

Educational Tax Credit Program Special Purpose Entities Donor Guide

1. Completing Joinder Agreement

- a. Sign Joinder Agreement
- b. Return Joinder Agreement to:
Tami Clark
227 Jefferson Ave.
Tyrone, PA 16686
Phone 814-942-4406
Fax 814-684-1061
Tami@cpsfcharity.org

2. Making Initial Capital Contribution

- a. The Central Pennsylvania Scholarship Fund will contact the donor when it receives notification that it has been awarded tax credits and request the donor's initial capital contribution. The donor will receive a copy of the award letter from the DCED with the letter requesting any capital contribution. The Central Pennsylvania Scholarship Fund has 60 days from the date on the letter to collection all capital contributions and make a donation to the Central Pennsylvania Scholarship Fund.
- b. Donor sends their capital contribution directly to the Special Purpose Entity that they are a member of.
- c. The Central Pennsylvania Scholarship Fund via numerous Special Purpose Entities acknowledges receipt of the capital contribution with the donor.

3. Activity in the Year Following the Donation

- a. The donor will receive the following tax documents from their partnership in the Special Purpose Entity in February:
 - PA Department of Revenue form 1123 for the SPE – Verifies that the tax credit exists for the SPE and the member's personal portion has been transferred to their Tax ID or Social Security Number when filing PA State Income Tax Return
 - Schedule K-1 – Indicates the members share in the SPE and used when filling Federal Income Tax Return
- b. The school will receive 100% of the donor's contribution for tuition assistance in the next school year.

4. Making Second Capital Contribution

- a. The Central Pennsylvania Scholarship Fund will contact the donor when it receives notification that it has been awarded tax credits and request the donor's second capital contribution.
- b. The rest of the process for Year 2 is the same as above.

5. Process in Year 3

- a. The process in Year 3 will mirror the process in Year 1. The donor will be asked by the Central Pennsylvania Scholarship Fund to sign a new two-year Joinder Agreement and an initial capital contribution, when it is awarded tax credits. The rest of the process will mirror Years 1 & 2.
- b. Therefore, donors will be asked for capital contributions (initial or second) every year and to resign Joinder Agreements every other year.