, reduces administrative burden and positions you as a forward-thinking nonprofit committed to financial stability and legacy building. The fund is professionally managed by the Community Foundation, offering donors confidence in the stewardship and growth of their contributions.

Q: Is there a minimum to start an agency fund?

A: No, an agency fund can be established in any amount and with a variety of assets.

Q: What amount should we contribute initially to establish an agency fund?

A: While there is no minimum amount to start an agency fund, you may find it helpful to see an estimate of how your endowment could grow over time by using this [Endowment Calculator](#)*.

**This calculator should only be used to provide estimates of growth. It is not guaranteed that these calculations will be met. The calculations included do not consider fees and market volatility.*

Q: What kind of investment return can we expect?

A: The Community Foundation offers a variety of investment options designed to meet a range of philanthropic goals and time horizons. Each of our [investment portfolios](#) is carefully constructed and diversified across global investment opportunities to maximize return and minimize volatility. You can view historical returns from each of our portfolios here (desmoinesfoundation.org/portfolios).

Q: What types of gifts can be made to the fund?

A: The Community Foundation can accept [gifts of many types](#), including appreciated securities, real estate, business interests, personal tangible property, retirement plans, life insurance and agricultural assets.

Q: How often will we receive statements for the fund?

A: Quarterly fund statements show all activity within your fund and will be available electronically through our online reporting system, [Manage My Fund](#). While fund statements are generated quarterly, daily transactional details and monthly investment activity are shown in the fund activity on Manage My Fund. Quarterly statements are typically available by mid-month of the following month, to allow for reconciliation and to ensure accuracy.

Q: What fees does the Community Foundation charge?

A: Charitable funds are charged an [administrative fee](#) for the Community Foundation's services. Each nonprofit organization selects an investment portfolio for the fund assets. Each investment portfolio has associated investment fees that vary based on the assets held. All investment returns are shown net of investment fees on the fund statement and all investment reports. While fees collected for funds held at the Community Foundation support the processing of grant checks, accepting and acknowledging donations, completing annual audits and financial reporting; our fees also make you part of the change we enable in the communities we serve. It's the community convenings, strategic grantmaking, donor connections, facilitated dialogues, nonprofit trainings and promotion of charitable giving that ultimately transform the communities we call home.

Endowment Glossary



ADMINISTRATIVE FEES

Administrative fees are assessed and deducted from your fund on a quarterly basis. These fees support activities necessary to manage and administer your fund, such as processing grant checks, accepting and acknowledging donations, completing annual audits and financial reporting. Our fees also make you part of the changes we enable in the communities we serve. It's the community convenings, strategic grantmaking, donor connections, facilitated dialogues, nonprofit trainings and promotion of charitable giving that ultimately transform the communities we call home. We're simply better together.

APPRECIATED ASSETS

Assets (including stocks, bonds, mutual funds, real estate, cryptocurrency, etc.) that are worth more today than when purchased. Generally, donating appreciated assets to a charity allows the donor to avoid, reduce or defer the realization of capital gains tax.

BEQUEST

A gift of property or assets made after a donor's lifetime by a will, trust or beneficiary designation.

Sample Bequest Language: I give, devise and bequeath _____ (describe dollar amount, property to be given or proportion of your residuary estate) to _____ (nonprofit name) endowment at the Community Foundation of Greater Des Moines, a nonprofit corporation located in Des Moines, Iowa 50309, tax ID number 42-6139033, and I direct that this bequest become part of this fund.

CAPITAL GAINS TAX

Tax imposed by the IRS on the gains made on the sale of property, including stocks, bonds, land, real estate or private or closely held stock and commodities.

CHARITABLE DEDUCTION

A tax benefit that allows individuals and businesses to reduce their taxable income by the amount of eligible contributions made to qualified charitable organizations.

CORPUS

The property making up the principal of a trust or endowment, as opposed to the income it produces.

DISTRIBUTION (GRANT)

Dollars sent from a charitable fund at the Community Foundation of Greater Des Moines to a nonprofit organization.

ESTATE TAX

A transfer tax imposed by the federal government and some states (Iowa does not have estate tax) on the estate of a decedent. A tax on the value of the deceased person's estate before transmitting property at death, payable from the estate and before distributions to the beneficiaries.

FUND AGREEMENT

A legally binding agreement between a nonprofit organization and the Community Foundation of Greater Des Moines that specifies terms and details governing the establishment and continuance of an endowment at the Community Foundation of Greater Des Moines.

INVESTMENT POOL

A group of funds that are invested in a broadly diversified portfolio. The Community Foundation offers investment options designed to meet a range of philanthropic goals and time horizons. Each of our investment portfolios is carefully constructed to maximize return and minimize volatility.

MANAGE MY FUND

The Community Foundation of Greater Des Moines' online portal where you can access up-to-date financial information about your nonprofit agency fund, including gifts to the fund, grants (distributions) from the fund, current market value and access to quarterly fund statements. Contact information for donors to the fund can also be found here.

MARKET VALUE

The actual value of the endowment. This value includes additional income provided through gifts and growth through investment performance. It also includes decreases in the total value from distributions, administrative fees and endowment management. Decreases in value may also occur from negative investment performance.

PLANNED GIFT

A donation that is arranged in advance, typically as part of a donor's overall financial or estate planning. These gifts often provide long-term support to the organization and can include bequests, charitable trusts, life insurance or retirement assets. Planned gifts administered by the Community Foundation can be credited to a nonprofit's endowment.

SPENDING RATE & SPENDABLE BALANCE

The spending rate is the percentage used to determine how much can be distributed annually from your endowment. For nonprofit endowment, it is recommended that the annual spending rate not exceed 5% of the fund's market value. The spendable balance—the amount available for distribution each year—is calculated by applying the 5% rate to the fund's balance as of December 31. Any variation from this spending rate will be noted in the fund agreement.

Directing Gifts



For the Benefit of Your Endowment



Cash

- Cash contributions may be in the form of cash, check, money order or cashier's check.
- Checks should list Community Foundation of Greater Des Moines as the payee, with a memo reading "fbo <your fund>".

MAIL OR DELIVER TO:
1915 Grand Avenue
Des Moines, IA 50309

WIRE OR ACH:
Please contact us
for instructions.

OFFICE HOURS:
Mon – Thurs: 8 a.m. - 5 p.m.
Friday: 8 a.m. - 4 p.m.



Online Gifts

From your website or social media, donors can link to our [online portal](#) where they can search the name of your fund(s) they wish to donate to. We can create a short link for you to use in your marketing materials and website that will directly link a donor to make a contribution to your fund.



Credit Card

We process credit card gifts to your endowment through our secure, online giving tool. All gifts made with a credit card are subject to a fee to offset the credit card banking charges. However, the total gift amount made online, including assessed fees, is tax-deductible.



Non-Cash Gifts

For information about non-cash gifts, including appreciated securities, cryptocurrency, real estate, business interests, personal tangible property, retirement plans, life insurance and agricultural assets, direct your donors to our [website](#) or have them contact our team directly.

Gift Processing



How Gifts are Processed to your Nonprofit Endowment



Marketing Resources

How To Talk About Your Endowment



Inspiration to Share with your Donors: Use this sample text in your newsletters, emails, website pages and conversations with donors to raise awareness about your endowment.

What is an Endowment?

- "Endowments are like a savings account, with the ability to distribute a percentage of the assets each year. Our endowment with the Community Foundation distributes 5% of the funds to us each year. The remainder continues to grow in value. When you give to our endowment, you are giving a gift to our future!" *link*
- "Our endowment at the Community Foundation is like a savings account for the future; it grows over time and never runs out! Give to our future by clicking here:" *link*

Our Endowment Working Through the Years

- "Our endowment with the Community Foundation has received (\$XXX) in gifts and has given back (\$XXX) in distributions over the years. As it continues to grow, we are able to meet our mission and our organization's operational needs today and in the future. To learn more about legacy giving, contact [development director email] today!"
- "Our endowment was established in [year]. We are grateful for our forward-thinking Board of Directors. To learn more about how you can ensure a sustainable future for [agency name], please contact [development director email] today."

Why Give to an Endowment?

- "Endowments are designed for long-term growth, ultimately returning more than the original contribution. That means your gift today will continue to give—forever." *link*
- "We believe in our mission and are grateful you do too. Endowments ensure there will be support for our mission long into the future." *link*
- "Giving to our endowment ensures we will have income to support our mission forever. You can be a part of our long-term support by clicking here:" *link*
- "Endowments are a great way to know that your gift will have a lasting impact! To learn more about leaving a legacy, contact [development director email] today."
- "Gifts to endowments are a wonderful way to honor a loved one. Their memory will be kept alive by giving a gift in their name every year. To give a gift in memory of a loved one, contact [development director email] today."
- "Many donors endow their annual gift. Contributing a larger gift to an endowment provides continued annual gifts forever. Contact [development director email] to learn more."

Marketing Resources

How to Market Planned Gifts



Messaging Prompts

- ☐ "What is an endowment and why is it important to your organization?"
- ☐ "What does it mean for the people you serve or the programming you offer?"
- ☐ "How is it meaningful to your donors?"
- ☐ "How has your endowment helped create sustainability, stability and opportunities for the future?"
- ☐ "How can someone get involved or begin planned giving?"



Audience

- ☐ Donors and supporters
- ☐ Board members
- ☐ Volunteers
- ☐ Staff
- ☐ Individuals that have an affinity to your organization's mission



Tactics

- ☐ Existing communication outlets
- ☐ Newsletters
- ☐ Mailed communications
- ☐ Annual reports or other print publications
- ☐ Social media
- ☐ Website, including blogs or articles
- ☐ Event communications
- ☐ Earned or paid media placements
- ☐ Digital ads or assets, including podcasts and videos

Tips for Writing

Use familiar words that are easy to understand:

- ✓ "Gift"
- ✓ "Make a gift to a cause you care about in your will"
- ✓ "Receive a tax deduction and make a gift that pays you income for life"

Avoid technical or industry jargon:

- ✗ Transfer of assets
- ✗ Bequest
- ✗ Charitable Remainder Trust

(Source: Russell James, J.D., Ph.D., CFP Texas Tech University)

Importance of Storytelling

- ✓ Real stories of the impact your organization makes allow readers to relate and imitate. It also sets an example of **impact in action!**
- ✓ Good story elements:
 - *Relatable*
 - *Memorable*
 - *Emotional*
 - *Emphasizes longevity*

Marketing Calendar



There are many ways to encourage donors to give to your endowment. Below you will find examples and sample messages that can be used as an outline in marketing materials throughout the year.

JAN –
MARCH

Gifts Through Wills and Trusts

Leading up to tax filing season, encourage individuals to update their existing [will or trust](#) or create a new one. Promote the simplicity of making a gift to your organization through a will or trust.

Sample message: "What legacy will you leave? Consider leaving a gift to [organization name] in your will or trust. Contact us to learn more."

APRIL –
MAY

Charitable Gift Annuities (CGA)

After filing taxes, many people are thinking about their current financial situation and how to reduce their tax liability in the coming years. A [charitable gift annuity](#) is an easy way for individuals to reduce their taxes and receive a guaranteed income stream for life, while also supporting their favorite charity.

Sample message: "Make a gift to [organization name] and receive a guaranteed income stream for life, plus a charitable income tax deduction."

JUNE –
AUG

Endow Iowa

If your organization has an [Endow Iowa](#) agency fund, your donors are eligible to receive a 25% state tax credit on their gift to your fund. A variety of gifts qualify for Endow Iowa Tax Credits including cash, real estate, farmland, appreciated securities and outright gifts of retirement assets. Endow Iowa Tax Credits are available on a first-come, first-serve basis until the yearly appropriated limit is reached. If the current year's tax credits have been exhausted, qualified donors may be eligible for next year's Endow Iowa Tax Credits.

Sample message: "Want to support our work and be eligible to receive a 25% state tax credit? Ask us about the Endow Iowa Tax Credit program today!"

Securities

Making a gift of [appreciated securities](#) to a charitable giving fund at the Community Foundation is an easy, tax-wise strategy for donors. Your donors can avoid capital gains taxes while we facilitate the gift of stock and credit the proceeds to your fund.

Sample message: "Turn stock into impact — a tax-smart giving solution! Donating appreciated stock to our endowment is a simple and tax-wise way to make a difference. Contact us to learn more."

JUNE –
AUG
(cont.)

Real Estate

The Community Foundation can accept gifts of real estate to benefit your fund. This allows your donors to eliminate capital gains tax on the sale of land or other real estate with the benefit of an income tax deduction.



Sample message: "Transform real estate into real impact! Eliminate capital gains taxes on the sale of land or property while enjoying an income tax deduction by giving a gift of real estate to our endowment. Turn real estate into lasting charitable impact."

Life Insurance

Your donors can make a large gift with little cost to themselves by contributing ownership of their life insurance policy. In turn, they may benefit from current and possibly future income tax deductions.



Sample message: "Your life insurance can sustain our future! By donating a life insurance policy or naming [organization name] as a beneficiary, you can make a lasting difference. Get started today."

SEPT –
OCT

IRA Charitable Rollover

Even though the age to take a required distribution has been raised to 73, donors who are 70½ can still make a qualified charitable distribution (QCD) from their traditional IRA. As the end of the year approaches, many individuals realize they don't need extra income and don't want to pay taxes on the distribution. If a distribution isn't taken, they will pay a penalty. A solution is the [IRA Charitable Rollover](#), allowing them to gift to your endowment or directly to your organization, satisfy their required minimum distribution and avoid potential taxes on the distribution.



Sample message: "Are you age 70½ or older? We can help you make a tax-free gift from your IRA to support [organization name]. Contact us to learn more."

NOV –
DEC

Year-End Giving

During your year-end giving appeal, don't forget to offer planned giving options. This is another great option to include when people are in the giving spirit and thinking about closing the tax year. By working with the Community Foundation, you can offer donors efficient giving options that can lower their taxable income while supporting your organization's endowment.



Sample message: "As the year draws to a close, are you looking for ways to give back while also saving on taxes? Contact us to learn more."

There are many different marketing materials and avenues you can choose to use in your marketing strategy that range from low to high effort. Some low effort ideas include using some of the sample messages above in your organization's email signature line during relevant times of the year. High effort ideas can include things such as information sheets, brochures and other printed materials. Remember the most important aspect is to consistently remind donors they can give to your endowment through a variety of ways.



Helpful tip: Where possible, use real images of your work in action. You can also get creative and design graphics, infographics and more through Canva. They offer free tools for nonprofits. [Learn more.](#)

Best Practices

for Enhancing
Planned Giving



Create a List

Who are your most loyal donors and who are the easiest people to have a conversation with? List 4-6 people:

_____	_____
_____	_____
_____	_____

Create a Strategic Plan

with action items:

Have Goals

- _____ Donor meetings /month
- _____ Donor interactions /month
- _____ Stewardship meetings /month
- _____ Planned giving conversations /month
- _____ Letters of intent /year

Engage Board & Leadership

- ☐ Provide education on donor benefits and organizational sustainability
- ☐ Ask for 100% board participation
- ☐ Ask them for other ways to give, i.e. their knowledge, host an event, write a testimonial, make introductions, etc.

Update Marketing Materials

- ☐ Include testimonials, stories and a call-to-action to contact you
- ☐ Reconnect donors to their feelings about giving and get another gift
- ☐ People love stories and to feel connected to others like themselves

Marketing Deployment

- | | |
|--|------------------------------------|
| ☐ Email signature | ☐ Newsletters |
| ☐ Events | ☐ Social Media |
| ☐ Informational material | ☐ Surveys |
| ☐ Mail | ☐ Videos |
| | ☐ Website |

Have Conversations

- ☐ Ask for a practice conversation
- ☐ Ask for the donors' "valued opinion"
- ☐ Ask if they will "test drive the process"
- ☐ Invite to be a part of the legacy society

Create a Legacy Society

- ☐ Donors want to connect with other donors who have similar values
- ☐ Easy way to steward the gift and provide donor benefits

Create a Professional Advisory Board

- ☐ Best way to get new donors
- ☐ Creates advocates

The content on this page has been adopted from GiftPlanningInstitute.com original content with permission.

Community Foundation Resources



Events and Trainings

We host regular professional development and training opportunities on a wide variety of relevant topics (in-person and virtual). Keep an eye on our [events page](#) throughout the year for opportunities to join.

Manage My Fund

We believe in a hands-on approach to giving. [Manage My Fund](#) is an easy-to-use online tool that provides you with the opportunity to review your endowment any time. Through Manage My Fund you can recommend distributions, monitor performance and view fund activity whenever and wherever is most convenient for you.

Grants Information

The Community Foundation has three competitive [nonprofit grant programs](#) made possible by contributions to the Better Together Fund: Leadership Grants, Capacity Building Grants and Strategic Alignment Grants.

GIVEdsm

For years, [GIVEdsm](#) has been embraced by both local nonprofits and community members as the go-to place to learn about pressing needs and promising opportunities in Greater Des Moines. Charitable nonprofit organizations with a project in Greater Des Moines can create a profile in GIVEdsm, and the community can sort these opportunities by areas of interest, type of project or directly search for a specific nonprofit. Get started today at [GIVEdsm.org](#).

Nonprofit Newsletter

Want to stay in the loop on all the latest news and upcoming events at the Community Foundation? [Sign-up](#) for our Nonprofit Link e-newsletter! This monthly email has everything you need to know about grant funding opportunities, upcoming trainings, community resources and more.

Nonprofit Employment Page

We are pleased to make connections between nonprofit/philanthropic organizations and individuals seeking [careers in nonprofit organizations](#).

Consultant Database

The Community Foundation is committed to increasing the capacity of the local nonprofit sector. Because of this commitment, we maintain a list of [local consultants](#) who are interested in working with nonprofit organizations. The consultants, vendors, freelancers and others listed are not sponsored, endorsed, recommended or licensed by the Community Foundation. We encourage organizations to have detailed conversations and explore references before hiring a consultant. We do not take responsibility for the work done or products of those listed.

C3 Center Rental

The C3 Center, located at 1910 Ingersoll Avenue, is intended to support the ongoing work of the Community Foundation and its tenant partners, and may be utilized for [standard event rentals](#) by 501(c)(3) public charities and mission-aligned organizations, as availability allows. Standard events include, but are not limited to, meetings, presentations, panel discussions, strategic planning retreats and educational events. The C3 Center is not available for private parties, religious events, political events, fundraisers or events that charge admission fees or the sale of goods, services or alcohol.



1915 Grand Avenue • Des Moines, IA 50309 • (515) 883-2626

desmoinesfoundation.org

If you would like more information on how we can support you, [contact us](#).