



SCHOOL FUNDRAISING MANUAL

TAX YEAR 2024

August 22, 2023

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WHAT'S NEW FOR TAX YEAR 2024

- **2024 state tax credit cap remains at \$120 million per year**
- **2024 Individual Tax Credit Limits (same as 2023):**
 - **Single/head of household** – lesser of tax liability or \$2,500
 - **Married filing jointly** – lesser of tax liability or \$5,000
 - **Married filing separately** – lesser of tax liability or \$2,500
 - **Owners of S corporations, LLCs and partnerships** – up to \$25,000 of the taxpayer's tax liability from pass-through entities selected by the taxpayer. The tax credit is 5.75% of the taxpayer's Georgia estimated income from pass-through entities.

[HB 149 Election – Tax Law Changes for Pass-Through Entities – Effective January 1, 2022](#)

- **C corporations and fiduciaries or pass-through business making HB 149 election** – up to 75% of estimated state income tax liability

If including pass-through income from S corporation, LLC or partnership, the maximum is up to \$25,000 per owner. If married filing jointly and both spouses are owners, then each is eligible up to \$25,000.

Refer your pass-through donors to their financial advisors and CPAs about important tax law changes that could benefit them. GRACE does not provide advice to donors regarding these tax laws.

Any unused tax credits may be carried forward for up to five years for individuals. Donors should consult their tax advisor for more information.

2024 Tax Credit Limits Based on Filing Status

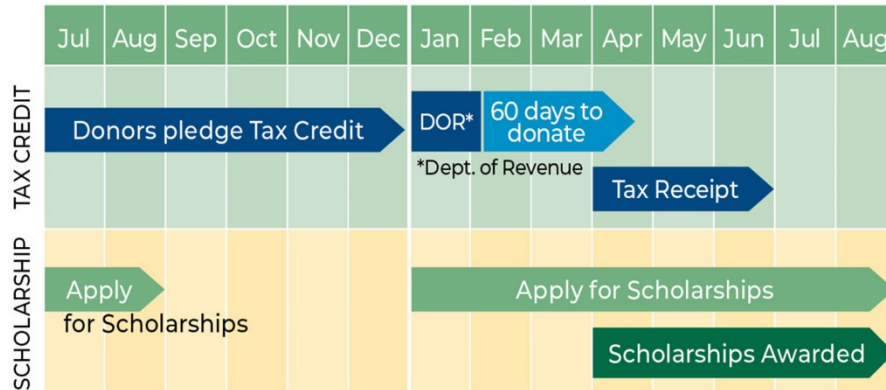
Tax Filing Status	Limit
Single Filer	\$2,500
Married Separate Filer	\$2,500
Married Joint Filer	\$5,000
Pass-Through Owner (not making HB 149 election)*	\$25,000
C Corp, Trust, or Pass-Through electing to pay tax at the entity level (HB 149)	75% of annual tax liability
New as of 2023: Business that pays insurance premium tax	75% of annual tax liability, but credit shall not exceed \$1 million

***PASS-THROUGH INCOME REQUIRED TO SUPPORT A \$25,000 TAX CREDIT IS \$455,373 (\$25,000 DIVIDED BY .0549 = \$455,373). KEEP IN MIND THAT INCOME FROM THE PASS-THROUGHS CAN INCLUDE BOTH PROFITS (K-1) AND WAGES (W-2) INCOME.**

REGISTRATION – DONATION – SCHOLARSHIP TIMELINE

On July 1, 2023 GRACE Scholars began accepting 2024 online registrations at www.gracescholars.org Online registration preferred. Paper forms are accepted. Find paper forms at <https://gracescholars.org/fundraising-library/>

A Mailchimp “Reminder to Register” email was sent on June 30, 2023 to all active donors with an email on record. In October 2023, GRACE will send a mailing (via U.S. Mail) to all previous active donors who have not yet registered.



LIFE CYCLE OF DONATION

1. Donors register with GRACE in 2023 for 2024. **If the cap remains open into 2024, GRACE accepts registrations until the cap is met.** A few donors apply for their tax credits online directly to the DOR and do not register with GRACE.
2. GRACE (or the donor) applies for tax credit through the Georgia Department of Revenue (DOR) online portal on the DOR’s first business day in January 2024. DOR approves the tax credit and issues approval letters to the donor via U.S. Mail, normally within approximately two weeks from the data entry date.
3. By Mid-January, the DOR provides GRACE with a roster of donors approved for tax credits. GRACE advises donors via e-mail of payment options and the 60-day donation deadline - 60 days from the date of the approval letter.
4. GRACE sends reminder letters via U.S. Mail around the 30-day donation date to those with open pledges. GRACE acknowledges completed gifts via letters through U.S.Mail.
5. Donor files state income tax return in 2025 to claim tax credit for 2024. *Example:* Tax credit contributions made in tax year 2024 will be claimed on the 2024 state income tax return which is due to the DOR on April 15, 2025.

CONTRIBUTION PROCESS AND GIVING OPTIONS

For detailed information go to “Contribution and Giving Options” at www.gracescholars.org/for-donors

THANK YOU/ACKNOWLEDGEMENTS

GRACE sends a thank you to each donor via U.S. Mail within about two to three weeks from the deposit date.

GRACE also encourages personal thank you letters to donors from schools and parishes.

Each tax credit donor receives from GRACE:

- Thank you letter with required IRS language
- SSO1 form signed by the GRACE Director

DONOR REPORTS AND CONFIDENTIALITY

Donor Reports

The first round of school donor reports will be sent directly to school Principals and Development Directors via email around August 31st. This includes (2) reports - 2024 not-registered active donors and the school designation summary report, listing your current designation amounts to date. GRACE will continue to send these reports to the schools around the first of each month.

Beginning in January 2024, the designation report is replaced by a donation report. Actual contributions begin in January 2024.

If you periodically need a specific report, other than those mentioned above, please send request to mbassett@gracescholars.org or lmorse@gracescholars.org

NOTE: GRACE Scholars no longer uses a portal for uploading donor reports. All reports are sent directly to the school Principals and Development Directors via email.

Donor Confidentiality Policy

GRACE WILL SHARE NAMES OF DONORS WITH SCHOOLS AND PASTORS FOR RECOGNITION PURPOSES (I.E., THANK YOU LETTERS AND ANNUAL REPORTS) UNLESS THE DONOR HAS REQUESTED ANONYMITY. DONATION AMOUNTS ARE NOT INCLUDED.

- **ADDITIONAL REMINDERS FOR DONORS**

- **Remind donors of the credit card fee offset.** Donors giving by credit card can offset the credit card fees that GRACE pays per transaction. Donors can click on a button on the second screen of the Donate Online form on the website and voluntarily choose to add 3% to their total donation.
- **Additional Requirement.** The Georgia Department of Revenue requires electronically filed tax returns in order to claim many Georgia income tax credits, including the Qualified Education Expense Credit.
- **Important Dates.**
 - December 15, 2023: Preferred due date for pre-registrations. After that date, GRACE will not be in a position to review registrations for invalid Social Security numbers and other information issues.
 - December 28, 2023: Final day to register with GRACE for 2024 unless the cap is again not met on the first day of data entry.
 - January 2, 2024: Georgia Department of Revenue (DOR) will open its online portal at 8 a.m. and GRACE will enter all tax credit requests.

FUNDRAISING MATERIALS/FUNDRAISING LIBRARY

The GRACE Fundraising Library is at <https://gracescholars.org/fundraising-library/>

If your school needs additional resources, please contact askgrace@gracescholars.org

SCHOOL SAMPLE FUNDRAISING CALENDAR

2023

<u>May-June</u>	Update school website. Make sure GRACE information is current. Send thank you letters to all 2023 donors with signature of principal, draft annual calendar, contact pastors, and recruit volunteers.
<u>July</u>	GRACE opens online registration for 2024 tax credits. Paper forms available here https://gracescholars.org/fundraising-library/ School schedules GRACE presentations at parents' meetings and for other school community groups
<u>September- November</u>	School schedules parish presentations
<u>July –December</u>	School reminds donors to register

2024

<u>January-March</u>	Donors complete gifts
<u>January-March</u>	School reminds donors to complete gifts
<u>Mid February</u>	GRACE mails reminder letters to donors who have not completed donation
<u>July</u>	School requests donor list for publication in school's annual report

PARISH OUTREACH

- Contact the pastor (or administrator) for permission.
- Parish schools have unique relationships with their host schools.
- Be aware that a school may have a special relationship with a parish located adjacent or proximate to school.
- Schools can reach out to other parishes that may not have a connection with a school. GRACE does not regulate or coordinate these relationships but is available to assist.
- Please plan your parish outreach for the September – December timeframe. If the cap remains open into 2024, please continue your outreach. Include presentations to groups such as the parish council, finance council, the women's/men's clubs, the Knights of Columbus. These groups can generate contributions and help with word-of-mouth advertising.

BEST PRACTICES

- Begin the GRACE fundraising year with a kick off activity, For example:
 - An event on parents' night
 - A letter from the principal to previous donors at the beginning of school
- Publish an honor roll of donors in your annual report. Publish the list in a newsletter, on a website or on a bulletin board.
- Principal/president sends thank you letters to donors annually
- Define a "pacesetter" group to solicit ahead of all other donors to establish momentum. Examples: senior class parents, board or advisory council members.
- Set up a GRACE table along the car pool lane
- After a parish presentation, set up and staff an information table with a laptop included in the narthex during weekend Masses for two or three weekends following the presentation
- Encourage all staff to include GRACE logo, a slogan promoting pre-registration, and a link to www.gracescholars.org in their email signature.
- Have the principal/president make a presentation on parents' night
- Include giving to GRACE as an expectation for parents
- Make presentations to alumni groups
- The principal/ president and the GRACE fundraising contact encourage faculty and staff to pre-register and give to GRACE. The purpose is to experience the tax credit donation process. Donation amounts are confidential, and there is no minimum donation amount.
- Ask your pastor to get involved in fundraising
- Identify a leadership group such as a board or council and seek 100 percent participation and publicize the accomplishment.
- Assign prospects to the principal/president to contact
- Recruit CPAs as a resource on tax credit issues to you and your school community. Have them make presentations.
- Have a parish adopt your school and make your school a parish fundraising program



STAFF CONTACT INFORMATION

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