



The Larned A. Waterman Iowa Nonprofit Resource Center

Helping strengthen community organizations

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LAWINRC Director Richard Koontz Announces Retirement

by Richard Koontz, LAWINRC Director

After 20 years at the University of Iowa's Larned A. Waterman Iowa Nonprofit Resource Center, I am retiring in early 2018. I have enjoyed the teaching and service to Iowa's charitable community during that time. Meeting and working with the many community leaders in Iowa who provide such essential services has been a rewarding and humbling experience. I salute the incredibly compassionate and well-thought-out efforts of the nonprofits I have worked with.

The university personnel I have worked with have been great. The Office of the Dean at the UI College of Law and other staff have been consistently supportive of our efforts. It has been wonderful working closely with Willard "Sandy" Boyd, the LAWINRC's founder, the late Jude West of the Tip-

pie College of Business, and so many other members of the University of Iowa community.

The Governor's Nonprofit Task Force in 2005 was a seminal event as was the Governor's Nonprofit Project in 2011. The two-semester course we developed, Nonprofit Organizational Effectiveness, continues to equip students in a variety of disciplines with important skills that will allow them to make contributions to their communities after graduation. It has been a pleasure to see our students graduate and move into important positions in the exempt field.

In retirement I do plan to continue some pro bono legal assistance to Iowa nonprofits. I can be reached through the Larned A. Waterman Iowa Nonprofit Resource Center.

The Tax Cuts & Jobs Act--What Does it Mean for Nonprofits?

by Richard Koontz, LAWINRC Director

A bill called the Tax Cuts and Jobs Act has passed both houses of Congress and was signed by President Trump on December 22. There has been considerable speculation about how the tax bill might impact charitable entities. There are a number of issues.

Standard deduction increase
Would the increase of the standard deduction for single filers to \$12,000 (and for joint filers to \$24,000) decrease the number of tax payers who itemize and so lessen the number of charitable gifts? In addition, other de-

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ductions that could be itemized may be going away or have a lower ceiling. The result is that fewer tax payers will itemize, and so, while the charitable deduction survives in the bill, not many will take advantage of it and will waive the new larger standard deduction.

GivingUSA states that in 2016, individuals gave \$281.86 billion to charities. Part of the dilemma in determining the impact of this new law on charities is the motivation of tax payers to donate. Professional fundraisers often survey donors' reasons for giving, and while tax is a factor in the decision, other issues such as wanting to help others and giving back to the community play a role in donations to charities. For more on this topic, see articles at the Association of Fundraising Professionals website at <http://www.afpnet.org/ResourceCenter/ArticleDetail.cfm?ItemNumber=4213>

The new act takes effect for the 2018 tax year, so some financial advisors believe that 2017 giving will increase as donors seek to take advantage of the current provisions.

Allowing political campaign activity

Under the previous Internal Revenue Code an entity exempt from tax under Code section 501(c)(3) is prohibited from "participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office."

This provision is currently referred to as the Johnson Amendment, and the bill takes out of I.R.C. 501(c)(3) the prohibition of political campaign activity. President Trump stated early on, "I will get rid of and totally destroy the Johnson Amendment and allow our representatives of faith to speak freely and without fear of retribution."

The bill would let charities do campaign activity "in the ordinary course of the organization's business", and the expenses must be "de minimis." How these limits will be interpreted is not clear yet. And for churches which did not report on any Form 990, how will the amount they spend and the determination of whether that is "de minimis" be ascertained?

If charities do campaign activity, will nonprofits be pressured to be partisan, interfering with their fair delivery of services? The National Council of Nonprofits (NCN) fears charities could face being "dragged down

by toxic partisanship." See the NCN piece on the bill at <https://www.councilofnonprofits.org/take-action>

Increase of exemption for estate tax

The estate tax exemption is currently \$5.6 million, and the bill raises that amount for individuals to \$11 million. Again, the fear is that this might decrease the number of people leaving money to charities in their wills since only the largest estates will be subject to taxation. GivingUSA calculates that charitable bequests in 2016 were \$30.36 billion.

United Way Releases ALICE Report for Iowa

In 2009, United Way began its ALICE project in Morris County, New Jersey, to learn more about increasing numbers of households that struggle to afford basic necessities. (ALICE stands for asset limited, income constrained, employed.) United Way is now conducting research nationwide, and Iowa is one of five states in the second tier of the study.

Some key findings for the state of Iowa are:

- 381,266 Iowa households - 31% - struggle to afford basic household expenses
- ALICE households comprise between 21% and 41% of the population in every Iowa county
- More than one quarter - 28% - of senior households fall below the ALICE Threshold
- Over 92,000 households with children fall below the ALICE Threshold
- 68% of Iowa jobs pay less than \$20/hour; 48% of those pay between \$10 - \$15 per hour
- In 2011, 22% of Iowa's households had less than \$4,632 in savings or other assets

The ALICE Report for Iowa, the executive summary, and other relevant documents will be available online at a future date. In the meantime, view key findings at <http://www.uwiowa.org/united-way-alice-report-iowa>.

Organizers Deliver Another Successful Iowa Nonprofit Summit

by Richard Koontz, LAWINRC Director

The Iowa Nonprofit Summit was held on October 24-25 at the Meadows Events Center in Altoona. The more than 270 attendees had a choice of many excellent workshops. One such workshop was Engaging Families conducted by Jim Conway which explored how to develop a relationship-based approach to working families that emphasizes their strengths, capacities, and contributions to nonprofits.

Katie Orlando from Big Brother Big Sisters presented a session on Building Passionate Working Boards and Advisory Councils.

Richard Koontz and Paul Thelen, LAWINRC co-directors, joined Willard Boyd III, Attorney at Nyemaster Goode law firm in Cedar Rapids, and Chip Lowe, Clinician in Residence at the Entrepreneurial/Transactional Clinic at the Drake University School of Law, in a panel discussion on legal issues relevant to nonprofits. The discussion covered nonprofit boards' fiduciary duties, fundraising regulations, bylaws, and lobbying and advocacy.



LAWINRC also had a booth at the Summit where we answered questions and shared information with visitors.

Lieutenant Governor Adam Gregg was on hand to present the 2017 Iowa Nonprofit Awards. Five awards were given this year. (See list at right.)

The Summit is organized by the Iowa Commission on Volunteer Service in partnership with the LAWINRC; United Ways of Iowa; Volunteer Centers of Iowa; Iowa Council of Foundations; Iowa Mentoring Partnership; Iowa Association of RSVP Directors; and the Iowa Association of Foster Grandparents and Senior Companion Programs.

The Summit provides essential learning opportunities for the staff and volunteers who direct Iowa's non-

profit organizations and the volunteer programs they rely on to fulfill their missions.

LAWINRC would like to thank the supporters of the Iowa Nonprofit Summit: Alliant Energy, Rockwell Collins and Nonprofit Association of the Midlands.

Building up the great communities of Iowa is central to the Summit, and the 2017 event moved Iowa forward.

2017 Iowa Nonprofit Award Recipients

Nonprofit Board Leadership Award - Carol McCoy, Davenport, Community Action of Eastern Iowa

Outstanding Nonprofit Collaboration Award - Cerro Gordo County Community Foundation, Mason City

Nonprofit Staff Leadership Award - Katie Orlando, Waterloo, Big Brothers Big Sisters of Northeast Iowa

Nonprofit Spotlight Award - Tanager Place, Cedar Rapids

Nonprofit Board Leadership Award - Darcy Johnson and Rebecca Brommel (Joint Honorable Mention)

LAWINRC Welcomes CIVIC Visitors

On September 14, LAWINRC was one of several eastern Iowa organizations that participated in a day-long series of meetings and discussions with visitors from Egypt, Ethiopia, Hungary, Montenegro, Serbia, and Sri Lanka. The Council for International Visitors to Iowa Cities (CIVIC) organized the event and invited local representatives whose work and nonprofit missions dovetailed with those of the visitors to participate in the day-long series of meetings.

The goal of the program was to provide opportunities to participants involved in similar work to meet with, learn from, and exchange ideas with their counterparts. Visitors were invited to share information about the work they are doing, the challenges they face, and the current trends and innovations with which they are familiar.

CIVIC is a community-based nonprofit organization that hosts international visitors, the majority of whom are participants in the International Visitor Leadership Program sponsored by the Department of State's Education and Cultural Bureau. Iowa City was one of several American cities that welcomed the CIVIC guests.

Visitors are current and emerging leaders in their fields and come from both public and private sectors. CIVIC's objective is to foster international cooperation by promoting the exchange of ideas and working toward mutual understanding. More information about CIVIC is available at <http://iowacivic.org>



Visitors from Egypt, Ethiopia, Hungary, Montenegro, Serbia, and Sri Lanka met with Paul Thelen, co-director of the LAWINRC (4th from left), and representatives from other organizations during a visit to Iowa City in September.

Stay Exempt With Easy-to-Use IRS Resources

The IRS has helpful videos and text presentations on its *Stay Exempt: Tax Basics for Exempt Organizations* web page. Find specifics on the classification of foundations, disaster relief, the rules for reporting, record keeping and calculating deductions for car donations, and more at:

<https://www.stayexempt.irs.gov/home/depth-topics/depth-topics>

Moving Into the New Year

MLK Day of Service: Make it Day On

MLK Day of Service is Monday, January 15. Volunteer at your favorite charity or find volunteer opportunities and other resources at the MLK website. Educators will find lesson plans and other teaching tools there as well. Visit <https://www.nationalservice.gov/mlkday>



What Will We Be Talking About in 2018?

In a December 7, 2017 blog post entitled *Hot topics in 2017 to help you plan for what's ahead in 2018*, Jennifer Chandler sets out what the National Council of Nonprofits anticipates will be the top ten hot topics for this year. They are:

1. Sexual Harassment
2. Natural Disasters, Gun Violence, Other Crises
3. Cybersecurity
4. Changes in Charitable Giving
5. Donor Advised Funds
6. Diversity, Inclusion, and Equity
7. Increased Political Divide
8. Budget Cuts
9. Talent Development
10. Relationship between Grantmakers and Nonprofits

How will these issues affect your nonprofit organization? Chandler offers a brief discussion of each topic and includes a short list of resources for more information.

Training Opportunities

Nonprofit Tech for Good has compiled a list of free webinars in January. The webinars come from various sources. A sampling appears below. Details about these and more are at the Wild Apricot newsblog at <https://www.wildapricot.com/blogs/newsblog/2017/12/28/33-free-nonprofit-webinars-for-january-2018>

Introduction to Finding Grants

January 10, 1 pm

Details: <http://grantspace.org/training/calendar/online/2018-1-10-introduction-to-finding-grants>

How to be a Great Manager & Fundraiser Too!

January 11, Noon

Details: <https://cc.readytalk.com/registration/#/?meeting=bnn6rcnazsnv&campaign=f7wfpw6n3at3>

Now is the Time for Mobile Bidding

January 11, 1 pm

Details: <http://go.frontstream.com/now-is-the-time-for-mobile-bidding-W>

Introduction to Proposal Writing

January 17, 1 pm

Details: <http://grantspace.org/training/calendar/online/2018-01-17-introduction-to-proposal-writing>

Turn Your Website into a Membership Growth Engine

January 18, 1 pm

Details: <https://trial.wildapricot.com/membership-growth-webinar?ga=2.58096682.1478636598.1514999183-1514999183227>

Turn the page for more training opportunities.

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Training Opportunities (from page 5)

Association of Fundraising Professionals Quad Cities Chapter

2018 Brown Bag Lunch Series

All sessions meet at Community Foundation of the Great River Bend, 852 Middle Rd., Ste 100, Bettendorf, IA.

Time: 11:45 am - 1 pm

Cost: No charge for members; \$10 for non-members. Bring your own lunch.

For information: info@afpquadcities.com or visit www.afpquadcities.com

Connections Matter: Developing Brain, Relationships and Community to Build Resilience Professionally and Personally

January 10

What AFP Can Do For You

January 11

There Aren't Enough Hours in the Day! Work Life Balance

February 8

Show Your Donors Some Love

February 14

Donor Motivation

April 12

Digitizing Your Development Operation

May 10

About Our Organization

The Larned A. Waterman Iowa Nonprofit Resource Center is a University of Iowa interdisciplinary collaboration created to make more accessible educational and service programs focused on strengthening the operational capacity of Iowa nonprofit organizations.

The LAWINRC works collaboratively with government agencies, nonprofit organizations and educational institutions to impart new knowledge through activities and provide

Nonprofit Association of the Midlands

Webinar: Gaining Funder Support for Volunteer Engagement

Date: January 9

Time: 1-2 pm

Registration and details:

<https://attendee.gototraining.com/r/4840346340432146946>

Social Media Made Simple

Date: January 18

Time: 8-10 am

Location: First National Bank, 2223 2nd Ave., Kearney, NE

Details at: <http://www.nonprofitam.org/events/EventDetails.aspx?id=1052931&group=>

Webinar: Online Fundraising Best Practices for Nonprofits

Date: February 7

Time: 9-10 am

For description and registration link, watch <http://www.nonprofitam.org/events/EventDetails.aspx?id=1049756&group=>

information and training resources to help nonprofit organizations and interested persons throughout Iowa. We seek to build the capacity and develop the effectiveness of community-based organizations and enhance the overall effectiveness of local organizations in building communities.

The LAWINRC also introduces students to the nonprofit sector and develops their sense of public and community service.