



# ALABAMA DEPARTMENT OF REVENUE EDUCATIONAL SCHOLARSHIP PROGRAM Scholarship Granting Organization Notice of Intent to Participate

## Instructions for Submitting Notice of Intent to Participate:

Submitting this form indicates your organization's intent to participate in the Educational Scholarship Program as a Scholarship Granting Organization (SGO). Please complete and submit this form, with required documentation, to the Alabama Department of Revenue. The Alabama Department of Revenue will verify your organization's eligibility to participate as a Scholarship Granting Organization.

### SECTION I – Scholarship Granting Organization (SGO)

|  |               |      |                               |     |
|--|---------------|------|-------------------------------|-----|
| A. LEGAL NAME OF ORGANIZATION AS IT APPEARS ON 501(c)(3) DOCUMENTS |               |      | FEDERAL TAX ID                |     |
| MAILING ADDRESS OF ORGANIZATION                                    |               | CITY | STATE                         | ZIP |
| TELEPHONE NUMBER<br>( )  | EMAIL ADDRESS |      |                               |     |
| ORGANIZATION WEBSITE ADDRESS                                       |               |      |                               |     |
| B. NAME OF SGO OFFICER COMPLETING THE REGISTRATION FORM            |               |      | TITLE                         |     |
| CONTACT MAILING ADDRESS  |               | CITY | STATE                         | ZIP |
| CONTACT'S E-MAIL ADDRESS   |               |      | CONTACT'S PHONE NUMBER<br>( ) |     |
| C. PRIMARY SGO CONTACT PERSON, IF DIFFERENT THAN ABOVE             |               |      | TITLE                         |     |
| MAILING ADDRESS  |               | CITY | STATE                         | ZIP |
| E-MAIL ADDRESS   |               |      | CONTACT'S PHONE NUMBER<br>( ) |     |

### SECTION II – Attestation

I understand that in order to participate as a Scholarship Granting Organization (SGO) in the Alabama Educational Scholarship Program, certain requirements must be met. My initials by each statement below indicate that the SGO identified above complies with the statement.

#### ADMINISTRATIVE ACCOUNTABILITY STANDARDS

- \_\_\_\_\_ 1. The SGO will demonstrate to the Alabama Department of Revenue that they have been granted exemption from the federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code, as in effect from time to time.
- \_\_\_\_\_ 2. The SGO will distribute periodic educational scholarship payments as checks made out and mailed to or directly deposited with the school where the student is enrolled.
- \_\_\_\_\_ 3. The SGO will provide an Alabama Department of Revenue approved receipt to taxpayers for contributions made to its SGO.
- \_\_\_\_\_ 4. The SGO will ensure that all determinations with respect to the eligibility of a student to receive an educational scholarship shall be made by the SGO. A SGO shall not delegate any responsibility for determining the eligibility of a student for an educational scholarship or any other requirements to any qualifying school or an entity affiliated therewith.
- \_\_\_\_\_ 5. The SGO will ensure that at least 95% of its revenue from donations is expended on educational scholarships, and that all revenue from interest or investments is expended on educational scholarships. A SGO may expend up to five percent of its revenue from donations on administrative and operating expenses in the calendar year of the donation or in any subsequent calendar year.
- \_\_\_\_\_ 6. The SGO will ensure that scholarship funds on hand at the beginning of a calendar year are expended on educational scholarships within three calendar years. Any scholarship funds on hand at the beginning of a calendar year that are not expended on educational scholarships within three calendar years shall be turned over to and deposited with the State Department of Education for the benefit of its At-Risk Student Program.

- \_\_\_\_\_ 7. The SGO will ensure that at least 75% of first-time recipients of educational scholarships were not continuously enrolled in a private school during the previous academic year.
- \_\_\_\_\_ 8. The SGO will cooperate with the Alabama Department of Revenue to conduct criminal background checks on all of its employees and board members and exclude from employment or governance any individual who might reasonably pose a risk to the appropriate use of contributed funds.
- \_\_\_\_\_ 9. The SGO will ensure that an educational scholarship will not exceed six thousand dollars (\$6,000) for an elementary school student, eight thousand dollars (\$8,000) for a middle school student, or ten thousand dollars (\$10,000) for a high school student per academic year.
- \_\_\_\_\_ 10. The SGO will ensure that educational scholarships are portable during the academic year and can be used at any qualifying school that accepts the eligible student according to the wishes of the parent. If an eligible student transfers to another qualifying school during an academic year, the educational scholarship amount may be prorated.
- \_\_\_\_\_ 11. The SGO will determine the eligibility of a student every other academic year in which a student receives an educational scholarship. If the annual income of the family of a student who has received at least one educational scholarship exceeds 185 percent of the federal poverty level, the existing student shall remain eligible to receive educational scholarships until and unless the annual income of the family of the student exceeds 275 percent of the federal poverty level; No student who has received at least one educational scholarship shall be eligible to receive educational scholarships if the annual income of his or her family exceeds 275 percent of the federal poverty level.
- \_\_\_\_\_ 12. The SGO will publicly report to the Alabama Department of Revenue by September 1 of each year all of the following information prepared by a certified public accountant regarding their educational scholarship funded in the previous academic year:
  - a. The name and address of the SGO.
  - b. The total number and total dollar amount of contributions received during the previous academic year.
  - c. The total number and total dollar amount of educational scholarships awarded and funded during the previous academic year.
  - d. The total number and total dollar amount of educational scholarships awarded and funded during the previous academic year for students qualifying for the federal free and reduced-price lunch program.
  - e. The percentage of first-time recipients of educational scholarships who were enrolled in a public school during the previous academic year.
- \_\_\_\_\_ 13. The SGO will publicly report to the Alabama Department of Revenue by 15th day after the close of each calendar quarter, all of the following information about educational scholarships granted during the quarter:
  - a. The total number of scholarships awarded and funded.
  - b. The names of the qualifying schools that received funding for educational scholarships, the total amount of funds paid to each qualifying school, and the total number of scholarship recipients enrolled in each qualifying school.
  - c. The total number of eligible students zoned to attend a failing school who received educational scholarships from the SGO.
  - d. The total number of first time scholarship recipients who were continuously enrolled in a nonpublic school prior to receiving an educational scholarship from your SGO.
- \_\_\_\_\_ 14. The SGO will ensure that educational scholarships are not provided for eligible students to attend a school with paid staff or board members, or relatives thereof, in common with the SGO.
- \_\_\_\_\_ 15. The SGO will ensure that educational scholarships are provided in a manner that does not discriminate based on the gender, race, or disability status of the scholarship applicant or his or her parent.
- \_\_\_\_\_ 16. The SGO will ensure that educational scholarships are provided only to eligible students who are zoned to attend a failing school so that the eligible student can attend a qualifying school. With respect to first time educational scholarship recipients, the SGO will give priority to eligible students zoned to attend failing schools over eligible students not zoned to attend failing schools. Any scholarship funds unaccounted for on July 31st of each calendar year, the SGO may make available to eligible students to defray the costs of attending a qualifying school, whether or not the student is zoned to attend a failing school.
- \_\_\_\_\_ 17. The SGO will ensure that no donations are directly made to benefit specifically designated scholarship recipients or to particular qualifying schools.
- \_\_\_\_\_ 18. The SGO will submit to the Alabama Department of Revenue annual verification of the SGO's policies and procedures used to determine scholarship eligibility. The verification shall confirm that the SGO, and not one or more qualifying schools accepting educational scholarship recipients or scholarship funds, is determining whether scholarship applicants are eligible to receive educational scholarships. The verification shall also confirm that the scholarship granting organization is giving priority to receive an educational scholarship to eligible students zoned to attend failing schools.
- \_\_\_\_\_ 19. The SGO will submit to the Alabama Department of Revenue annual verification that none of its actions or policies restricts a parent's educational choice by limiting or prohibiting the enrollment of eligible students in a qualifying school if those eligible students received educational scholarships from other scholarship granting organizations.

- \_\_\_\_\_ 20. The SGO will ensure that the amount of a scholarship awarded a student to attend a nonpublic school may not exceed the total sum of tuition and mandatory fees normally charged a student to attend the nonpublic school for the same attendance period.
- \_\_\_\_\_ 21. The SGO will ensure that the amount of a scholarship awarded a student to attend a public school may not exceed the total state appropriation provided for a student to attend the public school for the same attendance period.
- \_\_\_\_\_ 22. The SGO will not enter into any agreement, whether oral or written, with a qualifying school that would prohibit or limit an eligible student from enrolling in the qualifying school based on the identity of the SGO from which the eligible student received an educational scholarship.

### **FINANCIAL ACCOUNTABILITY STANDARDS**

- \_\_\_\_\_ 23. The SGO will demonstrate its financial accountability by doing all of the following:
- a. Annually submit to the Alabama Department of Revenue (ADOR) a financial information report for the SGO that complies with uniform financial accounting standards established by ADOR and conducted by a public accountant.
  - b. Having the auditor certify that the report is free of material misstatements.
- \_\_\_\_\_ 24. The SGO will annually collect and submit to the Alabama Department of Revenue with the annual report written verification from qualifying nonpublic schools that accept its educational scholarship students that those schools do all of the following:
- c. Comply with all health and safety laws or codes that otherwise apply to nonpublic schools.
  - d. Hold a valid occupancy permit if required by the municipality.
  - e. Certify compliance with nondiscrimination policies set forth in 42 USC 1981.
  - f. Conduct criminal background checks on employees and exclude from employment any person not permitted by state law to work in a public school and any person who may reasonably pose a threat to the safety of students.
- \_\_\_\_\_ 25. The SGO will annually collect and submit to the Alabama Department of Revenue with the annual report written verification from qualifying nonpublic schools that accept its educational scholarship students, that the school is in compliance with the Alabama Child Protection Act of 1999, Chapter 22A of Title 16.

### **ACADEMIC ACCOUNTABILITY STANDARDS**

- \_\_\_\_\_ 26. The SGO will ensure that qualifying schools that accept its educational scholarship students shall do all of the following:
- a. Annually administer either the state achievement tests or nationally recognized norm-referenced tests that measure learning gains in math and language arts to all students receiving an educational scholarship in grades that require testing under the accountability testing laws of the state for public schools.
  - b. Allow the costs of the testing requirement to be covered by the educational scholarships distributed by the SGO.
  - c. Provide the parents of each student who was tested with a copy of the results of the tests on an annual basis, beginning with the first year of testing.
  - d. Provide the test results to Alabama Department of Revenue (ADOR) on an annual basis, beginning with the first year of testing.
  - e. Report student information that allows the state to aggregate data by grade level, gender, family income level, and race.
  - f. Provide graduation rates of those students benefitting from education scholarships to the ADOR or an organization chosen by the state in a manner consistent with nationally recognized standards.
  - g. Ensure that a student who receives an educational scholarship conforms to the attendance requirements of the qualifying school. If a student fails to conform, the qualifying school shall immediately communicate the failure to the SGO.
- \_\_\_\_\_ 27. The SGO will bear the cost of an independent research organization analyzing and reporting on the test results requested in 26 above to the Alabama Department of Revenue. This SGO's share of the cost will be in proportion to the SGO's total scholarship donations received from all SGOs for the two calendar years prior to the report being published to the total scholarship donations received for the two calendar years prior to the report. Scholarship granting organizations may receive and use funds from outside sources to pay for its share of the biennial report.
- \_\_\_\_\_ 28. The SGO will collect all test results from qualifying schools accepting its scholarship recipients and turn over such test results to the independent research organization described in standard 27 above by August 15 of each calendar year.

**SECTION III – Signature**

As the principal officer of the above named organization, I hereby attest that the information provided on documentation submitted with this form is true and correct. I agree, on behalf of the organization, to comply with all requirements indicated in Act 2013-64, as amended by Acts 2013-265 and 2015-434.

In the event tax exempt status is denied, the organization will immediately notify the Alabama Department of Revenue of its denial.

PRINCIPAL OFFICER'S PRINTED NAME

PRINCIPAL OFFICER'S SIGNATURE

TITLE

DATE

**SECTION IV – Required Documentation**

Please include copies of the following required documentation:

- IRS determination letter indicating your 501(c)(3) status or a copy of the federal Form 1023 submitted to the IRS  
**NOTE: Any approval received will be conditional pending the receipt of the IRS determination letter.**
- Copy of your organization's employee background check policy
- Board resolution authorizing the principal officer to sign and submit this notice of intent to participate form

**SECTION V – Submit Notice of Intent to Participate**

Please mail this notice of intent to participate form and all required documentation to the address below:

**Alabama Department of Revenue  
Attn: Educational Scholarship Program  
P.O. Box 327010  
Montgomery, AL 36132-7010**

**For more information on the Educational Scholarship Program,  
please contact the Alabama Department of Revenue at 334-353-0602 or 334-353-9770.**

*A Scholarship Granting Organization may be barred by the Alabama Department of Revenue from participating in the tax credit scholarship program if the Department establishes that the Scholarship Granting Organization has intentionally and substantially failed to comply with the requirements in subsection (b) or subsection (c) of Section 16-6D-9 as amended by Act 2015-434.*