



**Colorado**  
**NONPROFIT**  
Association

Feb. 25, 2016

Colorado General Assembly  
200 E. Colfax Avenue  
Denver, CO 80203

Dear members of the Colorado General Assembly,

We, the undersigned individuals and Colorado nonprofit organizations, urge you to support HB 16-1089 to create a Colorado Endowment Funds Tax Credit. By preserving principal and spending income, endowments allow nonprofits and foundations to support our state's communities over the long-term through direct services and grantmaking. Endowment funds also help nonprofits and foundations invest their assets prudently to grow in value over time.

HB 16-1089, sponsored by Representative Dominick Moreno (D-Commerce City) and Senator Chris Holbert (R-Parker), creates a 25% tax credit for individual donations of cash, property, or securities to eligible endowment funds held by a nonprofit, a community foundation, or a community foundation on behalf of a nonprofit. Endowment funds consist of donated or board-designated assets. The maximum credit amount is \$25,000. To use the credit, donors must have tax liability and cannot claim another state tax credit for the same donation. This credit would help nonprofits and foundations serve the community by:

- **Increasing giving to these funds.** Each \$1 awarded in tax credits leverages \$4 in donations.
- **Raising awareness of the option to give to endowments.** Donors' gifts are invested to grow in value over time rather than being a fixed amount that is spent immediately on programs
- **Helping nonprofits benefit from generational wealth transfer.** These credits encourage donors to make long-term gifts as they determine how to transfer their wealth to future generations.
- **Growing their savings.** Nonprofits and foundations can set assets aside for investment and future use.

With your support, Colorado would join five other states (IA, KY, MD, MT, and ND) in enjoying the benefits of an endowment tax credit. In Iowa, for example, \$6 million in credits leveraged \$24 million in giving to community foundations in 2014. Similarly, Montana nonprofits received \$123 million in gifts between 1997 and 2010; they spent an estimated \$600,000 each year for the benefit of charitable causes. Although credits in the other states have been adopted more recently, nonprofits have already used them effectively to increase charitable giving to endowments.

Colorado relies on the strength of our nonprofits and foundations. Please vote yes for HB 16-1089 - the Colorado Endowment Funds Tax Credit.

Sincerely,

*Organizations*

American Indian College Fund  
Aspen Community Foundation  
Boys & Girls Clubs of Weld County  
Colorado Association of Funders

Denver  
Aspen  
Greeley  
Denver

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Community Food Share	Louisville
Community Foundation Serving Greeley and Weld County	Greeley
Conflict Center	Denver
Denver Urban Ministries (DenUM)	Denver
	Colorado
First Congregational Church of Colorado Springs	Spring
Friends of the Haven	Denver
High Plains Library District Foundation	Greeley
La Puente Home, Inc.	Alamosa
NARAL Pro-Choice Colorado	Denver
North Metro Community Services, Inc.	Westminster
Progressive Health Center	Denver
Project Angel Heart	Denver
Project PAVE	Denver
SafeHouse Denver	Denver
Step 13	Denver
Tennyson Center for Children	Denver
The Community Foundation serving Boulder County	Boulder
The Women's Foundation of Colorado	Denver
Via Mobility Services	Boulder
Wray Rehabilitation & Activity Center	Wray

*Individuals*

Randy Brodersen, Westminster  
Tracy D. Christeson, Greeley  
Peter Droege, Denver  
Sue Goodin, Denver  
Josie Heath, Boulder  
Bethany Howell, Alamosa  
Melissa C. Johnsen, Denver  
Jodi Lundin, Denver  
Ron Ludwig, Denver  
Victoria McVicker, Denver  
Rochelle Mitchell-Miller, Greeley  
Djuna Osby, Denver  
Sandy Priestler, Lakewood  
Rachael Raab, Denver  
Carolynne Schultz, Denver  
Tamara Tormohlen, Aspen  
Amy Wagner, Denver

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## Quotes

Our mission is to build philanthropy and support nonprofits, and this bill plays a part in helping us fulfill our mission. Endowment dollars are often the hardest to raise, yet an endowment provides sustainability to the nonprofit business model. Let's help donors steer their generosity to support permanence for the critical services our nonprofits provide. *Tamara Tormohlen, Aspen Community Foundation*

The Colorado Childcare Tax Credit has vastly increased contributions to our organization, this year leading to five \$200,000 gifts from anonymous donors. While they were already committed to making gifts to our organization, the Tax Credits increased the amount significantly. These same donors have indicated that were the Endowment Tax Credits available, each of these five donors would be able to double their philanthropic support to our organization.

I also personally believe that an endowment is an important and crucial part of an organization as it grows and matures. Endowments provide a sense of security and permanency of the organization, giving donors a way to invest, not just for today, but in perpetuity, to support the organization of their choice. *Tracy D. Christeson, Boys and Girls Club of Weld County*

Since our establishment as a foundation nearly 25 years ago, we have distributed nearly 69 million dollars to nonprofit organizations which meet many community safety net, artistic and environmental needs. We leverage donations from private individuals to help them know about needs and encourage them to invest not only with us but directly with nonprofit organizations in the community.

Gifts to the Community Foundation from private donors have helped us do many important things for our community and beyond including the following:

- Hosting the Civic Forum which publishes the | TRENDS report measuring 150+ indicators of quality of life. Data are used to target community needs and investment opportunities.
- Hosting a Leadership Fellows program for emerging leaders to become more engaged in addressing community issues. At least half of the participants are people of color and nearly two

- thirds of all graduates have either joined a board or been civically engaged.
- Our work with the various entities that serve the homeless has resulted in greater collaboration and a continuum of services to meet a very vulnerable population. We have encouraged donors in the community to give to capital campaigns for nonprofits serving the homeless community and connected potential partners who brought additional resources to the table.
- We recognize that our county has one of the largest achievement gaps in the state. We have invested substantial private dollars in helping the most vulnerable families in our area learn how to be their child's first teacher and do the supportive things that help a child be ready for kindergarten.

We have seen what a big incentive the Colorado Child Care Tax credit can be for private donors to support this work for those nonprofits who are eligible for the credit. All of the above have added value to our community, but we know that there is far more wealth in Colorado and in our community than is shared philanthropically.

It is our belief that if there were an incentive for charitable giving, more people in our state would respond. These additional resources could help nonprofits to provide the services that would reduce the need for tax support for a variety of human needs, environmental solutions and address other key areas. It would also help to engage more volunteers who would like to be more involved with their communities, doing everything from mentoring to engaging with frail or isolated members of our community. *Josie Heath, The Community Foundation serving Boulder County*

The Conflict Center has been building an endowment fund for over 10 years now. We have found that challenge grants from foundations and individuals have encouraged others to make gifts to the fund. We believe that a tax credit would provide another form of incentive to encourage donors to support endowment gifts.

Endowments really help stabilize a non-profit organization. Since non-profits reduce the burdens on government services, the government is wise in

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encouraging the stability and long-term success of non-profits. *Ron Ludwig, The Conflict Center, Denver*

Our historic downtown buildings were built in 1889 and we are listed in the National Register of Historic Places. Our members, the History Colorado State Historical Fund, and the National Trust for Historic Preservation have partnered together over the past 14 years to invest over \$3M into our buildings to restore them not just for religious purposes but for broader use by other nonprofit organizations, community support groups, musicians, educators, and many others.

We rely on income from our endowment funds to fund periodic major maintenance tasks to safeguard this significant capital investment. This bill would enable us to be more successful in a targeted campaign to increase the principal in our endowment funds for this purpose. *Ruth Roland, First Congregational Church of Colorado Springs*

Endowment giving is a difficult area of development due to its sheer depth and breadth. Not very many people like discussing projects that don't have immediate effect, but endowments take care of needs that are yet to come in our community. They are an insurance policy that our heirs will appreciate in full force. The tax credit allows this type of future planning and ensures a leg up in the giving realm.

Please help us care for the programs and services that cannot be accounted for yet, and will be the responsibility of the nonprofit sector in the not-so-distant future. *Rochelle Mitchell-Miller, High Plains Library District Foundation, Greeley*

Fundraising is an ever-changing landscape as individuals, corporations, and foundations often change their funding priorities. Incentives for people to give are ALWAYS a good thing.

The non-profit sector provides a huge safety net in our communities but we must rely on donations to provide these critical services. Being able to provide this tax credit to our donors would be an added boost to our ongoing fundraising efforts. *Victoria McVicker, SafeHouse Denver*

Via Mobility Services is a nonprofit organization which promotes independence and self-sufficiency for people with limited mobility by providing caring, customer-focused transportation options. We envision a future where all people, regardless of health, age, disability, income, or culture, have access to the mobility options they need to enhance their independence and quality of life.

We have an endowment that was established with the support of our local community foundation and we are establishing a planned giving program. We hope that the passage of this bill will encourage donors to contribute to our endowment. *Board of Directors, Via Mobility Services, Boulder*

A nonprofit's endowment is what helps sustain longevity. A significant number of our community members have worked and invested substantially over the last 23 years to grow our endowment. With a tax incentive, our donors would increase their giving. With an increase in giving to our endowment, grant funding requests would decrease allowing funds to other nonprofits. *Matt Wbetzel, Wray Rehabilitation & Activity Center*

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