

# ENDOWMENT CHALLENGE FUND

## Management of Endowment Challenge Grants

After an Endowment Challenge grant is awarded, the Community Foundation’s Development staff will contact the recipient organization to set up the organization’s Endowment Challenge Fund, which must be held at the Greater Cedar Rapids Community Foundation.

The Community Foundation will match gifts deposited into the organization’s Endowment Challenge Fund quarterly until the match is completed or at the end of five years from the time of award. Once the challenge is complete, donor contributions and the Community Foundation match remain in the Endowment Challenge Fund, which is an Agency Friends Fund.

The Community Foundation will work with the organization to leverage additional benefit from the Endow Iowa Tax Credit Program.

In the Endowment Challenge match, the Community Foundation will contribute \$1 for every \$3 raised by the grantee up to a Community Foundation maximum of \$25,000. (See “Organization Size and Match Limits” below.)

- Only new donor gifts received after the award date will be eligible for this match.
- For this match, a “donor” is a household and includes related corporate matching gifts.
- The maximum match per donor can be met over time in more than one gift.
  - Example: a donor gives \$1,500 one year and \$1,500 the next year— each gift would be matched with \$500 for a total match of \$1,000 to \$3,000.

### Organizational Size and Match Limits:

The Community Foundation assumes that large organizations will have more donors, and has therefore placed a cap on the Community Foundation match per donor based on size of organization. There is no minimum size of contribution; every gift will be fully matched by the Community Foundation up to the maximum amount per donor.

Operating Budget	Maximum Match per Donor
\$0-\$750K	\$5,000 (donor gift \$15,000)
\$750K-\$2M	\$2,500 (donor gift \$7,500)
\$2M+	\$1,000 (donor gift \$3,000)

### About the Endow Iowa Tax Credit Program:

Donors who give to a permanently endowed fund at the Greater Cedar Rapids Community Foundation are eligible to receive a 25% state tax credit, in addition to any federal tax benefits they may qualify for. Eligible gifts qualify for credits on a first-come/first-served basis until the yearly appropriated limit is reached. Qualified donors can carry forward tax credits for up to five years after the credits are awarded. For more information, visit <https://www.gcrf.org/donors/tax-benefits/>.

### Endowment-Building Options:

The following endowment options are available to a nonprofit organization through the Community Foundation:

- Agency Fund – Endowment established and funded by the nonprofit organization, who retains ownership.
- Agency Friends Fund – Endowment funded by donors eligible for Endow Iowa tax credit. Due to Endow Iowa regulations the fund is permanent and owned by the Community Foundation. The Endowment Challenge Grant Fund is an Agency Friends Fund.
- Named Endowed Designated Fund – Designated Endowment established by high-level Endowment Challenge donors.