

# Priority Needs Endowment

the Community College Foundation's North Dakota Tax Credit Endowment

The Community College Foundation of Devils Lake, North Dakota, has created a special endowment designed to satisfy all requirements for the North Dakota Tax Credit Endowment program—The Priority Needs Endowment. Qualifying gifts are pooled, and earnings from the endowment are used to address priority needs at Lake Region State College.

Each year, the board of directors of the Community College Foundation and the president of the college select a priority use for the funds produced by the endowment. As it grows, this endowment will become an important “resource for excellence.”

- One year, the fund may support a capital project,
- another year it may help to launch a new learning initiative, and
- down the road it will address needs that we can't envision today.

Working together, investors in the Priority Needs Endowment will help to assure the future and quality of education opportunities at Lake Region State College.

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Note: Gifts to the many other named endowments held by the Community College Foundation also qualify for the North Dakota Tax Credit.

## Background

In 2007, North Dakota's legislature launched a tax credit structured to encourage giving to charitable, non-profit organizations in the state. In 2009, and again in 2011, the law was strengthened, empowering North Dakotans to give more and

have a greater impact on causes they care about close to home. Now, businesses (including financial institutions) and individuals may receive a 40-percent state tax credit for contributing to a qualified North Dakota endowment.

The North Dakota legislature has supported and expanded this tax credit program through three biennia because

- charitable giving builds communities and enriches the lives of North Dakotans;
- the tax credit keeps

money in the state;

- North Dakota's 3,300 charitable, non-profit organizations are valued community resources that will be strengthened and sustained by endowment investments; and
- quality of life for North Dakotans and the state's nonprofit sector are inextricably linked.

The expanded North Dakota Tax Credit Endowment Program is good for North Dakota, its people, and its communities.

North Dakota tax-payers have  
a unique opportunity  
to make good things happen  
and save money on taxes.  
If you make a gift of \$5,000  
to the  
Community College Foundation's  
Priority Needs Endowment,  
you may qualify for  
a 40-percent tax credit!

## How it works

The North Dakota Tax Credit makes it possible to do \$5,000 of good work for an out-of-pocket cost of only \$3,000! At tax time, \$2,000 of the \$5,000 gift comes back to the donor in the form of a North Dakota tax credit. The total tax savings is even larger because the North Dakota credit lowers the federal tax obligation as well.

## The details

- Gifts from individuals must be \$5,000 or larger.
- Gifts must be placed in “qualifying” endowments.
- Gifts must be irrevocable.
- The maximum tax credit an individual may claim is \$10,000. Married couples filing jointly may claim tax credits up to \$20,000.
- Tax credits can be carried over for three years.
- Businesses and banks may also participate in the North Dakota Tax Credit. Their gifts must be \$1,000 or larger.

## About Named Endowments

As you are probably aware, the corpus of a named endowment is never spent; only the earnings are used to make annual awards. The base amount for an endowment is currently \$15,000. What is particularly enticing about building an endowment now is the North Dakota Higher Education Challenge Match. For every dollar received toward an endowment, the state will give the college fifty cents. This means that if a donor gives \$10,000 toward an endowment, the state will contribute \$5,000, allowing the endowment to reach the \$15,000 base. The Challenge Match opportunity will end December 31, 2020.

A special thank you is extended each year to all endowment donors at the Named Endowment Recognition Event. Donors are recognized and allowed the opportunity to meet scholarship recipients or program instructors. If you are interested in learning more about the Named Endowment Program at LRSC, please contact Elonda Nord, executive director of the Community College Foundation at [elonda.nord@lrsc.edu](mailto:elonda.nord@lrsc.edu) or 701-665-4639. ●



**Community College**  
**F O U N D A T I O N**

*supporting Lake Region State College since 1959*

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