



OUR LADY OF GRACE CATHOLIC SCHOOL

Respect, Responsibility, Resemble Jesus

SAVE MONEY ON YOUR TAXES!!

Support Our Lady of Grace Catholic School, receive large tax benefits. Who wouldn't want to pay fewer taxes? The Indiana Tax Credit Scholarship program is an innovative program that allows donors to support private education and receive a **50% Indiana State tax credit**.

This program is administered through state-certified Scholarship Granting Organizations (SGO's). Our Lady of Grace Catholic School is proud to have partnered with the Institute for Quality Education for our SGO. Giving a gift through the SGO provides needs-based financial assistance to students of Our Lady of Grace, thus giving those in financial need the opportunity to experience an Our Lady of Grace education.

So, how does this work? As a donor, you give a gift to the Institute for Quality Education, designating Our Lady of Grace as the beneficiary. Doing this qualifies you for a 50% state tax credit as well as a federal deduction. Here are some examples of how this can affect you:

AMOUNT DONATED TO SGO	INDIANA STATE TAX CREDIT	FEDERAL DEDUCTION (assuming 30% tax bracket)*	ESTIMATED TAX SAVINGS	ESTIMATED ACTUAL COST OF DONATION
500	250	150	400	100
1,000	500	300	800	200
5,000	2,500	1,500	4,000	1,000
10,000	5,000	3,000	8,000	2,000
50,000	25,000	15,000	40,000	10,000
100,000	50,000	30,000	80,000	20,000

**Please consult your tax advisor for your specific situation. This is for illustration purposes only. Your gift to an SGO is tax deductible to the full extent of the federal charitable tax laws.*

For more specific information on this program, please contact Marsha Nystrom at Our Lady of Grace at (317) 773-4275 ext. 232.

In addition there is more information available via the Our Lady of Grace website.

Our Lady of Grace has partnered with the Institute for Quality Education (IQE) as our official Scholarship Granting Organization (SGO). An SGO is a state designated 501 (c)(3) that provides financial needs-based scholarships to students enrolled in non-public schools. All of the scholarships that are awarded are funded by private donations, and the donor can elect to designate their gift to a certain school.

By giving a gift through IQE and designating it to Our Lady of Grace, you will be providing needs-based scholarships to eligible incoming and current OLG students that will enable them to experience the unique Our Lady of Grace education. As a donor to IQE, not only are you providing much needed scholarships, but you will also qualify for an **INDIANA STATE TAX CREDIT of 50%**, and the balance is still eligible for a federal tax deduction. This program is not only available to individuals, but to companies as well.

AMOUNT DONATED TO SGO	INDIANA STATE TAX CREDIT	FEDERAL DEDUCTION (<i>assuming 30% tax bracket</i>)*	ESTIMATED TAX SAVINGS	ESTIMATED ACTUAL COST OF DONATION
500	250	150	400	100
1,000	500	300	800	200
5,000	2,500	1,500	4,000	1,000
10,000	5,000	3,000	8,000	2,000
50,000	25,000	15,000	40,000	10,000
100,000	50,000	30,000	80,000	20,000

**Please consult your tax advisor for your specific situation. This is for illustration purposes only. Your gift to an SGO is tax deductible to the full extent of the federal charitable tax laws.*

In order to receive the 50% State tax credit, your gift must be made to the Institute of Quality of Education. Designating your gift to Our Lady of Grace ensures your funds will be used to provide scholarships to OLG students in financial need.

Here's how to make your gift, and give students in financial need the opportunity to attend Our Lady of Grace:

- To make a gift by cash or check, please print off the following form and include, by mail, with your contribution: <http://www.choicedtrust.org/donor-form.pdf>
- To make a gift by credit card, please Click Here after donating online, in order to receive your state tax credit, you must then fill out this form <http://www.choicetrust.org/donor-form.pdf> and mail or fax to Choice Trust
- To make a gift of stock, please contact the Institute for Quality Education at 317-951-8781.

If you have any questions, please contact Marsha Nystrom in the Accounting Office at (317) 773-4275 x232 or email mknystrom@ologn.org.

*Please contact your tax advisor to discuss your individual tax situation.



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If you have any further questions, please contact:

Marsha Nystrom

mknystrom@ologn.org

317-773-4275 x232

1. What is an Indiana Tax Credit Scholarship?

Tax Credit Scholarships, better known as “SGO Scholarships”, are scholarships awarded by Scholarship Granting Organizations to low- and middle-income families to help them afford the non- public school of their choice. SGOs were enacted in 2009, and have been expanded in subsequent years as a key component of the Indiana School Choice effort. Donations to fund SGO scholarships feature a 50% state tax credit for the donor.

2. Who is Institute for Quality Education and why do I have to give my gift through them?

The Institute for Quality Education (IQE) is a 501(c)(3) designated by the state of Indiana as an approved Scholarship Granting Organization (SGO). IQE provides scholarship grants to students of lower income families, enabling them to attend a private or parochial school of their choice.

Our Lady of Grace has partnered with IQE as our SGO. In order for a donor to receive the full state tax credit, the donation must be given to IQE and designated for Our Lady of Grace. Designating a gift to Our Lady of Grace ensures the gift will benefit OLG students. And, giving through IQE ensures that the donor receives the full 50% state tax credit.



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3. What is the Tax Credit that is available to SGO donors?

Donors are eligible to take advantage of a 50% credit against their state tax liability for these contributions.

4. What about the federal tax deduction?

Your gift to our SGO is also tax-deductible to the full extent of the federal charitable tax laws.

5. Who can donate?

Anyone can support SGO scholarships! However, to receive the Tax Credit you must pay or owe Indiana state taxes. Donations can come from corporations, partnerships, LLCs, PCs, the self-employed, or individual taxpayers.

6. What Can I donate?

Support for SGO scholarships can come from many of the same sources as any gift to charity, including the following cash, credit card, securities, real estate, commodities, etc. Please contact Marsha Nystrom to discuss your options.

7. How do I donate to your SGO?

- To make a gift by cash or check, please print off the following form and include, by by mail, with you contribution:
<http://www.choicetrust.org/donor-form.pdf>
- To make a gift by credit card, please follow
<https://app.etapestry.com/hosted/EducationalChoiceCharitable/OnlineDonation.html>
After donating online, in order to receive your state tax credit, you must then fill out this form <http://www.choicetrust.org/donor-form.pdf> and mail or fax to Choice Trust



OUR LADY OF GRACE CATHOLIC SCHOOL

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- To make a gift of stock, please contact the Institute for Quality Education at 317-951-8781.
- Any questions, please contact Marsha Nystrom

8. Is there a cap or limit to how much I can donate?

There is a \$7.5 million per-fiscal-year cap on available state tax credits for up to \$15 million in donations statewide. There are no limits on the size of contributions eligible per entity or individual; you or your business could donate \$5 or \$5,000,000, depending on the remaining tax credits available statewide. Think of the process as a “first donations in, first tax credits awarded” process.

9. Is there a limit to the amount of Tax Credit I could receive?

You can reduce or eliminate up to the full amount you have paid or will owe the state. If already paid, you can receive a refund up to what you have already paid. Should you be due more credit than you can use, you may rollover the remaining credits for an additional eight years. Additionally, if you pay quarterly estimated taxes, you could couple an SGO donation with a reduced quarterly payment to the state. Please consult your own tax advisers for your own, unique situation.

10. Can I direct my gift to a specific student?

Donors cannot receive any charitable tax incentives if they designate their SGO gifts to benefit a specific student.



Glenda Ritz, NBCT

Indiana Superintendent of Public Instruction

INDIANA SCHOOL SCHOLARSHIP TAX CREDIT/SGO PROGRAM
Donor Frequently Asked Questions
May 27, 2014

1) What is a Scholarship Granting Organization (SGO)?

A certified Scholarship Granting Organization (SGO) is an entity that awards scholarships to eligible students. Qualified SGOs receive funding for scholarships from private, charitable donations. Those who have donated to an SGO approved by the Department of Education will then be eligible to take advantage of a 50 percent credit against their individual or corporation state-tax liability.

2) How does an organization become an SGO?

An organization that seeks certification as an SGO must submit the application and agreement as well as documents that establish eligibility under applicable statutes and rules to the Indiana Department of Education (DOE). The documents must include:

1. Proof of 501(c)(3) status
2. Proof, through articles of incorporation or other documents, that the organization is organized at least in part to grant school scholarships
3. Program policies
4. Program procedures
5. Promotional or descriptive materials about the program, including eligibility criteria and application forms

The application and supporting documentation are submitted to:

Indiana Department of Education
Attn: Fatima Carson
South Tower, Suite 600
115 W. Washington Street
Indianapolis, IN 46204

3) What is the total contribution and credit amount?

There are no limits to how much a donor can contribute to a qualified SGO, however, the entire tax credit program cannot award more than \$7.5 million in credits per state fiscal year (July 1 – June 30). There is no cap on the number of tax credits a donor can secure to the extent they are available. The Indiana Department of Revenue provides the total credits awarded to date on their website at <http://www.in.gov/dor/4305.htm>. This total is updated regularly throughout the State Fiscal year.

4) How do I claim a credit for my donation?

The School Scholarship Credit Form is available on the Indiana Department of Revenue website, <http://www.in.gov/dor>, Individual Income Tax Forms> Other Individual Tax Forms/Schedules/EIC Publication> IN-SSC, Form 54242, School Scholarship Credit

5) Could an individual/entity making a donation to an SGO designate a specific school that SGO scholarship students would use a scholarship to attend?

Yes. The legislation does not place any restrictions on a donor designating the use of his/her gift. But, if the SGO's "general donation" balance were to run out, and the SGO began saying that the only funds left were funds for a student to go to the donor-designated school, that could have the effect of violating the "no one-school-only" provision of 20-51-3-5 (as amended by 1003). The Department believes that in this situation, the SGO would need to hold off on any new scholarships until it had sufficient funds to account for applicants that wanted to attend another school to which the SGO provides scholarships—unless it was absolutely clear that the applicant explicitly wanted to go to the donor-designated school and was not compelled to do so.

Two additional points on this question:

- IC 20-51-3-5 provides that the schools for which an SGO designates scholarships **cannot** have paid employees (or a household relative of a paid employee) in common with the SGO.
- If a donation is made on behalf of an individual student, that would be considered a tuition payment – rather than an SGO donation – and thus would not be eligible for the tax credit.

6) To meet the 'more than one school' requirement, is the SGO required to offer scholarships to multiple schools at the same grade level?

No. The statutory language is silent on this matter. An SGO could offer scholarships to an elementary school and a high school. However, IC 20-51-3-5 would apply regardless.

7) Are there any rules regarding the SGO's preferred size of a scholarship award?

There is no minimum amount that an SGO must award to an eligible student. However, after June 30, 2013, an SGO award must be at least five hundred dollars (\$500) in order for that student, or the student's sibling, to qualify later for a Choice Scholarship under the Previous SGO Award Pathway. This rule only applies to a student or a sibling of the student who receives an SGO award for the first time after June 30, 2013 and otherwise meets the income eligibility requirements of the program.

8) Are there any financial audit or reporting requirements for SGOs?

IC 20-51-3-6 and 20-51-3-10 require SGOs to file an annual report with the Department of Education that lists the total number and total dollar amount of scholarships awarded in the previous school year. Additionally, SGOs must contract with an independent certified public accountant for an annual financial audit that must be provided to the department—and may be requested by a member of the public.

The Department also strongly recommends that persons interested in forming an SGO review the Department's rule, available at <http://www.doe.in.gov/choice/school-scholarships>. Among other provisions, the rule requires SGOs to maintain information on scholarship recipients for five (5) years after the end of the last school year that a student applied for a scholarship.



INDIANA SCHOOL SCHOLARSHIP TAX CREDIT/SGO PROGRAM
Parent Frequently Asked Questions
May 27, 2014

1) What is the Scholarship Granting Organization (SGO) program?

Certified Scholarship Granting Organizations provide scholarships to income eligible students to offset tuition costs at partnering schools. SGOs are part of the School Scholarship Tax Credit Program. Qualified SGOs receive funding for scholarships from private, charitable donations. Those who have donated to an SGO approved by the Department of Education will then be eligible to take advantage of a 50 percent credit against their individual or corporation state-tax liability.

2) Who are the participating SGOs?

There are four participating SGOs:

- Institute for Quality Education, Inc (Formerly Educational Choice Charitable Trust)
- School Scholarship Granting Organization of Northeast Indiana, Inc.
- Sagamore Institute Scholarships for Education Choice
- The Lutheran Scholarship Granting Organization of Indiana, Inc.

Contact information for each SGO is available on the School Scholarship Program website at: <http://www.doe.in.gov/choice/school-scholarships>

3) What are the student-based requirements for an SGO scholarship?

The student must be a member of a household with an income below 200% of amount to qualify for Reduced Lunch.

SGO Program Income Limits by Household Size 2013-2014	
Persons in Household	200% of Reduced Lunch Eligibility*
1	\$42,513
2	\$57,387
3	\$72,261
4	\$87,135
5	\$102,009
6	\$116,883
7	\$131,757
8	\$146,631
*For a household size of nine (9) or more, add \$14,874 to the annual limit for each additional member.	

4) What schools participate?

Interested schools partner with a specific SGO. A list of participating schools along with the partnering SGO can be found on the School Scholarship Program website at:

<http://www.doe.in.gov/choice/school-scholarships>

5) How do I apply for an SGO award for my student?

To apply for an SGO award you should contact the participating school you are interested in having your student utilize the SGO award to attend. The school will work with you to complete the SGO application.

6) What is the minimum SGO award amount?

There is no minimum amount that an SGO must award to an eligible student. However, after June 30, 2013, an SGO award must be at least five hundred dollars (\$500) in order for that student, or the student's sibling, to qualify later for a Choice Scholarship under the Previous SGO Award Pathway. This rule only applies to a student or a sibling of the student who receives an SGO award for the first time after June 30, 2013 and otherwise meets the income eligibility requirements of the program.

7) Are vouchers and SGO scholarships the same?

No. The Choice Scholarship Program, which is commonly referred to as the voucher program, provides state funded scholarships to eligible Indiana students to offset tuition costs at participating schools. SGO scholarships are funded by private, charitable donations and awarded by a certified SGO to eligible students.

8) Can a student who receives an SGO scholarship also receive a Choice Scholarship?

Yes. A student who meets the requirements for a Choice Scholarship may also qualify for an SGO scholarship in the same year provided that the combination of the two does not exceed tuition and fees.

9) Does household income need to be re-verified by the SGO for students that are reapplying?

Yes. As of July 1, 2012, household income must be verified by the SGO every year.