

Faith First Georgia Scholarship Program

Frequently Asked Questions

September 2011

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

In 2008, the Georgia General Assembly passed HB 1133 and Governor Sonny Perdue signed it into law. In 2011 HB 325 was passed to replace HB 1133 and Governor Nathan Deal 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. Faith First Georgia was formed for the express purpose of helping to transform the availability of Christian education for parents in Georgia. Faith First Georgia 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 Georgia Faith First Georgia Scholarship Program?

There are presently 27 Faith First Georgia Partner Schools. The list of Faith First Georgia Partner Schools is posted on the Faith First Georgia website at: www.faithfirstga.org

3. How do Partner Schools benefit from this legislation?

As a Faith First Georgia Partner School, the school is eligible to promote the Faith First Georgia program to its donors who, in turn, can designate that their contributions to Faith First Georgia be used to provide scholarships at that school. A Partner School is also eligible to receive undesignated contributions from Faith First Georgia. 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 Faith First Georgia 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 Faith First Georgia 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 Faith First Georgia?

Each calendar year, as long as there is room available under the \$50 million+ annual cap on tax credits established by HB 325, a married couple filing a joint return can re-direct up to \$2,500 of their income tax payments to Faith First Georgia. 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 Faith First Georgia in that year, will he or she still receive a Georgia income tax credit for the amount contributed to Faith First Georgia?

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 Faith First Georgia Scholarship Program?

Yes, corporations can receive a tax credit for amounts contributed to the Faith First Georgia 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 Faith First Georgia 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 Faith First Georgia?

Yes.

9. If I re-direct some of my Georgia income tax payment to Faith First Georgia, 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 Faith First Georgia scholarships to that Partner School.

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

No. Faith First Georgia does not accept donations designated for specific individuals. However, a donor to Faith First Georgia 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 Faith First Georgia for the receipt of the Faith First Georgia 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 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 60 days after receiving the DOR approval,*** the contribution to Faith First Georgia must be made. Upon receipt of the approval Form from DOR, an individual or corporation should immediately mail to Faith First Georgia's office a check made payable to the "Georgia Christian Schools Scholarship Fund, Inc." together with a copy of the Approval Letter. *If desired, be sure to designate specific Partner School in the memo section of the check.* All contributions to Faith First Georgia must be made within the 60 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 Faith First Georgia 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, Pre-K, and 1st Grade program."

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

The admissions office of each Partner School will explain the availability of the Faith First Georgia Scholarship Program to interested applicants to the school. Any applicant family interested in receiving a Faith First Georgia 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, Pre-K, or 1st Grade Program. If the applicant family is approved for a Faith First Georgia scholarship, prior to enrollment, the family, Partner School, and Faith First Georgia enter into a Scholarship Agreement.

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

Faith First Georgia scholarships are awarded for the duration of a student's enrollment at a Partner School. However, the amount of the Faith First Georgia scholarship received in each year is determined annually based on continued financial need, the availability of Faith First Georgia 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 Faith First Georgia scholarships in a particular year, what happens to any remaining Faith First Georgia 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 Faith First Georgia 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 Faith First Georgia scholarship recipients at the Partner School and for awarding future Faith First Georgia scholarships at the Partner School.

16. Does participation in the Faith First Georgia 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 Faith First Georgia Partner School would ever agree to participate in a program that forces it to compromise its mission, standards, and/or practices nor would Faith First Georgia ask for such compromises. Faith First Georgia 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. Faith First Georgia 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 Faith First Georgia 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. Faith First Georgia, 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 325 student scholarship organizations, Faith First Georgia 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 Faith First Georgia Scholarship Program?

If you have questions about the Faith First Georgia Scholarship Program, please review the Faith First Georgia website at www.faithfirstga.org or contact our office.