

## **Administrative Funds**

Administrative Funds support the success of the Community Foundation by providing funding for the Community Foundation to carry out its mission. Administrative Funds include the Operating Fund, the Finkbine Mansion Facilities Fund and the Johnny Danos Professional Development Fund.

## **Affiliate Funds**

Affiliate Funds are established for the support of a variety of charitable purposes and organizations within a specific community or county. A local advisory board is appointed within each affiliate community and/or county, which has grantmaking and fundraising responsibility for that area.

## **Agency Funds**

An Agency Fund is established by a nonprofit organization to serve as the endowment that supports its future operations. The Community Foundation holds and invests the endowment assets, providing responsible and professional fund management. Distributions from the fund are granted back to the agency to be used at the discretion of its governing board.

## **Annual Report**

The Community Foundation's yearly report to the community. The annual report shares significant milestones, recognition of donors, financial and growth information and testimonials about the impact of charitable giving reached in the preceding year.

## **Appreciated Securities**

Publicly traded stocks, mutual funds, treasury bills, notes and closely held stock. The gift of appreciated securities held for at least one year allows the donor a charitable deduction for the market value of the gift, avoiding payment of capital gains tax.

## **Balance Sheet**

A financial statement that shows the financial position of the organization at a particular date. It consists of a list of assets, liabilities, and fund balances.

## **Bequest**

A gift by will to a specific recipient. A charitable bequest is a transfer at death by will to a nonprofit organization for charitable purposes.

## **Better Together Funds**

Visionary philanthropists with broad charitable interests are making sure their gifts last forever by establishing funds that benefit the Better Together Fund. These flexible dollars provide the Community Foundation's Board of Directors with the ability to respond to emerging community needs.

## **BoardLaunch**

Affordable training opportunities facilitated by the Community Foundation to enhance the management, governance and leadership skills of local nonprofit board and staff members. The Community Foundation partners with other community organizations to provide these professional development opportunities.

### **Capacity Building**

The Community Foundation's initiative to strengthen nonprofit organizations in areas related to governance or management and provide capacity support for collaborative initiatives/efforts to enhance systemic support around community issues or priorities

### **Capacity Building Grants**

Grants made to charitable organizations throughout the year to strengthen an organization in an area related to governance or management.

### **Central Iowa Funders Forum (CIFF)**

A monthly gathering of community leaders convened by the Community Foundation. The Central Iowa Funders Forum (CIFF) was created to bring colleagues involved in organized philanthropy together around a common table in order to share interests, concerns and lessons learned.

### **Charitable Gift Annuities**

A charitable gift annuity is a simple contract between a donor and the Community Foundation by which a portion of the amount transferred to the Community Foundation establishes a fund to benefit a charity of the donor's choice and the remainder is returned to a designated recipient as scheduled income payments.

### **Charitable Investment Partners (CIP)**

The Community Foundation's Charitable Investment Partners program is a partnership with professional advisors in which a professional advisor's client can establish funds at the Community Foundation while the advisor continues to manage the client's assets. Donors in the program gain access to all services the Community Foundation offers including maximum tax benefits, Endow Iowa Tax Credits, expert philanthropic guidance and flexible giving options.

### **Committee Advised Funds**

Committee Advised Funds are established by groups who wish to make grants to the charities of their choice. The committee collectively identifies the causes it will support.

### **Community Betterment Funds**

Community Betterment Funds are established to support projects that improve quality of life in the community, yet are not affiliated with a specific nonprofit organization. The Community Foundation works in a management and/or fiscal role to assist in project coordination.

### **Community Foundation**

A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution composed primarily of permanent, named component funds established by many separate donors for the broad-based charitable benefit of the residents of a defined geographic area, typically no larger than a state.

### **Community Investment**

Work done by the Community Foundation on behalf of improving the quality of the environment through conservation; educational efforts; community beautification or restoration efforts; improving the quality of neighborhoods through capacity building efforts; economic development and overall planning to contribute to betterment of the community.

**Component Fund**

An individual fund considered by the IRS to be part of the exempt assets of a foundation. The foundation's governing board must have total control over all assets of a component fund.

**Corporate Giving Services**

The Community Foundation works in partnership with corporations to facilitate grantmaking that makes a distinct impact on the community while keeping the process easy and effective for the company through Corporate Advised Funds.

**Council on Foundations (COF)**

An active philanthropic network, founded in 1949, as a nonprofit leadership association of grantmaking foundations and corporations. It provides the opportunity, leadership, and tools needed by philanthropic organizations to expand, enhance and sustain their ability to advance the common good.

**County Affiliate**

A component fund of the Community Foundation of Greater Des Moines with a mission to increase philanthropy in a particular community and/or county. The Affiliate Community Foundation has a local advisory board that serves as the governing committee. By signing an affiliate agreement, the affiliate falls under the legal auspices of the Community Foundation of Greater Des Moines which handles the administration, investment and the daily office tasks to maintain the affiliate. The affiliate is not a separate entity but instead is a legal component of the foundation.

**County Endowment Fund Program**

A state-funded program with the goal of encouraging and supporting philanthropy in Iowa by providing financial assistance to a large number of community foundations or community affiliate organizations around the state. The dollars distributed in this program come from the state's gaming tax revenues and will be available on a yearly basis, unless and until the legislation is revised. In order to receive these funds, the entity must be a community foundation that meets National Standards for Community Foundations, or a Community Affiliate Organization that has affiliated with such a foundation. In addition, the entity must serve a geographic area that encompasses at least an entire county. The only county areas that are not eligible to receive County Endowment Funds are those counties that have a state-licensed gaming license.

**Designated Funds**

Designated Funds are established by a donor to benefit a specific organization and maintain assets that help ensure the sustainability of the organization. Annual distributions are made to the chosen organization, creating a stable income stream.

**Donor Advised Funds**

A charitable vehicle in which a donor contributes cash or assets to create a fund. The donor makes recommendations to the Community Foundation about how the funds will be used. Some donor advised funds will be fully expended during the donor's lifetime; others will be a permanent legacy, benefiting the community into the future.

**DonorConnect**

DonorConnect is an event series offered by the Community Foundation annually. These learning opportunities provide a chance for donors and friends of the Community Foundation to learn more about pressing or emerging community issues and opportunities in Central Iowa through panel

discussions, presentations and even site visits. From these learning opportunities, we are able to make introductions to nonprofit organizations for more information, possible grant investments or just simply introduce them to information they may not have known before. Topics have included highlights on up-and-coming projects for our region, food insecurity, affordable housing, the emerging art scene, cost of living in Greater Des Moines and more.

### **Donor-Leveraged Grants**

Grants recommended by donors through charitable funds at the Community Foundation to charitable projects/programs as a result of a connection initiated or facilitated by the Community Foundation.

### **Due Diligence**

In grantmaking, this speaks to the practices one applies to reviewing grant requests prior to approving them. It generally includes establishing the charitable status of the grantee, the charitable purpose of the grant and the financial and organizational capacity of the organization to undertake the proposed activities.

### **Endow Iowa Tax Credit Program**

A program, passed in 2003, allowing taxpayers to receive a 25% Iowa tax credit in addition to normal federal charitable income tax deductions for certain charitable gifts.

### **Endowment Fund**

A charitable giving fund established to be perpetual. Endowments typically follow a distribution rate (or spend rate) of no more than 5 percent annually.

### **Expenditure Responsibility**

When a private foundation makes a grant to an organization that is not classified by the IRS as tax exempt under Section 501(c)3 it is required by law to ensure that the funds are spent for charitable purposes and not for private gain or political activities. Special reports on the status of the grant must be filed with the IRS.

### **Family Foundation Funds**

Family Foundation Funds provide a range of personalized options for all donors, combined with the highest level of professional expertise, tax savings, investment management and service. This multi-generational fund allows the family to maintain the ability to make decisions, while the Community Foundation offers relief from the administrative responsibilities of managing philanthropic giving.

### **Fiduciary Duty**

The legal responsibility for investing money or acting wisely on behalf of a beneficiary. More broadly, for foundation boards such responsibility must be legally exercised on behalf of the donors and the governing documents of the foundation.

### **Field of Interest Funds**

Field of Interest Funds connect donors with their passions and specific areas of need in the community. Education, the arts, the environment and disadvantaged youth and families are a few areas donors can support through these funds. The Community Foundation awards grants to community organizations and programs that are making a difference in the areas selected.

**Financial Statements**

Main source of financial information to persons outside the organization. These convey to management and to interested outsiders a concise picture of the profitability and financial position of the organization.

**Fund**

Community foundation assets are held in many named component funds established by donors or the foundation for specific or unrestricted purposes.

**Gold Meetings**

Meetings with current and potential fund advisors regarding their charitable giving goals and how the Community Foundation can assist them in achieving those.

**Grant**

The award of funds to an organization or individual to undertake charitable activities.

**Grantee**

The individual or organization that receives a grant.

**Iowa Community Affiliate Network (ICAN)**

A collaboration of the Iowa Area Development Group Community Foundation and the Community Foundation of Greater Des Moines with county and community foundations across Iowa.

**Iowa Council of Foundations (ICOF)**

A membership community of Iowa grantmakers committed to strengthening philanthropy and growing its impact throughout the state.

**IRA Charitable Rollover**

Individuals age 70½ and older can transfer up to \$100,000 of IRA assets to public charities per year without being subject to federal income taxes on distribution. Iowa legislators determine each year if the state will couple with the federal legislation.

**Leadership Circle**

A group of individuals who have pledged to create a substantial endowment fund within the Community Foundation which will be used to make significant, strategic grants to address the most critical needs of the Greater Des Moines community in the years ahead. Members of the circle also provide consultation to the Community Foundation in the identification and prioritization of the most critical needs of the community.

**Leadership Flowchart**

Providing leadership on important community issues is a core function of the Community Foundation. The organization is often asked to serve in a leadership role for a variety of issues and efforts and the flowchart creates a visual framework to ensure any leadership engagement is connected to our mission, our strategic goals and drives the impact we desire for our community. It also helps the staff and board understand the level to which the Community Foundation is engaged in a leadership activity including where we lead, where we partner and where we participate. The Leadership Flowchart is monitored by the Community Leadership Initiatives Committee.

### **Leadership Grants**

The Community Foundation plays a key role in providing significant funding to leadership projects that strengthen Greater Des Moines by proactively responding to community trends and opportunities. This grant program seeks to create “tidal waves” around community issues.

### **Legacy Funds**

Donors establish Legacy Funds to receive their planned gifts and personally communicate how their charitable contributions will forever benefit their favorite causes.

### **LifeTown Legacy**

Donor recognition program that recognizes individuals who establish a permanent endowment or planned gift at the Community Foundation.

### **National Standards for US Community Foundations**

National Standards are the minimum requirements for the governance, structure and activities of community foundations. Adoption of these standards throughout the field will provide a level of consistency that will help the field build capacity, distinguish itself and market nationally and regionally.

### **Non-endowed Fund**

A charitable giving fund whose assets can be fully distributed.

### **Nonprofit Accounting Services (NAS)**

The Community Foundation provides professional accounting and administrative services for organizations to allow them to focus more on fulfilling their missions and less on financial administration. Clients establish funds to hold their operating dollars, and the Community Foundation processes all gifts and disbursements, records all accounting transactions and provides monthly financial reports.

### **OnTrack**

Training opportunities offered throughout the year by the Community Foundation for nonprofit staff. A branch of **BoardLaunch**.

### **Operating Fund**

May be either nonpermanent and “spent” for the operations of the foundation or may be endowed with only the income from the fund used for operations.

### **Professional Advisors Council (PAC)**

The Community Foundation's Professional Advisors Council consists of leading attorneys, CPAs, financial planners and advisors, and other professionals. These advisors share their expertise on how to effectively integrate philanthropy into conversations with clients and peers. The council also advises the Community Foundation about the changing needs of professional advisors and helps broaden the circle of advisors and clients who work with the Community Foundation. As a result, we help connect more donors with community needs.

### **Scholarship Funds**

Donors may establish Scholarship Funds to benefit students of a particular school, geographic region, educational discipline, gender or other designation.

**Seed Funds**

Seed Funds allow donors to build their funds to \$10,000 over a 10-year period with an initial contribution of \$1,000 and a minimum annual contribution of \$600. Once \$10,000 is accumulated, donors can start supporting the causes they care about most. An administrative fee is not charged until the fund grows to \$10,000.

**Spending Policy**

A policy that determines what percentage of a group of assets, such as an endowment, should be spent to cover both operating costs and grants of an institution. Typical spending rules combine calculations based on previous years' spending, the current year's income and investment return rates, and the policy of the foundation covering grant commitments.

**Spending Rate/Distribution Rate**

The annual percentage of the fund balance that can be distributed for charitable purposes.

**Supporting Organization**

A supporting organization is operated by the Community Foundation. The purpose of these supporting organizations is to allow the Community Foundation to receive gifts of privately held stock and property and to serve as the host charity for the Principal Charity Classic.

**Variance Power**

A distinguishing characteristic of community foundations, the variance power permits the community foundation's governing body to redirect resources in component funds if it determines that the donor's restriction is unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

**Welcome Lunch**

A lunch and learn hosted by the Community Foundation for new advisors.