



# Indiana Department of Education

## Indiana School Scholarship Tax Credit/SGO Program

### Frequently Asked Questions

2023-2024 School Year

*Information contained in this document reflects current law and may be subject to change after the current session of the Indiana General Assembly.*

This FAQ contains general information about Scholarship Granting Organizations (SGO) for both parents/guardians of prospective students and individuals or entities who may make a donation to an SGO. Donations to an SGO must be designated to be used by the SGO in a school scholarship program in order to qualify for a tax credit.

Number	Question	Answer
<b>General Information for Parents and Donors</b>		
1	<b>What is an SGO?</b>	An SGO is an organization that awards school scholarships to eligible students. Qualified SGOs receive funding for school scholarships from private, charitable donations. Those who have donated to an SGO that has been certified by the Indiana Department of Education (IDOE) will then be eligible to take advantage of a 50 percent credit against their individual or entity's state tax liability.
2	<b>How does an organization become an SGO?</b>	An organization that seeks certification as an SGO must submit the application to become an SGO and agreement as well as documents that establish eligibility under applicable statutes and rules to IDOE. The documents must include: <ul style="list-style-type: none"> <li>• Proof of 501(c)(3) status</li> <li>• Proof, through articles of incorporation or other documents, that the organization is organized at least in part to grant school scholarships</li> <li>• Program policies</li> <li>• Program procedures</li> <li>• Promotional or descriptive materials about the program, including eligibility criteria and application forms</li> </ul> The application and supporting documents are submitted to IDOE via email to <a href="mailto:ChoiceSchool@doe.in.gov">ChoiceSchool@doe.in.gov</a> for review and certification.
3	<b>What SGOs are currently certified and participating in the school scholarship program?</b>	There are six SGOs currently participating: <ul style="list-style-type: none"> <li>• Community Foundation of Elkhart County</li> <li>• Institute for Quality Education, Inc.</li> <li>• The Lutheran Scholarship Granting Organization of Indiana, Inc.</li> <li>• Professional Athletes of Indiana</li> <li>• Sagamore Institute Scholarship for Education Choice</li> <li>• School Scholarship Granting Organization of Northeast Indiana, Inc.</li> </ul> Contact information for each SGO is available on IDOE's School Scholarship <a href="#">webpage</a> .
4	<b>What schools participate in the SGO Program?</b>	Interested schools can partner with a specific SGO. A list of SGO participating schools can be found on the School Scholarships <a href="#">webpage</a> .



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5	Are there any rules regarding the scholarship award amounts granted by the SGO?	Indiana Code does not place a minimum or maximum award amount on SGO Scholarships. SGOs should be contacted directly for information regarding their policies. However, an SGO award must be at least five hundred dollars (\$500) in order for that student, or that student's sibling, to qualify in later years for a Choice Scholarship under the Previous SGO Track. 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.																									
6	Are there any financial audit or reporting requirements for SGOs?	IC 20-51-3-6 and IC 20-51-3-10 require SGOs to file an annual report with the IDOE 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 IDOE - and may be requested by a member of the public.																									
<b>General Information For Parents</b>																											
7	What are the requirements for a student to qualify for an SGO?	<p>SGOs may determine their own policies for granting scholarships. However, in accordance with IC 20-51-1-5, the student must be a member of a household with an income below 300 percent of the amount to qualify for the National School Lunch Program.. The amounts below are for the 2023-2024 school year.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>Choice Scholarship Program Income Limits by Household Size</b></th> </tr> <tr> <th rowspan="2" style="text-align: center;">Household Size</th> <th style="text-align: center;">300% of Free/Reduced Lunch Eligibility</th> </tr> <tr> <th style="text-align: center;">Annual Household Income Limit<sup>1</sup></th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td style="text-align: center;">\$80,919.00</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">\$109,446.00</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">\$137,973.00</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">\$166,500.00</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">\$195,027.00</td></tr> <tr><td style="text-align: center;">6</td><td style="text-align: center;">\$223,554.00</td></tr> <tr><td style="text-align: center;">7</td><td style="text-align: center;">\$252,081.00</td></tr> <tr><td style="text-align: center;">8</td><td style="text-align: center;">\$280,608.00</td></tr> <tr><td style="text-align: center;">9</td><td style="text-align: center;">\$309,135.00</td></tr> <tr><td style="text-align: center;">10</td><td style="text-align: center;">\$337,662.00</td></tr> </tbody> </table> <p style="text-align: center;"><sup>1</sup>Add \$28,527 for each additional family member.</p>	<b>Choice Scholarship Program Income Limits by Household Size</b>		Household Size	300% of Free/Reduced Lunch Eligibility	Annual Household Income Limit <sup>1</sup>	1	\$80,919.00	2	\$109,446.00	3	\$137,973.00	4	\$166,500.00	5	\$195,027.00	6	\$223,554.00	7	\$252,081.00	8	\$280,608.00	9	\$309,135.00	10	\$337,662.00
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8	Does household income need to be re-verified for students that are re-applying?	Yes. Household income must be verified by the SGO for each year that a student is applying for the scholarship.																									



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9	<b>How does a student application for an SGO get submitted?</b>	To apply for an SGO award, the parent/guardian should contact the participating school in which they intend to enroll their student. The school will work with the parent/guardian to complete the SGO application.
10	<b>Are Choice Scholarships and SGO Scholarships the same?</b>	No. The Choice Scholarship 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.
11	<b>Can a student who receives an SGO Scholarship also receive a Choice Scholarship?</b>	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.
<b>General Information For Donors</b>		
12	<b>What is the total limit on contributions to SGOs?</b>	There are no limits to the amount a donor can contribute to a qualified SGO, however, the entire tax credit program cannot award more than \$17.5 million in credits for the fiscal year ending June 30, 2022. This limit on credits increases to \$18.5 million for the fiscal year ending June 30, 2023.
13	<b>Where can I check to see if tax credits are still available?</b>	The Indiana Department of Revenue (IDOR) provides the total credits awarded to date on their School Scholarship Credit <a href="#">webpage</a> .
14	<b>How do I claim a credit for my donation to an SGO?</b>	When a donation is made, a tax credit ID number is created, the SGO should communicate this number to you. The School Scholarship Credit Form, IN-OCC is the tax form that is required to be completed to claim the credit. A link to the tax form is posted on the IDOR webpage <a href="#">here</a> .
15	<b>Can a donation to an SGO be designated by the donor to be used to grant a scholarship at a specific school?</b>	Yes. In accordance with IC 20-51-3-3, a donor may designate a participating school for which the contribution must be used as scholarships.
17	<b>Can an SGO limit participation to one school?</b>	An SGO may not limit the availability of scholarships to students of only one participating school (IC 20-51-3-5). Two additional points: <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. 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.</li> </ol>

For additional information, please email [ChoiceSchool@doe.in.gov](mailto:ChoiceSchool@doe.in.gov).