



IOWA STATE ACACIA CHAPTER FOUNDATION

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

Established 2019

2023 Year-End Financial Report to Alumni

Your **IOWA STATE ACACIA CHAPTER FOUNDATION** is four years old. The Foundation was established in November, 2019 by Brothers James H. Davis and Harold D. Zarr Jr. with an initial investment of \$1,150. In just four short years, the total assets of the **FOUNDATION** have increased to more than **one-half million dollars!** This success has been due entirely to the generous financial support of our alumni and friends of the **FOUNDATION**.

The Foundation Board is working hard to ensure that the maximum amount of our donor's contributions are serving each alumni Brother's objective. This quarterly report is intended to provide information to the alumni so that everyone will know how their contributions are being used to support the members of the active chapter. These quarterly reports are prepared and sent to all of our alumni at no cost to them. The Foundation Board covers all of the expenses associated with the printing and mailing of this report.

NOTE: All values shown below are rounded to the nearest dollar.

Summary of Financial Results

Total donations received from alumni through December 31, 2023	\$ 146,030
Investment earnings	<u>12,700</u>
Total funds received	\$ <u>158,730</u>

Use of those funds through December 31, 2023

Reimbursement to The Acacians for educational-use operating expenses	\$ 64,537
Chapter member scholarships	0
Foundation operating expenses	<u>2,548</u>
Total funds spent	\$ <u>67,085</u>

Funds in the **FOUNDATION accounts as of December 31, 2023**

Checking Account	\$ 1,315
Money Market Settlement Account (cash available for scholarships)	36,309
Educational-Use Reimbursement Account	59,848
Endowed Chapter House Expense Account	51,409
Endowed General Scholarship Account	22,443
Endowed Named Scholarship Accounts	397,603
Recruitment Scholarship Account	<u>10,243</u>
Total Assets of the Foundation	\$ <u>579,171</u>

Notable Alumni Donors to the **ISACF** in the Quarter

We are pleased to recognize a number of alumni this quarter for their support of the **FOUNDATION**. Brother **James H. Davis #489** donated **\$20,000** to the continuing education scholarship fund. Brother **David E. Wolfe #656** contributed **\$5,000** to the recruitment scholarship fund. Brother **Harold D. Zarr Jr. #814** contributed **\$3,000** to his named scholarship fund and an additional **\$300** to the Foundation expenses account.

A report on the status of the various accounts maintained by the **FOUNDATION**, as of December 31, 2023, is provided below for your review. The **FOUNDATION** Board members sends out their thanks to everyone who has contributed to the various accounts. We are making plans to award the next series of scholarships later in the year, with distributions to be made in January, 2024 to members of the active chapter. Anyone who would like to contribute to the **FOUNDATION** are encouraged to contact either **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.

Allocation of Earnings and Donated Funds								
IOWA STATE ACACIA CHAPTER FOUNDATION								
as of December 31, 2023								
Account Number	Cash Availability by Account	Donations to Specific Account in Fiscal Year 2023	Cash Available by Fund as of January 1, 2023	Allocated Earnings by Category for Fiscal Year 2023	50% of Year 2022 gains to McComber Scholarship	Funds Spent by Board by Category in 2023	Net Earnings Available for Allocation	
1000	Foundation General Operations Account (checking account)	n/a	n/a	n/a	n/a	n/a	1,315.38	
1400	Educational-Use Expense Account (not endowed)	31,783.25	87,499.24	3,062.85	n/a	64,536.50	57,808.84	
1502	Endowed Chapter House Expense Account	2,010.00	1,051.66	987.95	n/a	0.00	2,039.61	
1409	Recruitment Scholarship Account (not endowed)	10,100.00	0.00	143.47	n/a	0.00	10,243.47	
1503	Endowed General Scholarships	3,235.50	4,376.46	422.02	n/a	0.00	4,798.48	
1504	Dennis G. McComber #556 Endowed Scholarship	35,000.00	4,418.84	2,905.66	n/a	0.00	7,324.50	
	John P. Campbell #559 Endowed Scholarship	35,000.00	0.00	1,296.84	n/a	0.00	1,296.84	
	John W. Baty #623 Endowed Scholarship	0.00	0.00	1,911.39	n/a	0.00	1,911.39	
	Harold D. Zarr Jr. #814 Endowed Scholarship	12,000.00	0.00	978.22	n/a	0.00	978.22	
	Summary Fund Balances by Endowed Account	Beginning Balance in Fiscal Year 2023	Donations to Fund in Fiscal Year 2023	Allocation of Realized 2023 Gains or Losses	Allocation of Unrealized 2023 Gains or Losses	Withdrawals by Fund in Fiscal Year 2023	Net Balance by Fund in Fiscal Year 2023	Percentage Values for Endowed Accounts
1502	Fund #2 - Endowed Chapter House Account	45,435.11	2,010.00	65.42	3,898.11	0.00	51,408.63	10.93%
1503	Fund #3 - Endowed General Scholarship Account	17,553.75	3,235.50	28.56	1,625.11	0.00	22,442.92	4.77%
1504	Fund #4 - Named Scholarship Accounts (restricted scholarships)							
	Dennis G. McComber #556 Endowed Scholarship	117,700.13	35,000.00	208.32	10,773.95	0.00	163,682.40	34.79%
	John P. Campbell #559 Endowed Scholarship	41,914.91	35,000.00	103.58	4,362.43	0.00	81,380.92	17.30%
	John W. Baty #623 Endowed Scholarship	89,970.63	0.00	124.51	7,738.31	0.00	97,833.45	20.80%
	Harold D. Zarr Jr. #814 Endowed Scholarship	37,746.82	12,000.00	67.00	3,862.67	0.00	53,676.49	11.41%
							Checking Account Balance	1,315.38
							Funds Available for Reimbursement of Educational-Use Expenses	59,848.45
							Unallocated Funds In Settlement Account VMFXX	1,029.13
							Funds Available for New Member Recruitment Scholarships	10,243.47
							Funds Available for Scholarships for In-House Chapter Members	36,309.43
							Total of Endowed Funds #2, #3 and #4	470,424.81
							Total Assets of the Foundation	579,170.67
								100.00%

Historically, the actual costs to operate the **FOUNDATION** are approximately 3% of the total expenses paid by the **FOUNDATION**. All of the normal costs incurred to operate the **FOUNDATION** are paid by the members of the Board of Directors. Every penny donated by our alumni have been used to either reimburse **The Acacians** (the alumni board of the chapter) for expenses incurred in the operation the educational-use portion of the chapter house or to provide scholarships for the active chapter members. **The ISACF does not take a single penny from alumni donations or earnings to cover our operational costs!**

Update on the ISACF Website

Work on the website has been ongoing during the past three months. We are very fortunate to have Matthew Bennett (who is an undergraduate Brother living in the chapter house) stepping forward to help us with this project. Matthew is in the process of revamping the entire website, so it is still very much a “work in progress” at this point. You should expect to see lots of changes over time!

The website will be designed to provide information about the **FOUNDATION**, including copies of the quarterly reports that the **FOUNDATION** sends to all of the chapters’ alumni. There is also information on the current members of the Board of Directors, plus other information as well.

Future plans include setting up a link so that alumni may make donations directly to the bank account of the **FOUNDATION** or to our Vanguard account. If you would like to view the website as it currently exists, please use the following URL.

<https://acacia-website.vercel.app/>

Recognizing Donors to the ISACF in 2023

Shown below are the Iowa State Acacia Brothers, relatives and friends who have contributed funds to the **FOUNDATION** in 2023. Two of our alumni, plus one parent, 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.

Donations from alumni (both in-kind and dollar amounts) totaled **\$146,030.18** in the fiscal year ending December 31, 2023.

Donations for Foundation Expenses

Harold D. Zarr Jr. #814 Craig A. Buske #1009

Fund #1 Educational-Use Fund

Richard W. Taylor #506 Robert K. Borcharding #978 Jeffrey L. Peil #991 John A. Kvinge #1022 Noah J. Gullikson #1050
Matthew P. Zylstra #1061 Andrew D. Doherty #1085 Addison G. Kistler #1094 Gabriel J. McCoy #1098
William J. Mengler #1158
Robert Sibiliski – parent

- [1] Caterpillar Foundation
- [2] Gates Industrial Corporation Foundation
- [3] Honeywell International Charity Matching

Fund #2 Endowed Chapter House Operating Expense Account

Dale W. Weber #436 Thomas A. Plagman #785

Fund #3 Endowed Scholarship Account

J. Theodore Brandley #578 Roger W. Kingery #902

Fund #4 Named Scholarship Account

Rita McComber [4] John P. Campbell #559 Harold D. Zarr Jr. #814

Fund #5 Recruitment Scholarship Account

David E. Wolfe #565 David H. Fifield #671

NOTES:

- [1] Matching gift of donation from Noah J. Gullikson #1050
- [2] Matching gift donation from Gabriel McCoy #1098
- [3] Matching gift donation from Robert Sibiliski – parent
- [4] Donation for Dennis G. McComber Endowed Scholarship Fund by Rita McComber

The Board of Directors is deeply grateful for the generous support of the alumni and friends 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 above for their support of the **IOWA STATE ACACIA CHAPTER FOUNDATION!**

History of the IOWA STATE ACACIA CHAPTER FOUNDATION

The idea for the creation of the **IOWA STATE ACACIA CHAPTER FOUNDATION** arose from a series of discussions between Brothers Jim Davis #489 and Harold Zarr #814 in 2019. The process of constructing the new chapter house was well underway and they believed that there was a clear need for an organization specifically designed to support the chapter on a long-term basis. The alumni support provided for the construction of the chapter house was magnificent, but they were concerned that without an organization whose mission was clearly focused on the long-term future of the Iowa State Chapter of Acacia, momentum might be lost and alumni support might be lost or taken up by other organizations.

Out of these discussions, Harold Zarr drafted the original articles of incorporation for the **FOUNDATION**. Working with Philip Goldsmith and Dale Cremers (our accountants at Denman & Company, LLP) he applied for and obtained an IRS 501(c)(3) identification number. Together, Jim and Harold identified and recruited the initial set of members for the Board of Directors of the **FOUNDATION** which included Jim Davis #489 (President), Richard W. Taylor #506, James M. McDonald #571, John Lynch #711, Harold Zarr #814 (Secretary-Treasurer), Gene Lucht #852 (Vice-President), and Craig Buske #1009. They also wrote and printed an eight-page brochure that was distributed to all of the alumni outlining the new organization and how it would be used to benefit the undergraduate chapter.

As a part of the IRS approval process, the Board adopted a number of Operating Policies required by the IRS including conflicts of interest, fundraising, gifts, investment procedures and scholarship requirements and disbursements, to name but a few. The objective behind adopting these policies was not simply to meet the requirements set by the IRS, but to also establish the guidelines that would ensure that the organization would be run in a professional manner. Through this means, we want the alumni to feel confident that this organization will meet its organizational goals.

After the initial group of board members got the organization up and running, James McDonald (in 2020) and Richard Taylor (in 2022) moved into Director Emeritus positions. Randy Elkin replaced Richard Taylor on the board. Gene Lucht retired as vice-president of the board and was replaced Roger Kingery in 2022.

The original goals for the new **FOUNDATION** consisted of two items. The first was to raise funds to be used for both scholarships for the undergraduate members living in the chapter house and to cover the educational-use expenses of the chapter house. The second goal was to ensure that every dollar donated was used to meet the first goal. To this end, **all expenses incurred by the Foundation are covered by donations from the members of the Board of Directors.**

As most of us know and understand, nearly all charities utilize some percentage of the donations received to cover their operational expenses. For example, the ISU Foundation retains 5% of each dollar donated and allocates it to cover its operational costs. The AFF charges a percentage fee on a quarterly basis (about 3% annually) to cover its operational costs. This is an entirely normal process as the vast majority of charities (including the **ISACF**) will incur operational costs on a regular basis. For example, the **ISACF** mails out quarterly reports to as many of the alumni as possible. We also have an insurance policy to cover actions of the Board. These costs are covered by donations from the members of the Board so that every dollar donated by alumni is used for the purpose intended.

During its short four-year life, the **ISACF** has grown from an initial **\$1,150** investment by Jim Davis and Harold Zarr to a foundation whose value as of December 31, 2023 is in excess of **\$579,000**. This has been made possible through the generous support of the alumni of the Iowa State Chapter of Acacia Fraternity. The board is deeply grateful to all of the alumni for their support. We look forward to a bright future for your **FOUNDATION!**

Future Plans

The Board will be distributing scholarship funds to members of the active chapter this semester. We have twothree scholarship funds that we support, the Dennis McComber Scholarship, the Continuing Education Scholarships (funded by alumni with named scholarship accounts) and a recruitment scholarship. The plan is to distribute scholarships from these funds every spring semester. Look for information on the recipients of these scholarships in the next issue of [The Pythagorean!](#)

IRS regulations restrict the use of donated funds to cover only educational expenses, such as tuition, fees or books, or the educational-use area expenses of the chapter house. Donated funds cannot be used to cover rent or other “non-educational” 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 the **ISACF** can, through the availability of scholarship funds, offset this cost, it will provide the active chapter with a **critical marketing advantage** relative to other fraternities at Iowa State. When alumni provide donations for scholarships, they are directly helping the chapter to recruit exceptional men as future members of Acacia!

An interesting IRS requirement is that we need to have about 1/3 of our donors make of small dollar donations, such as \$50 or less. If you are thinking about making a donation, do not operate on the assumption that only large amounts are needed. Small donations are just as important! Your support is gratefully appreciated and will definitely make a difference! Thanks in advance and best wishes to all of our alumni! So Live!