Franklin & Marshall College

Giving Opportunities for Businesses:
Educational Improvement Tax Credit Program

Pennsylvania's well-established Educational Improvement Tax Credit (EITC) Program offers businesses an incredible opportunity to direct a portion of their state tax dollars to educational improvement organizations such as Franklin & Marshall, which use the funds to support innovative educational programs that directly benefit students in Pennsylvania's public schools.

The two approved educational programs operated by Franklin & Marshall and its higher education and public school partners impact the educational experiences of more than 12,000 elementary, middle and high school students annually. The programs' benefits extend to more than 18 schools in 14 districts spread across the following five counties: Adams, Franklin, Huntingdon, Centre and Lancaster.

Participating in the program is easy. Just contact Senior Director of College Grants and Corporate & Foundation Relations Ryan Sauder at 717-358-4271 or rsauder@fandm.edu if you have any questions or would appreciate additional information.

Frequently Asked Questions

What is the Educational Improvement Tax Credit Program?

Act 48 of 2003 amends the Public School Code to enable establishment of the EITC Program, administered by the Department of Community and Economic Development (DCED). The Act authorizes the award of tax credits to businesses that make contributions to approved educational improvement organizations (such as Franklin & Marshall College) or to scholarship organizations. A business may receive a tax credit equal to 75% of its contribution to an approved educational improvement (and/or scholarship) organization, up to a maximum of $750,000 per taxable year. The tax credit increases to 90% of the contribution made, up to a maximum of $750,000 per taxable year, if the business agrees to provide a contribution of the same amount to an organization for two consecutive years.

How long has the EITC Program existed?

Passed in 2001, Pennsylvania’s EITC Program was the nation’s first corporate tax credit program. The Reach Foundation provides an informative historic timeline of the EITC Program.

Does my business qualify to participate in the EITC Program?

Businesses eligible to apply for the Education Improvement Tax Credit are those authorized to do business in the Commonwealth of Pennsylvania that are subject to the following taxes: Corporate Net Income Tax, Capital Stock/Foreign Franchise Tax, Bank Shares Tax, Title Insurance & Trust Company Shares Tax, Insurance Premiums Tax, Mutual Thrift Tax, Gross Receipts Tax, Tax under the Insurance Company Law of 1921, or Personal Income Tax.

What is the actual cost of making a donation to Franklin & Marshall through the EITC Program?

Because each company’s tax situation is different, only your accountant can accurately predict the cost, if any, for your business to make a gift to Franklin & Marshall. However, many scenarios exist whereby companies can closely approach or achieve a dollar-for-dollar credit for an EITC Program donation,
especially if the company has not maximized its percentage of charitable donations and can thus also deduct the contribution on its federal tax return.

**What is the maximum amount of tax credits for which a business can apply?**

A business will receive a tax credit equal to 75% of its contribution(s) to Franklin & Marshall or other approved educational improvement or scholarship organizations, up to a maximum of $750,000 per taxable year (or the total eligible state taxes owed by the business per taxable year). The tax credit increases to 90% of the contribution(s) made, up to a maximum of $750,000 per taxable year, if the business agrees to provide the same contribution (in terms of dollar amount) for two consecutive tax years. Again, to receive and retain the 90% tax credit, the business must make the same level of contribution to approved organizations in each of two consecutive tax years.

**How do I apply to participate?**

Businesses can apply to participate by accessing and following the EITC Guidelines and Business Application Guide link in the right-hand sidebar at the top of this webpage. The Harrisburg EITC Program Office staff members will date stamp all applications and award tax credits to all eligible business applicants to the extent that such tax credits remain available for the fiscal year in which application is made. Harrisburg randomly processes all applications received on a specific day before moving on to the next day's applications. *Often, they award all available tax credits on July 1.*

The Department of Community and Economic Development will send an approval letter to businesses awarded educational improvement tax credits. The business then has 60 days to send its philanthropic contribution to Franklin & Marshall. Franklin & Marshall will issue a gift acknowledgment/receipt which the business must send to the Department of Community and Economic Development within 90 days of the original approval letter. After sharing this written acknowledgment with the Department, the business will receive the amount of tax credits outlined in the original approval letter from the Department of Community and Economic Development.

**How will Franklin & Marshall use the corporate contributions raised through this program?**

As an approved educational improvement organization, Franklin & Marshall must use 80% of gifts generated by the EITC Program for innovative educational programs conducted to benefit students in Pennsylvania’s public schools. Historically, more than 95% of annual EITC receipts have gone to these programs and 100% of F&M’s EITC contributions have directly supported these programs in 2013-2014.

As required by the Department of Community & Economic Development, Franklin & Marshall renews its application to participate in the EITC Program annually. The most recent application requests approval of two thriving initiatives at the College: the Pennsylvania College Advising Corps (PCAC) and the Poetry Paths in the Schools, an initiative of the Philadelphia Alumni Writers House.

**What is the Pennsylvania College Advising Corps (PCAC)?**

The mission of the Pennsylvania College Advising Corps (PCAC) - formerly the National College Advising Corps-Keystone Region - is to increase postsecondary matriculation rates among underserved high school students from low-to-moderate income families in rural south-central Pennsylvania. PCAC began in spring 2007 through the collaborative efforts of two private liberal arts colleges (Franklin & Marshall College and Dickinson College) and two public universities (Millersville University of Pennsylvania and Shippensburg University of Pennsylvania). Although Shippensburg is no longer a PCAC partner, Gettysburg College, another private liberal arts school, joined the collaboration in 2009. With nearly $1 million of initial support from the Jack Kent Cooke Foundation and a second $50,000 grant in 2011, $275,000 in grant
funding from the TG Public Benefit Grant Program in 2009 and 2010, $264,000 in AmeriCorps funding in 2011, 2012 and 2013, and a $300,000 grant from the Lenfest Foundation in 2011, PCAC has hired and trained recent graduates of the partnering institutions to serve as College Advisers in rural high schools throughout south-central Pennsylvania. PCAC plans to maintain 13 College Advisors in these high schools in 2014-2015.

Living in the communities they serve, these College Advisers annually counsel approximately 12,000 prospective first-generation college students in navigating the complex path from high school to college. The rates at which high school students in these communities matriculate at colleges are low, and the number of adults in these communities who hold at least a Bachelor’s degree is even lower. Thus, many students from these rural schools who do choose to pursue higher education are among the first in their families to do so. High school students aspiring to become first-generation college students require more information, guidance, and on-going support than do college-bound peers whose parents attended college. To address these needs, PCAC trains College Advisers—recent graduates of the four partnering colleges—to work full time advising students on higher education options. As a private–public joint venture to improve college access, PCAC serves as a model for other similarly focused organizations in Pennsylvania and beyond.

By encouraging underserved high school students to pursue postsecondary education and training, PCAC adds significant value to the curriculum in each of the schools served through the program. Specifically, PCAC assists schools in achieving The Career Education and Work (CEW) Standards, Chapter 4 of Title 22, part of the State Board of Education’s regulations of required education for all students in Pennsylvania (www.pacareerstandards.com/index.php). The CEW Standards address four areas of knowledge: career awareness and preparation, career acquisition (getting a job), career retention and advancement, and entrepreneurship. As articulated on the Pennsylvania Department of Education’s Career Education and Work web site, “Through a comprehensive approach, Career Education and Work complements all disciplines and other academic standards.” While promoting the opportunities afforded by postsecondary education of all types and improving access to those opportunities, PCAC directly addresses career awareness and preparation. One of the key tools provided to students served by PCAC is access to and guidance in using the online system Career Cruising (www.careercruising.com/Public/ProSchIndex.aspx), which is customized to meet the curricular goals outlined by the Department of Education for high school students in the Commonwealth of Pennsylvania. PCAC’s efforts provide valuable assistance in meeting the CEW Standards, which, frankly, have proven difficult for many high schools to achieve.

PCAC qualifies as an innovative educational program because its Advisers deliver instruction in college preparedness (with specialized materials) that is otherwise not provided (or is provided only at insufficient levels) by the public schools that the program serves. Schools that PCAC served in FY2014 included:

**Adams County:**

- Biglerville High School

**Centre County:**

- Penns Valley Area High School
- Bald Eagle Area High School

**Franklin County:**

- Chambersburg Area High School
- Greencastle-Antrim High School
- James Buchanan High School
Huntingdon County:

- Huntingdon Area High School
- Juniata Valley High School
- Mount Union Area High School
- Southern Huntingdon High School

Lancaster County:

- Donegal High School
- Manheim Central High School

What is the Philadelphia Alumni Writers House Poetry Paths Program?

In fall 2009, the Writers House initiated this innovative program in the schools as part of Poetry Paths, a public art and poetry project launched with major grant support from the Lancaster County Community Foundation. Since 2009, Writers House administrators and faculty have worked with Barbara Strasko, former Literacy Coach for the School District of Lancaster and Poet Laureate of Lancaster County, to offer curriculum-enrichment events and poetry-writing workshops to students from the following 14 public elementary and middle schools in Lancaster City: Buchanan Elementary, Burrowes Elementary, Carter & MacRae Elementary, Fulton Elementary, King Elementary, Lafayette Elementary, Martin Elementary, Price Elementary, Ross Elementary, Washington Elementary, Wharton Elementary, Wickersham Elementary, Lincoln Middle, and Reynolds Middle.

As part of this innovative curriculum-enhancing programming in 2013-2014, one group of students visited the Phillips Museum of Art to view an exhibit of Hudson River School paintings, then traveled to Millport Conservancy to experience nature for themselves. Another group learned about Thaddeus Stevens, abolitionists, and the Underground Railroad by visiting the Thaddeus Stevens & Lydia Smith Historic Site. A third group traveled by Amtrak train from Lancaster to Harrisburg to tour the State Museum of Pennsylvania and to learn about the Civil War and Native American history. A fourth group walked the Greenway at the Conestoga watershed with a professional naturalist. In total, the Writers House-sponsored Poetry Paths in the School program offered more than 200 children these curriculum-enhancing opportunities to learn more about their city and region, and then write poems about their experiences. Thirteen teachers and principals and seven local experts also helped with the workshops and additional curriculum-enhancing programs. The students then shared their poems at the annual Poetry Paths Kids Events in May 2010, 2011, 2012, 2013 and 2014. Since 2010, the Writers House has published an annual book of the students’ poems and distributed it to teachers and students throughout the District.

In 2014–2015, Writers House Director Kerry Sherin Wright will work with Barbara Strasko and a group of F&M students to continue offering these workshops and related curricular activities in five of the following public elementary and middle schools within the School District of Lancaster: Buchanan Elementary, Burrowes Elementary, Carter & MacRae Elementary, Fulton Elementary, Hamilton Elementary, Hand Middle, King Elementary, Lafayette Elementary, Lincoln Middle, Martin Elementary, Price Elementary, Reynolds Middle, Ross Elementary, Washington Elementary, Wharton Elementary, Wheatland Middle and/or Wickersham Elementary.

Poetry Paths in the Schools relies on specialized “instructors”— professional writers with in-depth experience and significant expertise in writing— as well as accomplished college students and local writers to supplement the language arts or future career preparedness components of the curriculum at the partnering public schools.