

V-500 Visions



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Larry Robinson,
Director of
University Advancement

V-500, Now More Than Ever

When the founders of V-500 put in place this wonderful scholarship program in 1972, they had a vision that has proven to be extremely futuristic. With regular increases in tuition, fees, and other costs associated with attending college today, including extraordinary high costs of gasoline, the V-500 has evolved into a program that is more important now, than ever.

Like other institutions of higher education, Valley City State University has experienced regular increases in tuition each of the past several years. In fact, VCSU's tuition has increased by 86% in the past 8 years. That does not take into account the 9.5% increase for the current academic year. A recent report noted that the average student at VCSU graduates with a debt load in excess of \$18,000. This amounts to the second highest debt load of all 50 states. Tuition, fees, room and board, at VCSU, for the current academic year total over \$9,000.

As a result of these ever increasing costs, a significant percentage of our students work while they are attending classes. Although part time employment is not new to the university scene, many of our students are forced to work full time and take a full academic load as well. Without a doubt, this places additional stress on the situation. We must also consider the fact that an ever increasing percentage of our students are "non traditional." By non traditional, we are referring to students who are not the normal 18-21 year old college students. Many of these students have families and have been out of high school for some time. Finally, due to costs, work requirements, etc., more and more of our students are spending five and six years completing their four year degree.

VCSU is doing everything we can to provide scholastic assistance to our students, in an attempt to help offset the increased costs of higher education. The V-500 Board of Directors has increased the size of scholarships in recent years to help in this effort. Today, V-500 scholarships range from \$1,000 to \$2,000 depending on the student's ability to meet the criteria. We have done much, but we need to do more.

According to Larry Robinson, Director of University Advancement, "The university is extremely thankful and appreciative of the over 1,250 V-500 members. Without their support, the V-500 program would not be the success that it has become. Many of our members have multiple V-500 memberships and some have contributed in excess of \$50,000 to this important scholarship program."

*"Giving pays the highest interest rate,
and has the longest term, of any investment available."*

– Jeffrey K. Wilson



The listing below is of new & renewed members who have given a cash donation or pledged to V-500 as of the 2006 V-500 Recognition Banquet.

\$5,000 - \$9,999
Fargo Moorhead Area Foundation

\$1,000 - \$2,499
Thomas Ostenson
Sorensen Construction

\$500 - \$999
Jewell Colville
First Community Credit Union
Kathryn L. Holleque
Lillian Jacobson
Dave & Jeanne Johnsen
Jean & David Kelley*
Midwest Coca-Cola of Jamestown
James & Pat Miller
Missouri River Energy Services
Phillip & Darlene Mueller
Philip A. O'Brien
DeForest & Dolly Peterson
Roger & Joy Rand
Jim & Phyllis Sheridan
US Bank
Donald Welsh
West Acres Development, LLP

Pledge of \$5,000+
Hi-Line Electric, Inc.
Bobby & Deborah Koepplin *

Pledge of \$2,500+
Dakota Supply Group
Farmers Union Insurance
Kirk Olson & Tyler Van Bruggen
Wells Fargo Foundation

Pledge of \$1,250+
American Legion Post 60
Dave & Susan Carlsrud
Dakota Clinic, Ltd.
Kim & Cheryl Foell
Sigurd Johnson & Rooth Varland
Bev & Jim McAllister
Daniel Nagle
Star Enterprises, Inc.

Pledge of \$750+
Cory & Kristine Anderson
Duane & Bonnie Brown
Jeff & Lisa Brown
Ellen Chaffee & David Schwalbe
Jeff Enger
Roman J. Ertelt
Jeff & Cindy Kaminsky
Bill & Marion Magee
Mercy Hospital
Oliver-Nathan Funeral Chapel
Jeff & Ruth Nathan

Tim & Nancy Ost
Earl Pomeroy
Sabir's Dining & Lounge
Al & Marie Schuldt
Gary & Bea Tait
Dan & Jill Taylor
Joe & Betty Tykwinski
James & Rae Ann Vandrovec
Mike & Randi Watterson
Mark & Andrea Winter
Wells Fargo Bank

Pledge of \$500+
Gloria E. Adams
Bob & Rosalyn Bruhschwein
Lowell J. Busching
Daryl D. Hornbacher
Robert & Marian Koering
Richard & Bernadette Nelson
PPL
Dr. Patricia Rogers
Gary & Lori Thompson
Franklin & DonnaMae Weis

*Amount includes matching gifts

**V-500 Recognition Banquet
Scheduled for December 9th**

The Annual V-500 Recognition Banquet is scheduled for December 9, 2006 in the Student Center. The event provides an opportunity for V-500 to recognize the new and renewed V-500 members since the previous banquet. According to Larry Robinson, "We are once again looking forward to this year's recognition banquet. This is a special opportunity for us to express our sincere thanks and appreciation to our new and renewed members and recognize them for their support of V-500."

The banquet is held in the Memorial Student Center. Following the banquet, everyone in attendance is invited to be guests of V-500 at the EBC Alumni Association's "We're In the Christmas Mood" which will be held in Vangstad Auditorium, immediately following the banquet.

Tickets are \$18 each and can be purchased from the VCSU Foundation Office. Call 701-845-7203 for details.

**A Year-End
Gift to V-500?
Why Not?**

If you are like many taxpayers and itemize, now is an excellent time to make a year end gift to V-500 and qualify for a charitable tax deduction at the same time. For example, if you are in the 33% tax bracket and you itemize your deductions, a \$1,000 gift to V-500 by December 31st will save you \$330 on your taxes. You must make sure that your envelope is postmarked no later than December 31, 2006 and your gift will qualify you for a charitable deduction. This is a win-win situation. You reduce your taxes and support V-500 at the same time.

Renew your membership now! Enlist a friend, ask them to join our V-500 family.

V-500 Membership Application 2006-07 ~ "It takes two, VCSU & you!"

Name _____
Mailing Address _____
City _____ State _____ Zip _____
Phone _____
Email _____

- Annual Commitment:**
- \$150 per year for 5 years
 - \$250 per year for 5 years
 - \$500 per year for 5 years
 - \$1,000 per year for 5 years
 - \$2,000 per year for 5 years
 - \$5,000 per year for 5 years
 - \$10,000 per year for 5 years
 - Other (Please specify: _____)

- Payment Frequency:**
- Annual
 - Quarterly
 - Semi-Annual
 - Monthly
- If you would like to make your payment during a specific month, please list: _____

Benefits of membership reduce the amount of your tax deduction. This amount will be reflected on your receipt.

I request that my entire donation be applied to VCSU V-500 Scholarships and do not wish to receive any gifts as part of my membership.

Payment Option:

- Check:** Payable to VCSU Foundation/V-500
- Credit Card:** MasterCard Visa Check here to automatically charge this credit card when payments are due.
Card #: _____ Signature on Account _____ Exp. Date _____
- Automatic Withdrawal:** Enclose voided check.
I authorize the VCSU Foundation/V-500 to withdraw \$ _____ semi-annually on the 15th of the months _____ and _____ for _____ months to complete my pledge.
Signature on Account _____ Date _____

Congress Approves IRA Rollover

The United States House and Senate along with President Bush have enacted a new law making it easier for donors 70½ years of age to give to the Valley City State University (VCSU) Foundation through their IRA or Roth IRA. The charitable incentives open up powerful new options in new charitable giving from IRAs. During the calendar years of 2006 and 2007 a person meeting the above criteria can gift up to \$100,000 each year.

There are four requirements for a qualified IRA charitable gift. First, the IRA gift must otherwise have been includible ordinary income to the IRA owner. Second the IRA owner must be 70 years old or older. Third, the gift must be to a qualified exempt public charity, such as the VCSU Foundation. Fourth, the recipient may not be a private foundation, supporting organization or donor advised fund.

Fortunately, the IRA charitable rollover will qualify for the donor's required minimum distribution (RMD). The Congressional Joint Committee on Taxation Technical Explanation of PPA 2006 (JCX-38-06) states on page 266, "Qualified charitable distributions are

taken into account for purposes of the minimum distribution rules applicable to traditional IRAs to the same extent the distribution would have been taken into account under such rules had the distribution not been directly distributed under the provision."

There is no charitable income tax deduction, but also no inclusion. It is simply a very convenient way to help the VCSU Foundation. Donors can give to 50% of adjusted gross income from their regular assets and then make "over and above" gifts from their IRA. Some generous donors may in effect give 100% or more of income per year through this method. Since the IRA is not included in taxable income, it will have no impact on their regular income and other charitable gifts.

Many senior donors may not have a sufficient level of deductions to itemize and choose instead to use the standard deduction. If senior donors withdraw \$1,000 from his or her IRA and then gives it the VCSU Foundation, there is \$1,000 of increased income with no offsetting charitable deduction, since the standard deduction is taken. Therefore, it will be preferable for all donors taking

a standard deduction to make IRA gifts directly to the VCSU Foundation and avoid the additional income tax otherwise payable.

Social Security is subject to two levels of taxation. For donors who have income in excess of the first level, 50% of Social Security is taxed. For donors with income in excess of the second level, up to 85% of Social Security income may be subject to tax. Withdrawing an amount from an IRA will potentially cause the recipient's income to increase from the 50% taxable bracket to the 85% Social Security taxable bracket. Even though the withdrawn amount is given to the VCSU Foundation and deducted, there still is taxation with the added 35% bracket. Thus, by making the transfer directly to the Foundation, many Social Security recipients will save substantial taxes.

The \$100,000 IRA charitable gifts provision opens up many new gift opportunities to the VCSU Foundation. Please contact Larry Robinson at the Foundation at 701-845-7217.

Thank You V-500!



Natalie Anderson
Harvey, ND
Freshman
Elementary Education



Dustin August Brandt
Maxbass, ND
Sophomore
Business Administration



Erica Bunn
Lisbon, ND
Freshman
Undecided

“This scholarship means a great deal to me. I am thankful to have received this scholarship to help me pay for college expenses.”

“Receiving this scholarship is a great honor and will be a great help financially. It is one of the reasons I chose to attend VCSU.”

“Receiving this scholarship means a lot to me. I worked hard in high school and it paid off by receiving a scholarship such as this one. I am very thankful to receive this scholarship because it helps pay for college expenses in a big way. Thanks.”



Valley City State University Foundation
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Valley City, ND 58072

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Mark your calendar!
VCSU Recognition Dinner
December 9th