



Dear Kimberton Community,

Did you know you that you can redirect your tax dollars to our school through the Educational Improvement Tax Credit Program (EITC)?

If you have an Individual tax liability of \$3,500 or more, you are eligible to participate. Your taxes can be redirected, through the EITC, into scholarship donations. *And* you receive PA income tax credits equal to 75 or 90% of the donation amount. It's an amazing and impactful way to support our school.

To get started, simply apply to be a member of a SPE (special purpose entity). KWS has relationships with two SPEs: **Central Pennsylvania Scholarship Fund (CPSF)** and **BLOCS** and they are awesome at taking our Kimberton community through the easy EITC process with individualized attention and care!

As an overview, here's what to expect when you reach out to them:

1. **Apply and commit** to funding an SPE by signing a 1-pg Joinder (sample CPSF Joinder [here](#)). (This committed funding is your donation to KWS, which is eventually received by us.) Also be ready to make a 1 or 2-yr commitment. A 2-year commitment translates to PA income tax credits equal to 90% of your donation amount, while a 1-year commitment translates to 75%.
2. If committing 2 years, the first year is paid to the SPE. Year 2 is paid approximately 1 year later. *A 2-year commitment must be for the same amount each year
3. Once State approval and **your funding are secured, the SPE disperses the money to KWS** to be used as need-based scholarships. The SPE will alert KWS how much money in scholarships they will be receiving. KWS awards scholarships to our students.
4. SPE receives tax credits from the State and **distributes the tax credits to you via a K-1 by March**. Submit this with your State tax return. Pay remaining 10% or 25% of the state tax. *Credits awarded cannot exceed the level of tax liability and is not refundable and does not carry over. Please consult your tax advisor with any questions.*

Note: You can claim the difference between your gift and the credit from State as a charitable gift deduction on your federal taxes if you qualify.

That's it! A few easy steps and a little of your time, but it makes a huge difference for our students, our budget, and our future. Thank you for your help!

How the Numbers Add Up:

Sample Tax Calculation:	
Based on your State Tax liability (\$10,000 donation to KWS used here)	
Contribution to KWS through EITC	\$10,000
PA Tax Credit Reduction (90% of contribution)	(9,000)
Net Fed Tax Reduction for contribution (37% tax rate)	(370)
Out of Pocket (cost to you)	\$630

To learn more, check out these videos by CPSF and BLOCS

Central Pennsylvania Scholarship Fund [https://youtu.be/ su1k1OxuTQ](https://youtu.be/su1k1OxuTQ)

BLOCS <https://youtu.be/kzviUBWmH2k>

KWS Contacts

Tami Clark, Director

Central Pennsylvania Scholarship Fund

phone: (814) 682-9035 email: tami@cpsfcharity.org

[Central Pennsylvania Scholarship Fund - EITC news and SPE Information \(pennsylvaniaeitc.org\)](http://pennsylvaniaeitc.org)

Jeff Gibson, BLOCS

phone: (484) 704-2303 email: jgibson@blocs.org

[Tax Credit Program Overview - Blocs](#)

Note: CPSF disperses 100% of your contribution to KWS. BLOCS takes a 10% administrative fee

Please reach out to Editha Tendencia if you need help getting started at etendencia@kimberton.org. If you have family and friends in the position to participate, either as a business owner or individual, please spread the word, or better yet, connect them with Dee!