

GCSSF Scholarship Program

Frequently Asked Questions

1. What is the history and purpose of the new tuition tax credit legislation that gave rise to the GCSSF Scholarship Program?

In 2008, the Georgia General Assembly passed House Bill 1133 and Governor Sonny Perdue signed it into law. The new law provides for the creation of student scholarship organizations (“SSOs”) that use Georgia income tax credit-eligible contributions to provide public school or kindergarten-entry students with the opportunity to attend private schools.

Georgia Christian Schools Scholarship Fund, Inc. is one of the SSOs created to implement the new law. GCSSF was formed for the express purpose of helping to transform the availability of Christian education for parents in Georgia. GCSSF is committed to supporting schools, like its Partner Schools, that maintain a Christ-centered focus in their efforts to educate the next generation of Georgians.

2. What other schools are participating in the GCSSF Scholarship Program?

There are presently 14 GCSSF Partner Schools. The list of GCSSF Partner Schools is posted on the GCSSF website at: www.gcssf.org.

3. How do Partner Schools benefit from this legislation?

As a GCSSF Partner School, the school is eligible to promote the GCSSF program to its donors who, in turn, can designate that their contributions to GCSSF be used to provide scholarships at that school. A Partner School is also eligible to receive undesignated contributions from GCSSF. Thus, each Partner School will be able to increase the amount of scholarships for which its students and their families are eligible.

4. How does the tax credit work?

A taxpayer re-directing all or a portion of his or her Georgia income tax payments to GCSSF and designating a Partner School receives an income tax **CREDIT** against their Georgia income taxes for their contribution. Thus, if a married couple filing a joint return owes \$5,000 of Georgia income taxes and makes the maximum contribution to GCSSF of \$2,500, they will only have to pay \$2,500 of income taxes to the state of Georgia.

5. What is the maximum amount of Georgia income taxes that an individual can redirect each year to GCSSF?

Each calendar year, as long as there is room available under the \$50 million annual cap on tax credits established by HB 1133, a married couple filing a joint return can re-direct up to \$2,500 of their income tax payments to GCSSF. The maximum for an individual is \$1,000.

6. If an individual has paid all of his or her estimated Georgia income taxes for a particular tax year and makes a contribution to GCSSF in that year, will he or she still receive a Georgia income tax credit for the amount contributed to GCSSF?

Yes. If, after applying the tax credit against the Georgia income tax due and applying all estimated tax payments and withheld income taxes, there is an overpayment, the taxpayer can elect to have all or a portion of the overpayment paid to him or her.

7. Can corporations contribute to the GCSSF Scholarship Program?

Yes, corporations can receive a tax credit for amounts contributed to the GCSSF Scholarship Program, up to 75 percent of their Georgia income tax liability. Presently, this tax credit is only fully available to "C" corporations. Until the law is changed, regardless of the amount contributed to GCSSF by an "S" corporation or other "passthrough" entity, "S" corporation shareholders (or the owners of such other "pass-through entities") are subject to the individual limitations of \$2,500 or \$1,000.

8. If an individual donor itemizes deductions, can they take a charitable income tax deduction on their federal income tax return for the amount of the contribution to GCSSF?

Yes.

9. If I re-direct some of my Georgia income tax payment to GCSSF, can I designate that it be used to provide scholarships for students who will be attending a specific Partner School?

Yes, by placing the Partner School's name on the memo line of your contribution check, at least 90% of the donation will be allocated toward GCSSF scholarships to that Partner School.

10. If I re-direct some of my Georgia tax payments to GCSSF, can I designate the student who will benefit from the financial assistance?

No. GCSSF does not accept donations designated for specific individuals. However, a donor to GCSSF may designate a Partner School as noted above. If so designated, the financial aid committee at the Partner School will have the discretion of deciding which qualified recipients will be recommended to GCSSF for the receipt of the GCSSF scholarships.

11. What is the deadline for making contributions that qualify for the tax credit? How is the contribution made?

In order to ensure approval of an intended contribution in time to secure a Georgia income tax credit, an individual or corporation must complete and file with the Georgia Department of Revenue a Form IT-QEE-TP1 pre-approval form. This Form is available on our web page (<http://gcssf.org/pdf/form-IT-QEE-TP1.pdf>) and, once completed, should be mailed directly to the Georgia Department of Revenue ("DOR") at the address noted. The Form must be postmarked for delivery to the DOR on or before December 1. Until an individual or corporation receives approval from the DOR, no payment is required. Within 30 days after receiving the DOR approval, the contribution to GCSSF must be made. Upon receipt of the

approval Form from DOR, an individual or corporation should immediately deliver to GCSSF's office a check made payable to the "Georgia Christian Schools Scholarship Fund, Inc." together with a copy of the approved Form IT-QEE-TP1. *If desired, be sure to designate specific Partner School in the memo section of the check.* All contributions to GCSSF must be made within the 30 day period and prior to the end of the applicable calendar year.

12. What students are eligible under the law to receive financial assistance from the GCSSF Scholarship Program?

As the legislation indicates, eligible students include those who are "Georgia residents enrolled in a Georgia secondary or primary public school or eligible to enroll in a qualified kindergarten or pre-kindergarten program."

13. How does a family apply to receive financial assistance from the GCSSF Scholarship Program?

The admissions office of each Partner School will explain the availability of the GCSSF Scholarship Program to interested applicants to the school. Any applicant family interested in receiving a GCSSF scholarship merely needs to express such interest to the admissions office. They will then be asked to provide proof of their child's enrollment in a public school or eligibility to enter kindergarten. If the applicant family is approved for a GCSSF scholarship, prior to enrollment, the family, Partner School, and GCSSF enter into a Scholarship Agreement.

14. After a recipient student's first GCSSF scholarship year, will he or she automatically receive GCSSF funding each subsequent year that they are enrolled at our school?

GCSSF scholarships are awarded for the duration of a student's enrollment at a Partner School. However, the amount of the GCSSF scholarship received in each year is determined annually based on the availability of GCSSF funds designated for use at the Partner School, and the student's compliance with behavioral, academic, and covenant standards.

15. After a Partner School awards GCSSF scholarships in a particular year, what happens to any remaining GCSSF funds that have been designated for use at the Partner School?

Any unused funds that have been designated for use at a Partner School are held by GCSSF in its Scholarship Account earmarked for the Partner School. The designated funds (together with any net income earned on the account) are available for providing ongoing financial aid to existing GCSSF scholarship recipients at the Partner School and for awarding future GCSSF scholarships at the Partner School.

16. Does participation in the GCSSF Scholarship Program open the door for government intervention in our school? Can we be forced to compromise our mission, standards, and/or practices?

Absolutely not! No GCSSF Partner School would ever agree to participate in a program that forces it to compromise its mission, standards, and/or practices nor would GCSSF ask for such compromises. GCSSF is committed to monitoring all legal and legislative changes to the SSO statutes that would in any way encroach on our Partner School's commitment to excellence in Christian education. GCSSF was formed as an explicit and overtly Christian

organization dedicated to providing resources for Christ centered education of future generations of Georgians.

17. Is the GCSSF Scholarship Program a government agency? What is its role?

No. Georgia Christian Schools Scholarship Fund, Inc. is an independent 501(c)(3) tax-exempt organization. GCSSF, not the state of Georgia, provides scholarships to students at its Partner Schools. In addition to saving its Partner Schools the trouble of creating and operating their own HB 1133 student scholarship organizations, GCSSF serves as an information clearinghouse; provides information, insights and support regarding marketing the benefits of this tuition tax credit program; monitors legal and regulatory developments; solicits contributions from corporations; and promotes the program in the CPA and financial community.

18. How do I find more information about GCSSF Scholarship Program?

If you have questions about the GCSSF Scholarship Program, please review the GCSSF website at www.gcssf.org or contact any Partner School.