



CTO

CATHOLIC TUITION ORGANIZATION

What you should know about CTO! The Diocese of Des Moines established a school tuition organization (STO) in 2006 which provides significant tax advantages for donors resulting in tuition assistance awards for families.

Donations to the CTO are used to provide tuition assistance to eligible families whose children attend one of the sixteen Catholic schools in the Diocese of Des Moines. The criteria for receiving assistance is based on family size and in-

come. The Catholic Tuition Organization awards at least ninety percent of the revenue to eligible families. Contact Lauren Elliott: 515.330.5966 or Jeanne Wells: 515.237.5010 with questions.

- **A financial contribution to the Catholic Tuition Organization will provide the donor a 65% Iowa tax credit** based on the amount of the contribution and the gift of knowing they helped to make a Catholic education available to many children who previously did not have the opportunity to attend the school of their choice. **The contribution is also eligible for a federal tax deduction** when the donor itemizes on their federal return. Please consult your tax advisor for your specific tax implications.
- **How much of the contribution is used for tuition assistance and how much is used for operations of the CTO?** At least ninety percent of the money donated must go awarded to eligible families within the calendar year. Historically, CTO has awarded 93% of all revenue in tuition assistance.
- **Who may contribute to the CTO?** Individual tax payers, C Corporations, S-corp, LLC, Partnerships, Estates and Trusts can contribute to the CTO and are then eligible for the tax credit.
- **What types of gifts are accepted by CTO?** In addition to check or credit card, the CTO also accepts gifts of securities, grain and required minimum distributions from retirement accounts. Please contact CTO for transfer instructions.
- **How will donors know that the money will be used for its intended purpose of tuition assistance to eligible families?** An annual audit of the donations received and awards granted is conducted following the close of the fiscal year on June 30 by certified public accountants.
- **Will there be an annual report to donors?** Yes. An annual report is published each year listing the awards to families by school as well as an alphabetical listing of donors who wish to be identified.
- **May gifts to the Catholic Tuition Organization be restricted to an individual Diocesan School?** No. Awards are based on the need of qualified families and not on the amount of contributions designated to a specific school. It is the commitment of the board of directors that every qualified families who needs tuition assistance will receive tuition assistance.
- **Are contributions put into an endowment?** No. Unlike an endowment fund, donations by law cannot be held to support future needs. Therefore, the CTO must raise funds annually and present scholarships annually to support the ongoing needs of the eligible families.
- **May gifts to the Catholic Tuition Organization be restricted to an individual student?** No.
- **Is there a limit on the size of individual gifts accepted by the “Catholic Tuition Organization?”** No. There are no limits for contributions to the CTO except up to the amount of tax credits available each year.
- **What is the annual fundraising goal?** The amount of tax credits vary each year and is based on the pro-rated percentage of certified enrollment in our schools compared to the certified enrollment in the other school tuition organizations in Iowa. The goal for 2020 is \$ 3,876,851.