

CAMPAIGN FINANCIAL SUMMARY

ALPHA ZETA CHAPTER—AGR

\$1.2 Million Campaign Goal Over 5 Years



Mortgage Elimination	\$660,000
Permanent Scholarship Endowment	\$440,000
Capital Improvement Fund	\$100,000

Benefits of Mortgage Retirement:

“The chapter pays nearly \$70,000 in debt service annually. That’s 57% of our budget.”
Ron Hirst, Alumni Board President

1. Current principal and interest payments can be redirected to support ongoing improvements and to build a reserve fund to support major construction if warranted in the future.
2. Improved cash flow will moderate—not eliminate—future rent increases.

Scholarship Endowment Secures Annual Awards

A permanent endowment of \$440,000 would provide approximately \$17,600 each year for scholarships. A 4% distribution policy should ensure that the endowment continues to grow, while the amount made available for scholarships keeps pace with inflation. Currently the Alpha Zeta scholarship program is supported by annual gifts from a few generous alumni. About 70% of K-Staters receive some sort of financial assistance. National trends indicate that universities will increasingly depend on more tuition funds versus tax funds. Scholarships can be a tool for enhancing recruitment, leadership and academic performance at the chapter.

Immediate Capital Improvement Needs

Operating at peak capacity (56 men for the past 4 semesters) creates wear on the chapter house. Priority needs include parking lot/driveway improvements (some concrete is 54 years old), carpet replacement and improved bathroom drainage. ***The undergraduates have already committed \$10,000 to begin needed renovations!***

Fast Facts:

1. Almost all of the Alumni Association’s annual income is generated through undergraduate rent; 60% goes to debt service (principal and interest). Other expenses include maintenance, insurance, workers compensation, and alumni activities.
2. Without mortgage reduction/elimination, the Alumni Association will pay \$70,000 annually in debt service for the next 14 years. Eliminating the debt could release up to \$325,000 in interest for use in capital improvements and building reserve.
3. The campaign offers a 5-year pledge period to donors. Unless specifically earmarked for scholarships, charitable gifts will be used first to reduce the mortgage.
4. Based on projections, the mortgage could be retired in 5 years. If the \$1.2 million goal is surpassed, charitable gifts will be directed to the scholarship fund.
5. To receive a charitable deduction, donors can direct cash and non-cash gifts to the Educational Foundation of AGR. No fees will be incurred by AZ and all money will return to K-State based on a schedule predetermined by the IRS.

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6. If a donor is interested in contributing to scholarships only, cash and non-cash gifts may be directed to the Kansas State University Foundation. Donors will realize a charitable deduction and build eligibility for President's Club benefits (Membership requires contributions exceeding \$10,000). Some employers may match charitable gifts to universities, thus doubling the effect of your contribution.
7. Donors may also contribute commodities directly to the AZ Alumni Association. Although such gifts are not deductible as a charitable contribution, they reduce income, thus lowering federal/state income taxes and self-employment taxes. Prior to a gift of commodities, you should consult with your tax advisor to determine the best giving strategy. For AZ, these funds will be used to immediately pay down the mortgage.
8. By completing a campaign pledge card, Alumni Board Treasurer Ben Brent (785-565-3140) and Campaign Coordinator Kathy Benson (585-734-2693) can fulfill your personal requests and direct donations appropriately.

Alpha Zeta Chapter Draft Gift Chart

Naming Opportunity	Gift per year for 5 years	Total Gift	# of Donors Needed
Yes	\$50,000	\$250,000	1
Yes	\$20,000	\$100,000	2
Donor Wall Display	\$10,000	\$50,000	4
Donor Wall Display	\$5000	\$25,000	10
Donor Wall Display	\$2000	\$10,000	15
Donor Wall Display	\$1000	\$5000	20
	\$200	\$1000	80
	\$100	\$500	100
	\$20	\$100	Many