



Seeds for Success

An Endowment Matching Program Idea for Community Foundations
(with specifics included for County Endowment Fund Program Participants)

A core component to a community foundation's mission is to grow permanent endowment funds for the benefit of charitable projects and programs that make a difference in communities. Ultimately, the goal is to ensure that all Iowa communities are vibrant places where individuals are proud to live, raise their families, work and retire.

Nonprofit organizations are important partners in ensuring a vibrant and healthy community. Assisting with their long-term sustainability not only helps to fulfill the mission of a community foundation but also helps to build a strong infrastructure for the community at large.

This program idea, Seeds for Success, is designed to provide an additional strategy for community foundations to encourage nonprofit organizations in Iowa to include endowment building as part of their long-term strategies and sustainability models.

Summary: A *Seeds for Success* program provides matching dollars to nonprofit organizations that build endowment funds with the local community foundation; matching dollar amounts may vary based on the funding capacity of the community foundation. County Endowment Fund Program participants (community foundations in the counties without state issued gaming licenses) choosing to implement *Seeds for Success* can use up to \$10,000 annually of the County Endowment Fund Program Grant (expendable) to create an endowment matching program grant opportunity for nonprofits in their county.

Guidelines for County Endowment Fund Program Participants:

1. The amount set aside by the community foundation for *Seeds for Success* should not exceed \$10,000 annually (when using County Endowment Fund Program dollars). Other community foundations (or funds being used outside of the County Endowment Fund Program) would be at the discretion of the community foundation.
2. For County Endowment Fund Program participants, the funding amount available through *Seeds for Success* can in no way alter the dollar figure that is placed into the permanent endowment fund through the County Endowment Fund Program.
3. For County Endowment Fund Program participants, the dollars awarded through the *Seeds for Success* program are awarded to nonprofit organizations for *immediate use*. Other community foundations (or funds used outside of the County Endowment Fund Program) may find it beneficial to match dollar for dollar to the endowment fund itself as opposed to immediate, program related support.
4. For County Endowment Fund Program participants, *Seeds for Success* should be implemented as part of the overall granting strategies of the community foundation and through the same grant application. Other community foundations (or funds used outside of the County Endowment Fund Program) may wish to establish separate processes such as a letter of intent, etc.
5. The grants awarded to the nonprofits through a *Seeds for Success* program will be reported on the County Endowment Fund Program annual report form due in August of each year.

Suggested Strategies:

1. As a suggestion, *Seeds for Success* could provide \$1,000 to 10 nonprofit organizations that...
 - a. establish and fund a new permanent endowment (Endow Iowa eligible) with \$10,000 or more in gifts.
 - b. Contribute \$10,000 or more in gifts to a permanent endowment (Endow Iowa eligible).
2. A grant of \$1,000 could be awarded by the community foundation to those organizations for project or program use.
3. Community Foundations would establish the *Seeds for Success* program as a component of the grant distribution process.
 - a. The community foundation would include checkbox options for grant applicants to choose when submitting the application (i.e. General Grant Request, *Seeds for Success* Grant Request).
 - b. Instead of requiring criteria such as number of volunteer hours or a maximum grant request amount as examples, the *Seeds for Success* option would allow applicants to access funds in the pool of \$10,000 *if an endowment fund is being grown for the nonprofit organization*.
 - c. The community foundation may want to consider whether or not current grantmaking policies would allow for a nonprofit organization to apply for more than one grant; meaning, if the organization applied for a *Seeds for Success* grant, they could also apply for a general fund request.

Benefits of a Seeds for Success Program:

1. Combines the tools of asset-based community development with philanthropy in a way that serves the needs and desires of the communities and counties across the state;
2. Expands the knowledge and understanding of the roles and practices of community foundations to more people, places and organizations;
3. Encourages the opportunity for private investment in communities which will add to the overall efforts that are transforming communities;
4. Creates \$100,000 in permanent endowment dollars per community foundation annually, benefiting agencies and ultimately communities forever (assuming the maximum of \$10,000 for County Endowment Fund Program participants);
5. Diversifies nonprofit organizations' revenue streams and sustainability plans which enables board members and volunteers to focus on implementing the agency's mission;
6. Offers the incentive of the Endow Iowa Tax Credit, in addition to the federal tax deduction, to donors who contribute to permanent endowment funds to support the nonprofit organizations they care about most through their local community foundation; and
7. Encourages endowment building which helps capture a portion of the transfer of wealth in Iowa.