

TAX CREDIT SCHOLARSHIP PROGRAM

A SIMPLE WAY TO DIRECT YOUR TAX DOLLARS

Every year, the state of Pennsylvania sets aside tax credits, allowing businesses and individuals to support scholarship organizations that offer need-based financial aid to students in private schools. Taxpayers can then direct this financial aid to the school of their choice. When you make a contribution in the amount of your state income tax, you also receive a ninety percent tax credit in return.

Convert your tax dollars to
SCHOLARSHIPS



THE THREE-STEP PROCESS

STEP 1: Submit a Reservation Form to reserve your tax credits

STEP 2: Submit the SPE Joinder and Contribution

STEP 3: File PA taxes with the 90% SPE tax credit



90% of your contribution is returned to you in the form of tax credits.

100% of your contribution goes toward supporting Christian Education.

When you participate in this program on our behalf, your contribution helps children in your community receive a classical Christian education that will prepare them to become influencers of the future.

Reserve your credits today!

Contact Miriam Andrews

Director of Development

Covenant Christian Academy

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FREQUENTLY ASKED QUESTIONS

What is a Special Purpose Entity (SPE)?

An SPE is a class of pass-through partnerships that exist solely for the purpose of obtaining Education Improvement Credits. Covenant partners with the Central Pennsylvania Scholarship Fund (CPSF) and the Children's Tuition Fund (ACSI), which use several different SPEs to distribute as many scholarship dollars as possible.

What is the minimum amount to participate in the tax credit program? Am I eligible?

You must make a minimum contribution of \$1,000 to participate. If you pay more than \$1,000 in Pennsylvania income taxes, you are most likely eligible. If retired, you must own a small business or work for a business to qualify. Some retirees qualify due to side jobs or residual business ownership, some do not. Contact our Director of Development if you have additional questions about eligibility.

Can I contribute more than that?

Yes, many participants contribute up to the full amount of their Pennsylvania income tax liability.

Can I adjust the amount I contribute year to year?

Individual SPE managers determine whether a member is allowed to increase or decrease their contribution each year. It has been the near universal experience of our participants that they have been able to adjust the amount of their contribution if so desired.

Can I direct my scholarship gift to a specific student?

No, you may not designate your gift. Your gift, along with those of all other SPE participants, will be received by Covenant in a lump sum and assigned to students who receive a financial aid award.

What percentage of my contribution goes to Covenant?

Through CPSF, 100 percent of your contribution goes to student tuition at Covenant.
Through ACSI, 95 percent of your contribution goes to student tuition at Covenant.

How long after I purchase credits does Covenant receive my donation?

Within 60 days following the receipt of the SPE's approval letter from the Commonwealth of Pennsylvania and upon completion of member payment, Covenant receives a payment from the SPE in the amount equal to the credits awarded.

Can I participate if my family receives financial aid at Covenant?

Yes, participation in the SPE program is completely separate from any financial aid award that you receive from Covenant. Now that the minimum threshold has been lowered to \$1,000, many more families at Covenant are encouraged to participate.

How many students receive financial aid at Covenant?

Currently, 50% of our students receive some sort of financial aid in order to attend our school. 100% of the SPE dollars we receive goes toward our students. Financial aid is awarded at Covenant on an individual basis.

Does my participation in this program affect the taxes I pay to PA public schools?

No. These credits are reserved specifically for scholarships. Your tax dollars designated for PA public education remain the same regardless of whether or not you participate in the tax credit program for Covenant.