

## St. John the Baptist Scrip Rebate Incentive

How does Scrip work? It's simple - Scrip participating retailers agree to sell gift cards to our organization at a discount. Families, like yours, buy and use the gift cards at full face value. The discount from the retailer is kept as profit. The profit comes in the form of rebates you can apply towards tuition, fees or other tax deductible contributions as detailed below.

- 50/50 SPLIT** – Up to one half (50%) of the rebates earned from your purchases can apply to reduce tuition, religious education or other program fees; with the remainder donated to the parish/school. If you do not have a need for a fee reduction, all of your rebate can be a tax deductible gift to the parish/school as described in points 2 and 3. Sharing in the actual rebate gives you incentive to be a smart shopper. For instance, if Kwik Trip offers a 9% rebate and BP is 2%, you may choose to buy a Kwik Trip card. In this scenario, you will earn 4.5% towards your tuition / fee reduction. Local retailer rebate information is available at the scrip table, and a national retailer rebate list is available on-line at [glscrip.com](http://glscrip.com).
- Tax Deductible Contributions!** – The amount of rebates you earn that you do not apply to a tuition/ program fee reduction will be tax deductible by you. We will provide you with the tax information on an annual basis. As example, if you bought \$5,000 worth of scrip during the year and the average rebate was 4% this is how it will work:

Scrip Purchases	\$5,000				
Average Rebate	x 4 %				
Total Rebate	<u>= \$200</u>	x 50% Tuition/Fee Based Credit	=	\$	100
		x 40% Tax deductible Donation	=	\$	80
		x 10% Administrative Fee	=	\$	20
		<u>= 100% Total Rebate Distributed</u>	=	\$	<u>200</u>

- Designate Specific Programs for Your Tax Deductible Donation Portion of Scrip Profit:** Our software allows us the ability to give you numerous choices of where you contribute to the parish/school. In the example in # 2 above, the \$80 could go towards school technology and/or the Endowment Fund. A full list of options is included on the attached agreement.

To designate how you would like to apply your Scrip rebate, please complete and sign the Scrip Agreement. You will note that the agreement offers a “cash” rebate option. **This option is required by the IRS in order for your donations to be tax deductible and/or for the scrip program to offer a tuition / fee reduction option.** Without this option, our tuition / fee reduction program is noncompliant. Obviously, we are a non-profit charity whose members understand the need and “spirit” of donating. **If scrip program participants choose the “cash” rebate option, our scrip program could not exist.** The volunteer time and the capital invested by the parish in holding a scrip inventory only makes sense if our members contribute to school/parish programs. The Scrip Agreement has recommended giving guidelines for you to consider. Please complete the form and return with your scrip purchase. You only need to complete the form once, unless you would like to change your rebate designations.

The Scrip program fiscal year runs from July 1 through June 30. At the end of each fiscal year, you will receive a summary of your family's rebate earned.

If you have questions, call Katie Kleiber (526-3085) or Pat Moriarity (526-8017), or email [sjbscrip@gmail.com](mailto:sjbscrip@gmail.com)