



F.A.Q.



1. What is an Indiana Tax Credit Scholarship?

Tax Credit Scholarships, better known as “SGO Scholarships”, are scholarships awarded by Scholarship Granting Organizations to families to attend 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. Are SGOs and Vouchers the same thing?

No. The official name for a Voucher is a “School Choice Scholarship” and the similarity in names is a cause for confusion. One key difference between SGOs and Vouchers is that SGO Scholarships are funded by charitable donations, while Vouchers are funded by state tax distributions. The Vouchers provide scholarships to eligible students by utilizing a portion of the state funds allocated for that child to follow them to the non-public school of their choice. In contrast, SGO Scholarships are not funded by the state, but instead by charitable donations from individuals and businesses.

3. What is The Lutheran Scholarship Granting Organization of Indiana?

There are five SGO organizations in Indiana authorized to administer the SGO program. Each non-public school chooses the SGO organization that donors will use to facilitate gifts. The Lutheran Scholarship Granting Organization of Indiana, Inc. (“LutheranSGO”) is a separately incorporated, 501(c)3 charitable organization, created to provide SGO scholarships specifically for non-public schools in Indiana that choose to work with us. Each participating school has its own sub-account. There is also a General Fund for donors wanting to benefit any student in need regardless of the school.

4. 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.

5. What is the difference between a Tax Deduction and a Tax Credit?

Unlike a tax deduction, where your charitable donation can be removed from your taxable income, a credit can directly reduce your tax liability “off the bottom line”.

6. 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 because The LutheranSGO is a 501(c)3 charity.

7. Who can donate to the LutheranSGO?

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, trusts, the self-employed, and individual taxpayers.

8. What Can I donate to the LutheranSGO?

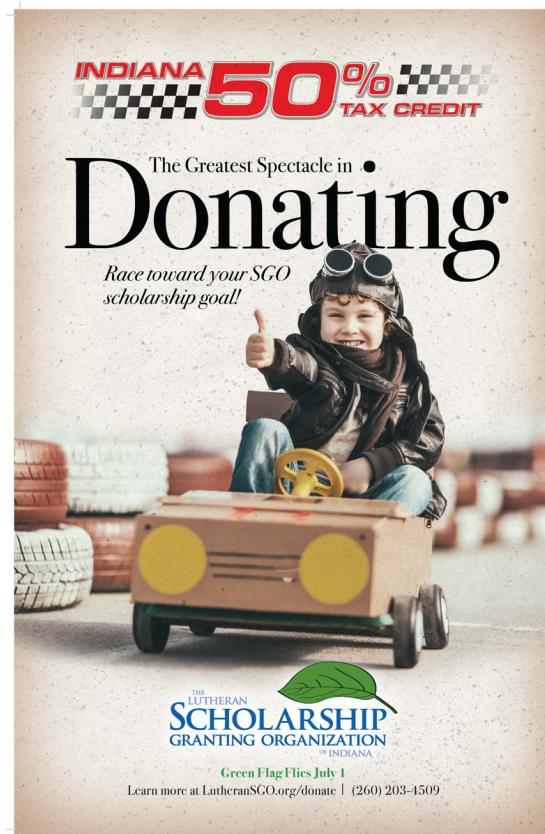
Support for SGO scholarships can come from many of the same sources as any gift to any charity, including the following:

- Checks
- Credit and Debit cards
- Marketable securities, including stocks and bonds
- Real estate
- Farming commodities (“Gifts of Grain”)
- IRAs/Qualified Retirement Plans, via the QCD Charitable Rollover
- Just about any item where a value can be readily determined. Contact us to discuss your options.

9. How do I donate to the LutheranSGO?

Making a donation is a simple process. You will need to direct your donation to “The LutueranSGO”, not the school or church. You will also need to complete a Donation Form (online or via mail) to ensure you have submitted the needed information, including your name and address. Below are some giving options:

- Contact your local school principal or enrollment manager.
- Contact staff at the LutheranSGO, and they can walk you through the process: (260) 203-4509 or donations@LutheranSGO.org
- Visit our website at www.LutheranSGO.org. Navigate to the “Donate Now” button to donate online, or navigate to the “For Donors” tab where you can download the Donation Form, print, and send with your donation to The LutheranSGO, PO Box 5174, Fort Wayne, IN 46895.

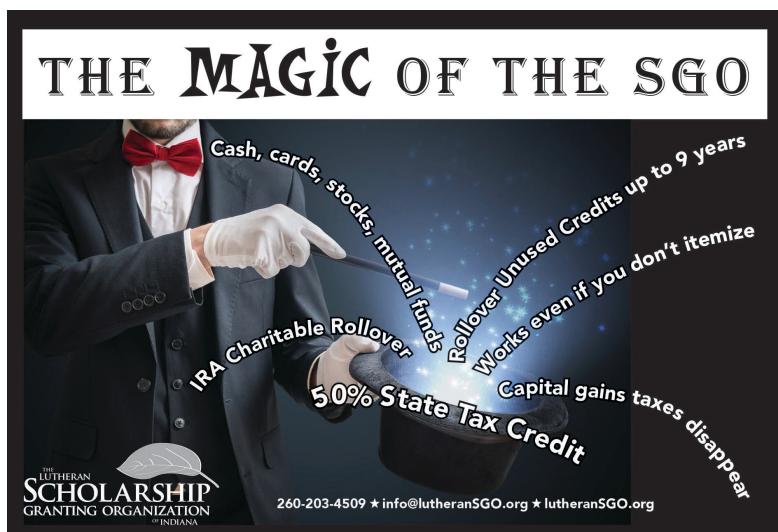


10. After I make a donation how do I know that I received the Tax Credit?

After your gift is received and deposited, staff at the LutheranSGO will submit the needed information to the Indiana Department of Revenue (“DOR”). The DOR will then provide us with the credit certificate number for your donation, and we will send you the code and your official thank you communication for your tax records. The entire process from donation to credit communication should be less than two weeks. You may also contact us at any time to check on your donation status.

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

As of the 2020-21 fiscal year, there is a \$16.5 million per-fiscal-year, across the state, cap on available state tax credits for up to \$33 million in donations statewide with expected increases in the future. There are no limits on the size of contributions eligible per company 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. Every year on July 1 the credit cap is “re-populated”.



advisers for your own, unique situation; we cannot provide tax or financial advice.

13. When can I make an SGO donation?

You can make a donation at any time during the year. All donations must be made by December 31 to be eligible for the Tax Credit for that tax year; gifts after December 31 would be eligible for the Tax Credit in the following tax year. Also note that if the state has distributed all available credits in a given fiscal year (July 1 – June 30), your gift would need to be postponed until the next fiscal year (July 1). Therefore, we encourage gifts earlier in fall (July-October) to ensure that there are enough credits available for your gift. You can always contact us for the credit limit status, or visit our website at www.LutheranSGO.org and select the For Advisors tab, and find the link for the current SGO Credit cap status.

14. What happens if SGO credits run out?

Should we run out of available tax credits, your gift would need to be postponed until the next fiscal year (July 1). If you have already made a gift when the credits run out, we would return your gift and encourage you to submit your gift again on or after the next fiscal year (July 1).

12. 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 in any given tax year. If already paid, you can receive a refund up to what you have already paid in state taxes. Should you be due more credit than you can use for the tax year, you may rollover the remaining credits for up to an additional nine years. Additionally, if you pay quarterly estimated taxes, you could couple an SGO donation with a reduced or eliminated quarterly payment to the state. Please consult your own tax

15. What is an example of the possible total benefits for my gift to your SGO?

For example, a donation of \$10,000 to our SGO for an SGO scholarship could result in the following benefits:

- \$5,000 tax credit for your Indiana state tax due
- \$5,000 deduction eligibility for your federal taxes due
- Knowing that you made possible scholarships for families to receive a Christ-centered education!
- Please consult your own tax advisers for your own, unique situation; we cannot provide tax or financial advice.

16. Can I direct my gift to a specific school?

Donors can designate their donation to any Indiana non-public school that has partnered with the LutheranSGO. There is also a General Fund option to benefit any student in need at any of the schools in our family of schools. Feel free to contact us or visit our website at www.LutheranSGO.org and select the About link to see our current list of schools.

17. What schools participate in the LutheranSGO?

The list of participating schools continues to grow. Contact us for the current list, contact your local school and ask if they partner with the LutheranSGO, or visit our website at www.LutheranSGO.org and select the About link to see our current list of schools.

18. What is the size of the SGO Scholarship?

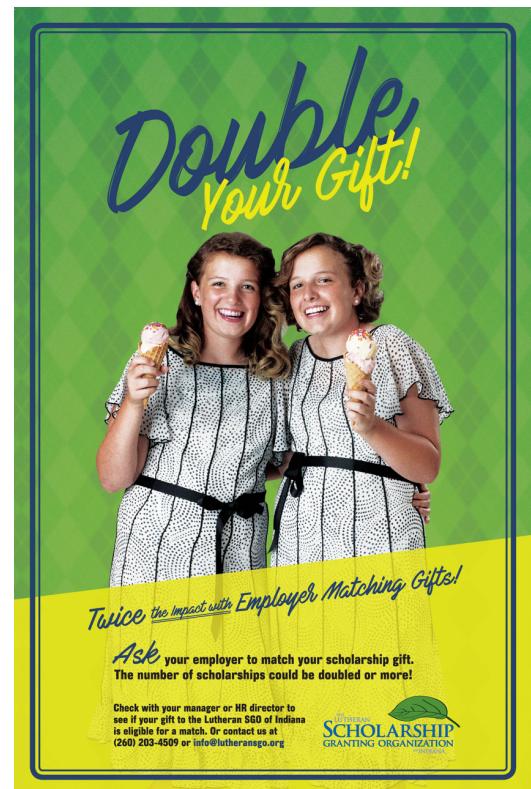
As of the 2020-21 fiscal year, the minimum SGO scholarship is \$500, and the maximum scholarship could be as high as each individual school's full tuition and fees.

19. 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.

20. Does a participating school have to accept School Choice Scholarships ("Vouchers") to accept SGO Scholarships?

No, the Voucher and SGO programs are separate efforts and have separate guidelines.



21. Does a student have to receive an SGO scholarship every year to remain eligible to receive future SGO scholarships or to receive a voucher?

No, as long as a student has received an SGO in the past, he or she is eligible to receive an SGO, or voucher, in the future as long as the other program requirements are met.

22. Is the SGO Scholarship Tax Credit the same as the \$1,000 Deduction I have heard about?

The SGO tax credit is a separate program from the \$1,000 tax deduction. As part of the Indiana School Choice package, Indiana also established a \$1,000 tax deduction for families. The deduction

is equal to \$1,000 per dependent child for whom unreimbursed education expenditures, including any expenditure made in connection with enrollment, attendance, or participation of the taxpayer's dependent child in a non-public elementary or high school education program (including home school programs). Costs can include tuition, fees, computer software, textbooks, workbooks, curricula, school supplies (other than personal computers), and other written materials used primarily for academic instruction or for academic tutoring. The deduction applies to taxable years beginning in 2011.

23. Are SGO scholarships just for new students or Kindergartners?

Any student at your school can receive an SGO scholarship as long as they meet the program guidelines.

24. Are SGOs only for the lower grades?

No. SGO Scholarships are available for students entering Kindergarten through grade 12.

25. Will the State legislature revoke the SGO Tax Credit?

While we do not have control over legislative priorities, we are an active member of several school choice advocate groups and will continue our advocacy for School Choice initiatives including the SGO Tax Credit.

**For more information, please contact the Lutheran SGO at
(260) 203-4509 or info@LutheranSGO.org**

