
FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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County Endowment Fund

Purpose and History

The County Endowment Fund (Fund) was established with the 2004 enactment of [HF 2302](#) (Gambling and Miscellaneous Changes Act) and codified in Iowa Code section [15E.311\(2\)](#). The Fund is established in the State treasury under the control of the Iowa Department of Revenue (IDR) and consists of moneys appropriated to the Fund with the moneys being distributed by the IDR. The purpose of the Fund is to enhance the quality of life by providing moneys to new or existing citizen groups in Iowa organized to establish county affiliate funds or community foundations that will address countywide needs.

Definitions

As specified in Iowa Code section [15E.311\(4\)](#), the following definitions apply:

“Charitable organization” means an organization that is described in Internal Revenue Code (IRC) section [501\(c\)\(3\)](#) that is exempt from taxation under IRC section [501\(a\)](#), or an organization that is established for a charitable purpose.

“Charitable purpose” means a purpose described in IRC section [501\(c\)\(3\)](#), or a benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic, or another eleemosynary objective.

“Eligible county recipient” means an Endow Iowa qualified community foundation or community affiliate organization, as defined in Iowa Code section [15E.303](#), that is selected, in accordance with the procedures described in Iowa Code section [15E.304](#), to receive moneys from a Fund account for a particular county. To be selected as an eligible county recipient, a community affiliate organization must establish a county affiliate fund to receive moneys allocated from the Fund.

Distribution of Funds

At the end of each fiscal year, moneys in the Fund must be transferred, in equal parts, into separate accounts within the Fund and designated for use by each of the 85 counties in which no licensee authorized to conduct gambling games under Iowa Code chapter [99F](#) (Gambling Games Regulation) was located during that fiscal year. The moneys must then be transferred by the IDR to an eligible county recipient for that county. If a county does not have an eligible county recipient, moneys in the account for that county must remain in that account until an eligible county recipient is established. Interest or earnings on moneys deposited in the Fund are credited to the Fund and moneys in the Fund do not revert at the close of the fiscal year.

Each eligible county recipient must distribute 75.0% of the moneys as grants to charitable organizations for charitable purposes in that county and must retain 25.0% of the moneys for use in establishing a permanent endowment fund for the benefit of charitable organizations for charitable purposes. The recipients must give special consideration to grants for projects that include significant vertical infrastructure components designed to enhance quality of life aspects within local communities.

More Information

Endow Iowa: iowaeconomicdevelopment.com/Philanthropic
LSA Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov

Administration and Marketing

As specified in Iowa Code section [15E.311](#)(6), 3.0% of the moneys deposited in the Fund must be used by the lead philanthropic organization identified by the Iowa Economic Development Authority (IEDA)¹ for purposes of administering and marketing the Fund. Of the amounts available to be used by the lead philanthropic organization, \$70,000 is appropriated to the IEDA each fiscal year for administrative costs related to the [Endow Iowa Program](#). The appropriation for the Endow Iowa Program Administration began with the 2006 enactment of [HF 2791](#) (Economic Development — Endow Iowa Tax Credit and County Endowment Fund Changes Act). The Act amended Iowa Code section [15E.311](#) to authorize the annual standing limited appropriation of \$70,000 to the Department of Economic Development (now the IEDA) for the administrative costs related to the Endow Iowa Program.

Funding

Iowa Code section [99F.11](#) allocates the gaming receipts from the tax imposed on the adjusted gross receipts from specified gambling games. The Fund receives 0.8% of the receipts.² Receipts going to the Fund amounted to \$9.3 million in FY 2020. The \$70,000 standing limited appropriation to the IEDA is allocated from the 3.0% of the moneys deposited in the Fund that is required to be expended on the marketing of the Fund.

Related Statutes and Administrative Rules

Iowa chapter [99F](#)
Iowa Code sections [15E.303](#), [15E.304](#), [15E.311](#), [99F.11](#)
Iowa Administrative Code [261—46](#)

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¹ Iowa Code section [15E.304](#) and [261 IAC 46.3](#).

² Iowa Code section [99F.11](#)(3)(c).