

What does it take for her to thrive?

# Your help.



**VIRGINIA'S EDUCATION IMPROVEMENT SCHOLARSHIP TAX CREDITS MAKE HELPING DESERVING CHILDREN EVEN MORE REWARDING.**

Thanks to Virginia's Education Improvement Scholarships Tax Credits (EISTC) program, donations to approved foundations will provide scholarships for students from low-income families at non-public schools. Individual or business donors then receive a 65% tax credit.

The Catholic Diocese of Richmond's McMahon Parater Scholarship Foundation is approved by the Virginia Department of Education to receive donations under this program. The Foundation distributes scholarships to qualifying students who attend one of the 30 Catholic schools in the Diocese.

<p>Receive a Virginia tax credit equal to</p> <h1>65%</h1> <p>of your eligible contribution</p>	<p>MINIMUM DONATION FOR INDIVIDUALS</p> <hr/> <h2>\$500</h2>	<p>MAX. ANNUAL DONATION FOR INDIVIDUALS &amp; MARRIED COUPLES</p> <hr/> <h2>\$125k</h2>	<p>MAXIMUM DONATION FOR BUSINESSES</p> <hr/> <h2>None</h2>
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*IMPORTANT: Consult your tax advisor to determine your specific tax savings.*

### SAVE ON STATE AND FEDERAL TAXES

In addition to a 65% state tax credit, individuals and businesses may also receive a deduction for a charitable contribution, and therefore achieve tax savings in two ways:



#### 1. Deductions against taxable income as a charitable donation on both federal and state income taxes.

- ◆ The tax reduction equals 35% of the contribution amount times the tax rate of the applicable tax (federal or state)
- ◆ Subject to rules governing deductibility of charitable contributions

#### 2. Credit against Virginia taxes.

- ◆ Tax reduction equals 65% of the amount of the donation
- ◆ Credit is non-transferable

### BUSINESSES CAN CLAIM THE EISTC AGAINST:

✓	Virginia Corporate Income Taxes
✓	Virginia Bank Franchise Tax
✓	Virginia Insurance Premiums License Tax
✓	Virginia Public Service Corporations Tax
✓	Personal Income Taxes via pass-through entities such as S-Corporations, LLCs and Partnerships.
✓	The amount of the Tax Credits may not exceed the donor's tax liability for the year in which the credit is claimed, but Tax Credits may be carried over for up to five succeeding years.

**CONTACT DEVELOPMENT DIRECTOR COLLEEN M. SMITH AT 434-964-0400 OR C.SMITH@CVILLECATHOLIC.ORG**

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## PROCESS

# To take advantage of EISTC, follow these simple steps:

**1 Obtain a blank Letter of Intent** from the McMahon Parater Scholarship Foundation (MPSF) or the Catholic school of your choice.

Also, obtain the Virginia Department of Education Preauthorization Form from MPSF or the Catholic school of your choice.

**2 Send the completed Letter of Intent and Preauthorization Form to MPSF,** who will submit your Preauthorization Form by secure electronic dropbox to the VA DOE for approval of your Tax Credits.

**3 Within 48 hours,** MPSF will send your Approval Letter indicating your tax credits have been reserved for 180 days.

**4 Return the Signed Approval Letter** with your check or securities transfer information to MPSF within 180 days of your approval date.

(Preauthorizations become void after 180 days). Make checks payable to the McMahon Parater Scholarship Foundation.

## After you have made your donation...

### Within 40 days of receiving your gift, MPSF will:

- ✓ Send you an acknowledgment of receipt of your gift
- ✓ Send the DOE a notice that your gift payment has been received
- ✓ Notify the designated school(s) that your gift has been received

### Within 30 days, the DOE will issue your Tax Credit Certificate.

- ! The Tax Credit Certificate must be attached to the tax return in which the credits are being claimed.
- ! Tax credits may be claimed for the taxable year of the donation, and for up to five successive years.

## RULES & RESTRICTIONS

### How is the money used?

Donations to the McMahon Parater Scholarship Foundation under this program provide scholarships to Catholic schools in the Diocese of Richmond.

Donors can request that their contributions support scholarships at specific Catholic schools within the Diocese. However, if those schools do not have enough qualified applicants, the funds will be used for other eligible students within the Diocese.

Donors may not direct their funds to support a specific student.

Donors' direct contributions to schools for other purposes or other scholarships do not qualify for Tax Credits under this program. Only gifts given to the Foundation which have been preauthorized by the DOE specifically for this program are eligible for these Tax Credits.



## ELIGIBILITY

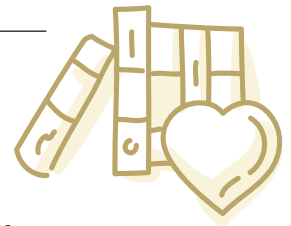
### Who benefits?

Children receiving these scholarships must come from families whose annual household income is less than 300% of the current poverty guidelines.

For children with disabilities and a current Individualized Education Program, (I.E.P.), the family's household income must be no more than 400% of the current poverty guidelines.

### IN ADDITION, THE CHILDREN MUST BE RESIDENTS OF VIRGINIA, AND FIT ONE OF THESE CRITERIA:

- ✓ Eligible to enter kindergarten or first grade
- ✓ Attended a Commonwealth public school for at least half of the current or prior school year
- ✓ Were not Virginia residents during the preceding school year
- ✓ Were prior recipients of a scholarship under this program



## ADMINISTRATIVE COSTS

### By statute, at least 90% of your donation must be used to provide scholarships.

The McMahon Parater Scholarship Foundation distributes 91.1% of each donation in scholarships. Every effort will be made to minimize the administrative costs, in order to provide the maximum in scholarship support.

Don't miss this opportunity.  
Enroll today.

Contact Joyce Schreiber  
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MPSF@richmonddiocese.org

**MP**  
McMahon Parater  
Scholarship Foundation