



IOWA STATE ACACIA CHAPTER FOUNDATION

Acacians Working Together to Ensure the Future of the Iowa State Chapter

Established 2019

2023 Donations Grow to \$34,832

Your **IOWA STATE ACACIA CHAPTER FOUNDATION** is four years old. It has had a very successful launch and has enabled our donors to ensure that the maximum amount of their contributions are serving the alumni Brother's objectives. Shown below is a summary of the receipts and distributions through the second quarter, ending June 30, 2023.

Highlights of the financial success of the **FOUNDATION** include the following:

Total donations from alumni through June 30, 2023:	\$ 34,832
Earnings on donations	<u>4,077</u>
Total funds received to-date	\$ <u>38,909</u>

Use of those funds through June 30, 2023 include the following:

Payment for educational-use operating expenses	\$ 64,537
Chapter member scholarships	0
Foundation operating expenses	<u>0</u>
Total funds spent to-date	\$ <u>64,537</u>

Funds in **FOUNDATION** accounts as of June 30, 2023:

Checking Account	\$ 1,435
Money Market Settlement Account	13,062
Educational-Use Reimbursement Account	51,198
Recruitment Scholarship Account	5,000
Endowed Chapter House Expense Account	47,968
Endowed General Scholarship Account	20,198
Endowed Named Scholarship Accounts	<u>309,534</u>
Total Assets of the Foundation	\$ <u>448,395</u>

2023 has started off well with alumni stepping forward to help the ISACF in its quest to raise funds for scholarships and to cover the educational-use expenses of the chapter house. We have nearly \$310,000 donated for named scholarships, and just under \$335,000 in funds whose earnings will provide scholarships to members of the chapter. The ISACF has invested these funds in a variety of mutual funds in our account at Vanguard that are designed to provide as much funds as possible for scholarships. We currently have approximately \$14,917 of scholarship funds available. We estimate that an additional \$4,000 in earnings will be added to the scholarship funds and be available by year-end.

A significant contribution was made this quarter by Brother **David Fifield #671** who donated **\$5,000** to the Foundation to be used "where most needed". The Board decided to use this donation to create a recruitment-focused scholarship fund to be used to support the rush program of the chapter. These funds can be combined with the earnings from the endowed funds to provide additional funds for scholarships for the chapter members.

This is a part of a marketing campaign coordinated with the chapter to provide an added financial incentive for qualified young men to become members of Acacia at Iowa State. IRS regulations strict the use of donated funds to cover only educational expenses, such as tuition or the educational-use areas of the chapter house. They cannot be used to cover rent or other related expenses. As the cost of tuition at Iowa State is about \$5,000 per semester per student, the availability of funds to reduce or eliminate this cost is even more important. To the extent that Acacia can, through the availability of scholarship funds, offset this cost provides us with a critical marketing advantage relative to other fraternities at Iowa State. When alumni provide us with donations for scholarships, you are directly helping the chapter to recruit exceptional men as future members of Acacia.

Historically, the actual costs to operate the Foundation are **less than 2%** of the total expenses paid by the Foundation. All of the normal costs incurred to operate the **FOUNDATION** have been paid by the members of the Board of Directors. Every penny donated by our alumni have been used to reimburse **The Acacians** (the alumni board of the chapter) for expenses incurred in operation the educational-use portion of the chapter house or to provide scholarships for the active chapter members.

A major use of funds so far this year has been the reimbursement to the alumni board of the educational-use expenses in the previous fiscal year. The ISACF began 2023 with \$114,514 in the educational-use reimbursement account. We have paid \$64,537 to the alumni board, and currently have nearly \$52,000 remaining in this account. Donations by our alumni who are completing their pledges for the chapter house are being deposited into this account as they are the most direct means we have to assist the alumni board in covering the operating costs of the chapter house. To the many alumni who have, or are completing their pledges, we extend a big **THANK YOU** to each and every one of you!

A total of **18** Iowa State Acacia Brothers, relatives and friends contributed funds to the foundation so far in 2023. Two of our alumni work for firms that provide matching gifts, which further enhances our ability to provide scholarships to the active chapter members. Our objective is to promote the **FOUNDATION** to our ISU Acacia alumni and friends as the primary vehicle for their annual charitable donations, and for consideration in their estate planning. The sharing of unexpected taxable financial windfalls, such as an inheritance, a financial success or a major lottery win, are gratefully accepted!

The Board of Directors is deeply grateful for the generous support of the alumni of the Iowa State Chapter. Your faith in us and belief in our mission to support the recruitment and academic success of the current and future men of **Acacia Fraternity at Iowa State** is essential to the long-term success of the chapter. With all of us working together we can ensure the long-term success of our chapter. The Board of Directors would like to publicly recognize and thank the Brothers and friends listed below for their support of the **IOWA STATE ACACIA CHAPTER FOUNDATION!**

Donations for Foundation Expenses		Craig A. Buske #1009
Fund #1 Educational-Use Fund		
Richard W. Taylor #506	Robert K. Borcharding #978	Jeffrey L. Peil #991
Matthew P. Zylstra #1061	Andrew D. Doherty #1085	Addison G. Kistler #1094
Robert Sibilski - parent		John A. Kvinge #1022
Caterpillar Foundation*		Noah J. Gullikson #1050
Gates Industrial Corporation Foundation**		William J. Mengler #1158
Fund #2 Endowed Chapter House Operating Expense Account		
Dale W. Weber #436		Thomas A. Plagman #785
Fund #3 Endowed Scholarship Account		
Roger W. Kingery #902		
Fund #4 Named Scholarship Account		
Harold D. Zarr Jr. #814		
Fund #5 Recruitment Scholarship Account		
David H. Fifield #671		
NOTES:		
* Matching gift of donation from Noah J. Gullikson #1050		
** Matching gift donation from Gabriel McCoy #1098		

Direct donations to the ISACF based on your RMD requirements are an excellent method to 1) satisfy the distribution requirements from your retirement account and 2) reduce your taxable income (and taxes) at the same time! A number of our alumni have used this method to provide funds for named scholarship accounts. This method benefits both the donor and the scholarship recipients from the earnings of the investments.

For those brothers who wish to reduce their estate in order to minimize or reduce their potential estate taxes, they can do so by donating non-tax deductible funds of up to \$15,000 annually (\$30,000 for a couple filing jointly) to any person or organization without being required to report these donations to the IRS. This is an excellent method of legally avoiding estate taxes should your estate's value be within reach of being estate taxed.

One additional beneficiary of such donations for a Brother to consider is **The Acacians**, the ISU Acacia alumni organization which owns the chapter house. By so doing the donor reduces his/their estate tax by potentially as much as 40% of the donation amount while benefiting The Acacians with 100% of the donation amount. These donations can be repeated annually to accumulate a significant tax saving over time.

Finally, it is not necessary that the full amount of your pledge be sent in immediately. We recognize that for many alumni, it is far more convenient to establish a payment schedule that extend for a number of years. Some of our alumni have established donations that are incorporated into their estate plans. Regardless of the method or timing, we want to work with our alumni to create a plan that will work comfortably for that Brother. If you are interested in setting up a regular payment plan, or want to establish an estate gift, we are here to work with you. Simply contact Jim Davis (phone 480-299-1813 or e-mail at jimdavisestancia@gmail.com) or Harold Zarr (phone 515-257-4683 or e-mail at acacia_814@hotmail.com) and let us know which fund(s) you would like to support. So Live!