



**WHICH WOULD YOU RATHER DO:
GIVE TO THE FRANKFORD FRIENDS SCHOOL
SCHOLARSHIP FUND ...
OR PAY TAXES?**

It's not a trick question!

You can donate to the Frankford Friends School Scholarship Fund in lieu of paying up to \$300,000 in Pennsylvania business taxes.

Through the Educational Improvement Tax Credit (EITC), if your business pays certain taxes to the state of Pennsylvania, your company can receive a tax credit for up to 90% of a donation to Frankford Friends School for scholarship aid.*

Combined with federal tax savings, the cost of donating can be close to **zero**. That's because this is a tax **credit** — **not** a deduction.

If you've already pre-paid your state taxes, your business will receive a refund of any taxes already paid. Or, your tax credit can be used to offset quarterly prepayment requirements and the remainder of the tax due for the tax year in which your donation is made.

To participate, submit an application to the state (included with this packet).

After receiving your approval letter, you will have 60 days from the date of the letter to donate to the FFS Scholarship Fund, and 30 days after that to notify the DCED of your donation.

The DCED will then will instruct the Department of Revenue to apply your tax credit against the appropriate taxes.

Questions? Contact Development Director Amy Silver O'Leary at 610-917-2222 or development@frankfordfriends.com.

Even with one of the lowest private school tuitions in the area, Frankford Friends School awards need-based tuition aid to **over 25% of its students**. Help provide a quality Frankford Friends education to low-income students—give to the Scholarship Fund by redirecting your tax dollars!

*Companies making a one-time donation receive a 75% tax credit. Companies who commit to giving the same amount two years in a row receive a 90% tax credit. The maximum available credit is \$300,000 per year.

EDUCATIONAL IMPROVEMENT TAX CREDIT (EITC) PROGRAM

Frequently Asked Questions

Q: What taxes are eligible for EITC credits?

Eligible taxes include:

- Pennsylvania Corporate Net Income Tax
- Capital stock / franchise tax
- Bank and trust company shares tax
- Title insurance companies shares tax
- Insurance premiums tax
- Mutual thrift institutions tax
- **New in 2008-09! Personal Income Tax on business income of S Corp shareholders or Partnership partners now qualifies for tax credits!**

Q: How much of my tax liability may I donate to Frankford Friends through EITC?

Businesses can receive a tax credit equal to 75% of a contribution up to \$300,000 per taxable year. The tax credit increases to 90% if the business agrees to provide the same amount for two consecutive years. A federal charitable contribution deduction may also be available, making the net cost to you little or nothing.

Q: Where can I get an application?

If an application is not attached to this packet, you can contact Development Director Amy Silver O’Leary at 610-917-2222 or development@frankfordfriends.com and she’ll email you one. The application and full instructions are also available through the Department of Community and Economic Development at www.newpa.com. Navigate to “Funding and Program Finder,” scroll down to the E’s, and click on “EITC” for more information. Select “EITC Business Guidelines” for the application.

Q: Can Frankford Friends School help me apply?

Yes! Amy Silver O’Leary can walk you through the process. Contact her at 610-917-2222 or development@frankfordfriends.com for help.

Q: What happens after I apply?

You will receive a letter from the Department of Community and Economic Development (DCED) approving your donation. You have 60 days from the date of the letter to make your donation. Mail your donation to:

The Philadelphia Foundation
Attn: Mary Ellen Marcovcy, Scholarship Services
1234 Market Street, Suite 1800
Philadelphia, PA 19107

With your check, include a cover letter on your business letterhead noting that the donation is for Frankford Friends School scholarships. The Philadelphia Foundation will send you a letter acknowledging the donation. You must submit a copy of this letter to DCED within 90 days of the date of your original approval letter. Again, Frankford Friends School will be happy to assist you with any or all of these steps.

Application for Educational Improvement Tax Credits

Complete the attached one-page application. It must be signed by the Chief Executive Officer or “other officer capable of making commitments for the business.” Mail it to:

Department of Community and Economic Development
The Educational Improvement Tax Credit Program
Center for Business Financing - Tax Credit Division
400 North Street, 4th Floor,
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

Or fax to: (717) 772-3581

You can also fill out an application online that you can save, print, and fax or mail. Go to www.newpa.com, navigate to “Funding and Program Finder,” scroll down to the E’s and click on “EITC.” Select “EITC Business Guidelines” for the application.

If you have questions for the Department of Community and Economic Development, please call (717) 787-7120 or email tknorr@state.pa.us.

Or, contact Frankford Friends Development Director Amy Silver O’Leary at 610-917-2222 or development@frankfordfriends.com.

Appendix I - SO

Application for Educational Improvement Tax Credits (Scholarship Org)

Business Name:		FEIN:	
Address:			
City:		State:	
Zip Code:		County:	
Business Description:		NAICS Code*:	
CEO Name:		CEO Title:	
Contact Name:		Contact Title:	
Contact Phone #:		Contact Fax #:	
Contact E-mail Address:			
Business Tax Year End (MM/DD):		PA Corporate Tax Account ID #:	— — — — - — — —

Amount to be donated per year to a scholarship organization(s): \$ _____

Based on the contribution stated above, this application is for the following commitment:

- Year 1 of a 1 Year Commitment (75% Tax Credit)
- Year 1 of a 2 Year Commitment (90% Tax Credit)
- Year 2 of a 2 Year Commitment (90% Tax Credit)

Calculated amount of tax credits requested per year: \$ _____

- If the contribution will be personal property or services, please check here and attach a separate typed page describing the property or service and appropriate information establishing the value of the contribution.

Please check the taxes to which the business is subject (*check all that apply*).

- Corporate Net Income Tax
- Bank & Trust Company Shares Tax
- Insurance Premiums Tax
- Capital Stock Franchise Tax
- Title Insurance Company Shares Tax
- Mutual Thrift Institutions Tax

I hereby certify that all information contained herein is true and correct to the best of my knowledge. I acknowledge that tax credits will be awarded only for approved contributions made to Scholarship Organizations listed by the Department (DCED) at www.newPA.com/EITC. I am aware that contributions must be made within 60 days of the date on the approval letter and receipts must be forwarded to DCED by the business within 90 days of approval. Furthermore, I acknowledge that if I knowingly make false statement to obtain tax credits, I (company, entity and signer) may be subject to criminal prosecution.

Signature: _____

Date: _____

Print Name: _____

Title: _____

* A NAICS code search can be done at www.NAICS.com