



IOWA STATE ACACIA CHAPTER FOUNDATION

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

Established 2019

Fiscal Year 2022 Financial Report

Your **IOWA STATE ACACIA CHAPTER FOUNDATION** is three 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 Brother's objectives. Shown below is a summary of the receipts and distributions for the 2022 fiscal year.

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

Total donations from alumni for 2022:	\$ 266,599
Earnings on donations	<u>10,728</u>
Total funds available	\$ <u>277,327</u>
Use of those funds include the following:	
Payment for the educational-use construction costs	\$ 527
Payment for educational-use operating expenses	44,568
Chapter member scholarships	13,550
Foundation operating expenses	<u>19,783</u>
Total funds used	\$ <u>78,428</u>
Funds in FOUNDATION accounts:	
Checking Account	\$ 8,366
Money Market Settlement Account	9,885
Educational-Use Reimbursement Account	87,499
Endowed Chapter House Expense Account	45,435
Endowed General Scholarship Account	17,554
Endowed Named Scholarship Accounts	<u>287,332</u>
Total Assets of the Foundation	\$ <u>456,071</u>

2022 was a unique year in that a number of donors to the Foundation earmarked their funds to go towards the costs incurred for the formal dedication of the chapter house. The formal dedication resulted in an unusually high operating expense total for the year. Typically, 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 total of **37** Iowa State Acacia Brothers, relatives and friends contributed funds to the foundation in 2022. 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 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**!

Fund #1 Educational-Use Fund

William G. Percy #420	Dale W. Weber #436	Donald G. Lyon #461	Bernard J. Kolp #466	James H. Davis #489
Gordon N. Sundberg #501	Bruce M. Campbell #502	Richard W. Taylor #506	James M. Hanson #533	Richard A. Cone #557
Neil H. Woodley #567	James M. Hanson #571	Alex I. Fraser #608	David W. McLaughlin #611	Jerry L. Tuttle #646
David E. Wolfe #656	David H. Fifield #671	Thomas P. VanSittert #732	Harold D. Zarr Jr. #814	Jeffrey L. Peil #991
John T. Vogel #1018	John A. Kvinge #1022	Noah J. Gullikson #1050	Matthew P. Zylstra #1061	Ian L. Bryant #1081
Addison G. Kistler #1094	Gabriel J. McCoy #1098	Dillyn A. Mumme #1126	William J. Mengler #1158	Robert Sibilski (parent)

Fund #2 Endowed Chapter House Operating Expense Account

John P. Cambell #559 James M. Hanson #533

Fund #3 Endowed Scholarship Account

Donna L. Whitney

Fund #4 Named Scholarship Account

Bruce M. Campbell #502 John P. Campbell #559 John W. Baty #623 Harold D. Zarr Jr. #814

NOTE: For those brothers who wish to reduce their estate in order to minimize or reduce their potential estate taxes, 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 possible 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.

“BEST-OF-THE-BEST” ENDOWED SCHOLARSHIP CAMPAIGN

For a chapter house to be truly the fraternity home, it should reflect through numerous suggestions its character as the center of a mallowing of history and tradition. Make your fraternity house a shrine, a shrine to which you will turn lovingly and loyally in the future years, a shrine which will be a reminder of the glorious past and an inspiration to a future of continual achievement.

J. Arthur Thompson, #34, Denver Chapter, 1925

The quote shown above was sent to me by Darold Larson, the Executive Director of the Acacia Fraternity Foundation after he attended the formal dedication of our new chapter house in March, 2022. The Acacia Fraternity chapter house at Iowa State University is truly the finest fraternity house in the Greek Community at Iowa State. The goal of the **FOUNDATION**, The Acacians and the chapter members is to now fill that house with the “best-of-the-best” men who attend Iowa State.

I have no doubt that many of us remember the struggle we endured to cover the cost of attending Iowa State. It will come as no surprise to anyone that these costs have increased significantly over time! Today, the cost of tuition is \$10,000 per year. Room and board, books and other items are all in addition to that cost. Parents and their sons struggle to cover these costs. Student debt has become a serious national issue.

In creating the Foundation, we seek to help make the goal of a college education affordable for our members. Each one of you, the alumni of the chapter, can make a permanent impact on the lives of future Acacians. Your support of one of the following endowed funds will directly benefit the members of the Iowa State Chapter.

All funds donated to the **ISACF** are fully tax-deductible to the donor, to the extent allowed by law for each contributor's tax situation. The **ISACF** is a 501(c)(3) charitable entity, recognized by the IRS with the tax identification number 84-3719027. **The ISACF charges absolutely no deposit or management fees.** The members of the Board of Directors serve without pay or compensation of any kind. We contribute the funds necessary to cover the expenses of the Foundation. We perform the day-to-day necessary work so that every dollar donated to the **ISACF** goes to work for the purpose the donor intended.

Contributions that form the principal in the endowed funds donated to the **ISACF** are **not** spent. Only the earnings on those funds is used for the intended purpose for each fund. The contributions are invested in a number of funds utilizing the **ISACF** account at Vanguard. We chose Vanguard for investing **ISACF** funds due to their excellent reputation and their low fee structure. We want these **ISACF** funds maximizing their return to cover reimbursable chapter expenses and scholarships! The goals of our investment strategy are the preservation of capital and growth in the net asset value of the investments. A description of each of these endowed funds is presented here so that the reader will have a full understanding of what each fund is designed to accomplish.

Endowed Chapter House Expenses Fund

The endowed chapter house expenses fund will provide funds that will be used to cover the expenses related to the “educational use” portion of the chapter house. When the chapter house was designed, the incorporation of study rooms, educational work spaces and libraries was a top priority. Once the design was completed, it was determined by our attorney at Fraternal Law, and approved by the Internal Revenue Service, that 38.38% of the square footage of the chapter house qualified as “educational use” space. With this ruling, 38.38% of the following expenses may be reimbursed through the tax-deductible donations from our alumni.

1. debenture interest payments
2. mortgage interest payments
3. property and liability insurance payments
4. internet access (100% refundable as it is purely educational)
5. general maintenance on the property
6. professional fees such as the accountant and legal fees
7. property taxes
8. utilities for the chapter house (excluding items such as garbage service)

The **ISACF** Board does **NOT** spend the donations to this account. We invest those donations in mutual funds so that **only the earnings will be used**, thus preserving the principal for the future. Approximately \$105,000 of the annual expenses to operate the chapter house are reimbursed with earnings from this fund.

Endowed Named Scholarship Fund

The use of scholarship funds is becoming a critical component of the “total package offering” for the recruitment of new members. The **ISACF** Board believes that if we are able to raise sufficient funds we will be able to offer graduating high school seniors a **full-ride scholarship** to attend Iowa State. This scholarship would cover tuition, books and fees while they are undergraduate members of the chapter.

The Board established the following criteria in order for an undergraduate member to earn a scholarship. They include:

1. reside in the chapter house unless it is filled to capacity and there is no room for them,
2. earn at least a 3.00 grade point each semester,
3. actively participate in two philanthropic activities each semester sponsored by the active chapter,
4. actively participate in one on-campus organization of their choosing,
5. disclose any other scholarships they receive to ensure that no financial liability arises to the member,
6. submit receipts for covered expenses.

Alumni who believe in rewarding members who excel academically may frame their contributions in one of two ways. Any alumnus who contributes a **minimum of \$35,000** may (if they wish) have part of the scholarship funds disbursed in their name by establishing a named scholarship in either their name, or that of a Brother in the Fraternity. The Board has established a procedure and documentation system whereby a Brother can establish the named scholarship which will follow the six basic requirements for scholarship eligibility as established by the Board.

For those Brothers who donate a **minimum of \$100,000** or more, they may also place additional stipulations on how the earnings on the funds that they donate may be disbursed. These might include scholarships for a specific college within the University, or for members who are the first in their family to attend college. Should the donor **not** establish specific qualifications, the basic qualifications established by the **ISACF** Board will apply.

Our hope is that the alumni of the chapter will recognize the value offered by these scholarships and will support the Board in its effort to raise these funds. We hope that many of the Brothers will sponsor their own named scholarship so that we can recognize the legacy that they will provide to the chapter.

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!