

1 PARTICIPATE AS A BUSINESS

WHO CAN PARTICIPATE

- Businesses based in PA (LLCs, C and S-Corps, etc.)

HOW IT WORKS

- Business works with EA to prep their application
- Business submits application to State
- Business makes donation to EA (if approved by State)
- Business received tax credit from State

TIMELINE

- *Spring* – prep application
- *July 1* – submit application
- *Fall* – receive approval and make donation to EA
- *Tax season* – claim on prior year's tax return
- *Year 2* – renew commitment

BENEFITS

- Easy application process
- Limited paperwork
- EA can apply on behalf of business
- No minimum donation amount

CHALLENGES

- Limited funds; first-come, first-served

2 PARTICIPATE AS AN INDIVIDUAL VIA A SPECIAL PURPOSE ENTITY (SPE)

WHO CAN PARTICIPATE

- Individuals who (1) are liable for more than \$7,800 in state tax each year, and (2) have individual annual income of \$200K (or \$300K joint) or whose net worth exceeds \$1M.

HOW IT WORKS

- EA affiliates set up an SPE
- SPE submits application to state
- Individuals fund SPE; SPE makes donation to EA
- Individuals receive Schedule K-1 from SPE for tax return

TIMELINE

- *Spring/Summer* – Individuals share interest with EA or SPE
- *July 1* – SPE submits application
- *Fall* – SPE receives approval and makes donation to EA
- *By March* – Individuals receive K-1 and claim on prior year's tax return

BENEFITS

- Ability to redirect individual tax liability to EA
- EA works with individuals and SPE
- No admin fees withheld from donation

CHALLENGES

- Required minimum gift amount (\$7,800 for 2 yrs.)
- Subject to availability of funds from State



3 PARTICIPATE AS INDIVIDUAL OR BUSINESS VIA BLOCS

WHO CAN PARTICIPATE

- Individuals and businesses who are liable for more than \$7,800 in state tax each year

HOW IT WORKS

- EA connects individual/business to BLOCS
- BLOCS helps individual/business to join SPE
- Individuals/Businesses fund SPE; SPE makes donation to BLOCS
- BLOCS disperses donations to EA
- Individuals receive Schedule K-1 from SPE for tax return

TIMELINE

- *July 1* – BLOCS submits applications
- *Fall* – BLOCS receives approval; individuals and businesses fund SPEs
- *By March* – Individual/business receives K-1 and claims on prior year's tax return
- *Spring* – EA receives donations from BLOCS

BENEFITS

- A way to participate if missed app deadline or prior SPE not approved
- BLOCS helps with renewal logistics
- Able to split gift between multiple Scholarship Organizations

CHALLENGES

- Required minimum gift amount
- Additional paperwork for participants
- Administrative fee of 10+% withheld from EA disbursement

To learn more, contact:

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