

## HIGHLIGHTS OF VIRGINIA'S EDUCATION IMPROVEMENT SCHOLARSHIP TAX CREDITS

Virginia tax credit equal to 65 percent of donation.

Minimum donation is \$500 per year; maximum donation is \$125,000 per year for an individual. There is no donation limit for businesses.

Scholarship foundations are held to stringent reporting requirements on financial administration and academic achievement.

To be eligible for a scholarship, a student either must A) have attended a Virginia public school for the prior year, B) be eligible to enter kindergarten or first grade, C) not have been a resident of Virginia during the preceding year, or D) be a prior recipient of a scholarship foundation scholarship. Students must have a family income of less than 300 percent of poverty or, in the case of a student with a disability, a family income of less than 400 percent of poverty.

A donor is not permitted to designate a specific student to be the recipient of a scholarship.



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## Dayspring Christian Academy and the NRV Christian Scholarship



Helping Students Grow in Knowledge  
and Faith...One Child at a Time



## SAVING MONEY WHILE SERVING CHILDREN

The New River Valley Christian Scholarship Foundation (NRVCSF) helps families with limited financial means cover the cost of sending their children to private schools like Dayspring. The NRVCSF is authorized to receive donations and disburse funds under Virginia's Education Improvement Scholarships Tax Credits program. This program offers a **65 percent state tax credit** on top of current state and federal tax deductions for donations that, in turn, fund private school scholarships.

By making donations that provide scholarships to children in need, individuals and businesses can achieve tax savings two ways:

1. For the year of the donation, they may take the usual deduction for charitable contributions against their net income on both their federal and state income taxes.

The tax reduction equals the contribution amount times the tax rate of the applicable tax (federal or state).

Subject to rules governing deductibility of charitable contributions.

2. For the year of the donation, they may also take a credit against Virginia taxes.

The tax reduction equals 65 percent of the amount of the donation.

The tax credit is non-transferable.

The tax credit may not exceed the tax liability but may be carried forward over for five succeeding years.

Businesses can claim the Virginia tax credit against

- Corporate Income Taxes
- Virginia Bank Franchise Tax
- Virginia Insurance Premiums License Tax
- Personal Income Taxes via pass-through from S-Corporations

Individuals can claim the Virginia tax credit against Virginia Personal Income Taxes

## HOW TO DONATE

There are two ways to donate to Dayspring via the New River Valley Christian Scholarship Foundation.

1. The easiest route is to contact the Dayspring office and have our financial staff walk you through the process. You may contact the office by phone at 540-552-7777 or via e-mail at [office.dayspring@gmail.com](mailto:office.dayspring@gmail.com).

2. You may visit [www.doe.virginia.gov/school\\_finance/scholarships\\_tax\\_credits/index.shtml](http://www.doe.virginia.gov/school_finance/scholarships_tax_credits/index.shtml) to download the necessary pre-authorization form. You may mail the completed preauthorization form to the address indicated on the form or, for faster approval, deliver the form to the Dayspring office and we will be happy submit it to the NRVCSF for you where it will be uploaded to the Virginia Department of Education's secure web-based file dropbox.

### What happens next?

- The individual or business then receives a Preauthorization Notice from the Virginia Department of Education.
- The donation to the NRVCSF must then be completed within 180 days. Please bring a copy of your Preauthorization Notice and your check (made payable to the New River Valley Christian Scholarship Foundation) to the Dayspring office and we will deliver it to the NRVCSF.
- The NRVCSF will notify the Virginia Department of Education of the donation.
- The Department of Education will issue a tax credit certificate to the eligible donor.