

EITC

Program Donor Guide for Individuals



Thank you for your interest in providing life changing scholarship for under-resourced students. The Educational Improvement Tax Credit (EITC) program can seem confusing, but Calvary Christian Academy (CCA) will help you through every step in the process. The minimum donation is \$3,500, and the maximum is \$100,000 per year. Individuals (or businesses) receive up to a 90% tax credit for an approved donation to a scholarship organization (CCA), with a two-year commitment. Here is a simple breakdown of the process.

1. Talk to your accountant to see if the EITC program is a good fit for you personally

- **No**, I do not have a PA tax liability of \$3,500 or more, so I cannot participate
- **Yes, I have PA tax liability of \$3,500 or more and I would like to redirect it to CCA**
 - Based on what your Pennsylvania tax liability was last year, have your accountant estimate what your PA tax liability will be each of the next two years
 - You (or your spouse, if married filing jointly) must own or work for a business, or own stock in a company that does business in PA
 - This type of donation needs to go through the Central Pennsylvania Scholarship Fund (CPSF), and they will have you join one of their Special Purpose Entities (SPE). This is what allows individuals to participate

2. Individuals (or businesses) become an accredited member of the SPE by completing a Joinder Agreement, and sending it back to CPSF

- Email Amy Lloyd for the current 1-page Joinder Agreement

Questions about EITC for Individuals



Amy Lloyd 215-969-1579 ext 244



alloyd@ccphilly.org

3. Once approved, CPSF notifies you and requests the contribution be made

- All contributions are made to CPSF, and must be made within 60 days of the approval
- CPSF passes along 100% of the donation to CCA and handles all the paperwork

4. In February of the following year, you will receive your tax filing documents

- Upon receipt of the proof of contribution, the DCED will notify the Department of Revenue to apply the tax credit against the appropriate taxes you identified in your business firm's application
- PA Department of Revenue form 1123 for the SPE – verifies that the tax credit exists for the SPE, and the member's personal portion has been transferred to their Tax ID or Social Security Number when filing PA State Income Tax Return
- Schedule K-1 – Indicates the members share in the SPE and used when filling Federal Income Tax Return
- The state of Pennsylvania begins processing EITC tax credits on July 1. Credit disbursements happen usually beginning mid-end of August