

# Catalyst Education Fund: An Oklahoma Public School Income Tax Credit Program

CatalystEdFund.org

## The Basics:

### What is the Public School Oklahoma Income Tax Credit Program?

This tax credit program is a way for individuals and/or businesses to make donations to a public school and receive an Oklahoma state income tax credit. Donors may choose which eligible entity to support and designate funds for a program that is of mutual interest to the donor and the public school. [1]

### What is the Catalyst Education Fund?

The Oklahoma Public School Resource Center (OPSRC) operates the Catalyst Education Fund (CEF), an approved Oklahoma income tax credit granting entity under the Oklahoma income tax credit program. In lieu of giving directly to a school, donors can give to the Catalyst Education Fund and receive the same Oklahoma income tax credit as giving to a school. OPSRC will retain 3% of the donation for member schools and 6% of the donation for non-member schools for administrative purposes with the majority of the donation going to the designated public school and works with the school and the donor to ensure the funds are invested appropriately.\*

### What are the tax benefits under the Public School Oklahoma Income Tax Credit Program?

This chart provides an illustrative example of the federal and Oklahoma income tax benefits of traditional donations versus donations via the Public School Oklahoma Income Tax Credit Program for a corporation. This chart makes certain assumptions that may or may not be applicable to your own tax situation, including, without limitation, the assumption that the donation is fully deductible as an ordinary business expense by a corporation even where the corporation receives the Oklahoma state income tax credit for the donation. You should consult your own tax advisor regarding your specific circumstance related to a donation via the Public School Oklahoma Income Tax Program.

### Corporate Donation

*(Assumes the donation is fully deductible as an ordinary business expense and a two-year commitment of \$133,000/year.)*

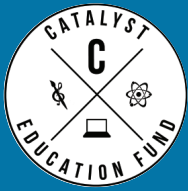
Corporation	Traditional Donation	Tax Credit Donation
Donation Amount	\$133,000	\$133,000
Oklahoma State Tax Credit	\$0	\$99,750
Federal deduction (tax benefit at 22%)	\$29,260	\$29,260
Oklahoma State deduction (Tax benefit at 4%)	\$5,320	\$5,320
<b>Net after tax cost</b>	<b>\$98,420</b>	<b>-\$1,330</b>

### Questions?

Please contact Jason Midkiff | Director of Products and Partnerships | jason.midkiff@opsrc.net or 580-276-8191

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## Why Donate to the Catalyst Education Fund (CEF)? :

Changes made to the tax credit program during the 2021 legislative session make donations to public schools and public school foundations eligible for an Oklahoma income tax credit. With this in mind, what is the benefit of the giving to the Catalyst Education Fund instead of giving directly to a school? OPSRC provides the following benefits:

- OPSRC will work with donors to develop a grant program based on donor interest, identify target regions/geographic areas or specific schools, and target any specific niche that aligns with the donor's investment interests.
- OPSRC will market the grant program statewide, highlighting the support that the donor is providing to public schools.
- OPSRC will monitor the grant post award to ensure a successful investment.
- Eligible Oklahoma public schools must be members of OPSRC to receive CEF funds. Schools can join OPSRC at any time.

[1] Information on the statute can be found at: <https://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=463918>;

## Disclaimer

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors regarding your specific circumstance for a contribution to the Catalyst Education Fund.

\*Oklahoma Statute (Statute Citation: 68 O.S. 2357.206) allows an administration fee of up to 10% of the total donation.

## Questions?

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