

# VOCATIONAL FUND CONTRIBUTION MAKES DOLLARS AND SENSE

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By PDG Art Harrington

A contribution in any amount to The Rotary Vocational Fund of Arizona makes sense. The fact is that Rotary can accomplish with just 1 dollar what it takes 17 US government dollars to achieve, according to a study by the World Health Organization.

When it comes to moving people off welfare and into the work force here in Arizona, the WHO report should give us a clue whether Rotary or the state government is the better bet for getting the job done.

This is exactly what Rotary's Vocational Fund is all about. It guides a Rotary club in sponsoring an individual who needs training for a job and perhaps some basic tools to begin work. The club provides the essential continued mentoring and encouragement of the person, and the Fund comes up with the necessary dollars. That combination works. And your gift to the Fund makes a lot of sense.

Your personal contribution to the Fund each year (\$400 for a couple; \$200 for a single) can now also, amazingly, actually bring a quick return of 15-28% or more on your investment.

How does this work? As a 501(c)(3) organization, contributions to the Fund are tax deductible on your federal tax return. Most Rotarians are at least in the 25% tax bracket. So that \$400 charitable contributions deduction puts \$100 back in your pocket, which would have been spent on federal income taxes, depending on your tax situation and how your tax preparer advises you.

It gets even better! If, counting this gift, your charitable contributions for 2007 exceed by at least \$400 the contributions you itemized on your 1996 federal tax return (or the first year you itemized deductions after 1996), the State of Arizona is willing to refund to you your entire \$400 contribution as a dollar-for-dollar reduction of your Arizona income taxes owed. All that is required is the completion of the Arizona Form 321 (Credit for Contributions to Charities that Provide Assistance to the Working Poor) which you submit when you file your state tax return. (*NOTE: This is different from the Credit for Contributions or Fees to Public Schools, claimed on Form 322. You can claim both credits.*)

The bottom line: If you qualify for this state tax credit, your \$400 contribution to the Vocational Fund winds up costing you absolutely nothing – and you actually pocket \$100 or more from the reduction of your federal taxes. (*CAUTION: To avoid illegal double-dipping, the amount you are taking as a charitable credit on your Arizona return must be entered as an adjustment on Line 14 of the Arizona Schedule A.*)

**Contributions to the Rotary Vocational Fund of Arizona make dollars and sense.**