SCHOLARSHIPS FOR EDUCATION CHOICE
At SAGAMORE

Participating School Information

Scholarships for Education Choice
is a program of Sagamore, Inc.; a certified scholarship granting organization (SGO). Since 2011, we have awarded scholarships totaling more than $88 million and benefitting over 31,000 students through participating schools in Indiana. SEC will be implementing the Federal Tax Credit Program beginning January 1, 2027.

Sagamore, Inc. is an Indianapolis-based nonprofit, nonpartisan, public policy research organization. It is our mission to research, analyze and respond to difficult issues, to serve as a meeting place for disparate groups, and to offer wise counsel for a world in progress.

SAGAMORE

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What does it mean to be a Participating School?

Tax Credit Scholarships: A Scholarship Granting Organization (SGO) is a 501(c)(3) charitable organization authorized to operate the Federal Tax Credit Program. The awards are funded with money donated by individuals or businesses. As an incentive for donating, donors receive a federal tax credit equal to 100% percent of the amount donated, with an annual maximum of $1,700. Students receiving scholarships and the schools they attend must meet the eligibility criteria outlined in the legislation (details on the following page). To cover the operational expense for administering the program, an SGO is allowed to debit up to 10% of each donation.

Participating schools fulfill two primary responsibilities in concert with SEC: fundraising and scholarship administration (see page 7 for additional detail). Participating schools facilitate fundraising by raising awareness of the tax incentive opportunity to individuals and businesses that believe in the mission and quality of education being offered by the school in that community.

Some of the benefits of partnering with SEC:

- Control & Flexibility: Participating Schools are able to set the scholarship amount awarded to eligible students based upon their school financial assistance policy. SEC offers flexibility regarding the timing of disbursements and administrative demands of the school.

- Assistance & Credibility: In addition to providing fundraising collateral (which can be co-branded with the school), SEC will participate in fundraising initiatives for the school, and our education team can offer accreditation preparation, teacher professional development, etc.

- Efficiency: SEC optimizes online opportunities to provide an efficient award process for their eligible students and school office.

- All-in-one school portal access to real-time dashboards, donation information, student applications, and reporting tools — all in one secure, easy-to-use platform.

- Zero-cost participation: Administrative fees are taken from donations, not from schools. You can participate without adding strain to your budget.

Federal School Scholarship Tax Credit Program

Student Applicant Eligibility

A student must be:

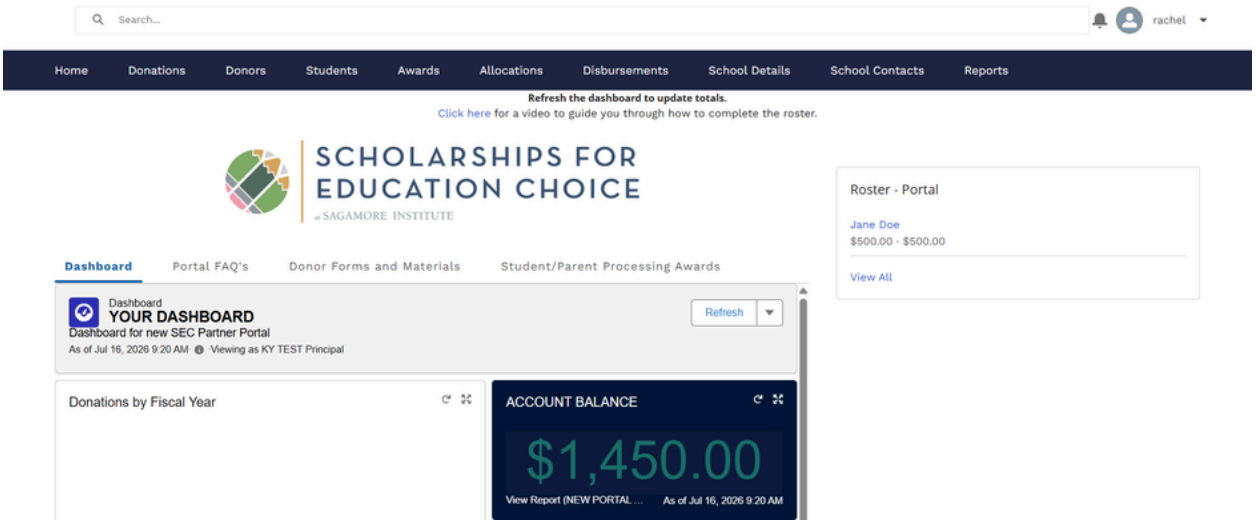
eligible to enroll in a public elementary or secondary school

is a member of a household with an income which, for the calendar year prior to the date of the application for a scholarship, is not greater than 300 percent of the area median gross income (determined by county)

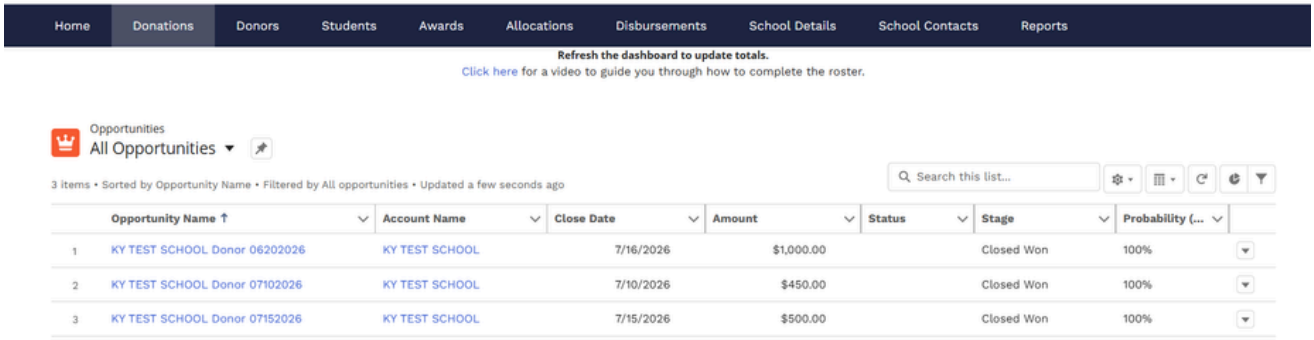
Portal Access:

One of the benefits of partnering with SEC is access to our scholarship portal. This portal grants you access to real time reporting on things such as donations, donors, allocations, disbursements, students, and awards. This portal is how a school can enter scholarship amounts, provide student information, and request a disbursement of funds. When signing up with SEC, we will schedule a call with school administrators to walk them through the portal and there are videos linked throughout that explain how to use its different functions. Below are some screenshots of what the portal looks like.

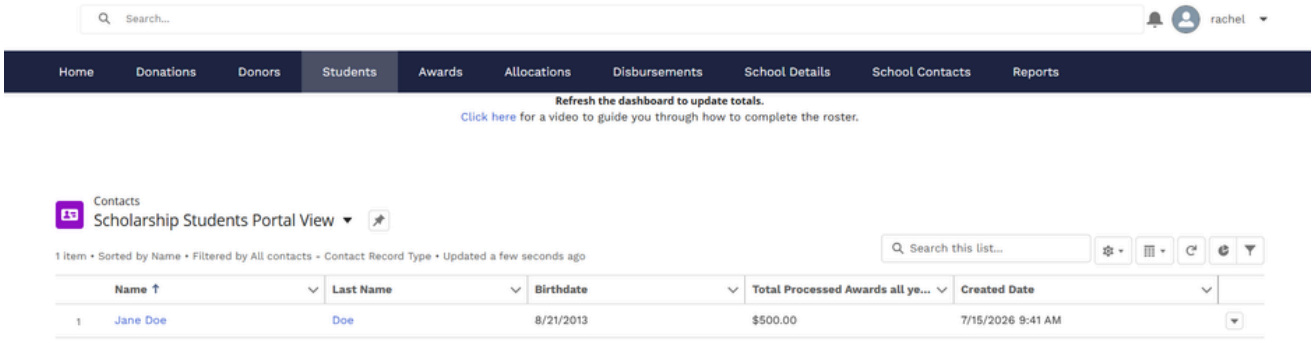
Portal Dashboard:



Donations:



Students:



Donation Guidelines

Any individual or business with federal tax liability is eligible to receive a tax credit equal to 100% of the donated amount. There is an annual donation limit of $1,700 per tax return. The credit may be applied toward the donor's federal tax liability in the year the donation is received. A donor CAN carryover unused tax credits for up to five subsequent years. Unused tax credits CANNOT be carried back or refunded.

A donor CANNOT restrict the donation to fund the scholarship award for a specific student, but the donor may specify that the donation be used to fund scholarships at one of our participating schools.

Upon receipt of a donation, the SGO will secure a unique donor number from the IRS. This number will be included in the letter of receipt sent to the donor. The number will be used by the donor when filing their federal taxes. Letters of receipt are mailed to the donor within 7-10 business days of receiving the donation at the SGO. Receipt letters will be emailed to all donors who have given online. A paper version is sent to all who have given via a check. End of year statements with instructions for claiming the credits will be mailed or emailed in mid-January by SEC unless the school prefers to send them.

SEC Provided Materials and Resources- Donors:

- Donor Form – a simple form with the school name included
- Tri-Fold Donor Brochure – a brochure that explains the benefits of giving and the ways to give. There is a small tear off donor form included.
- Online Landing Page – SEC will create a school specific online giving page that is branded with a school logo
- Fundraising Toolkit – a short guide and collateral materials for schools utilizing this program
- Communications Toolkit – a short guide with sample communications
- Fundraising Guidebook – How to Successfully Raise Funds for the Federal School Scholarship Tax Credit
- School specific Explainer Video - we will customize a short explainer video with the school logo and school contact information
- Donor reports – monthly and weekly if activity
- Portal – online access to donor and student information in real time

How donated funds become scholarships for students.

DONATED FUNDS

School
•School reaches out to donors to raise awareness of SGO giving opportunity through SEC

Donor
•Donors make contributions to school's designatied SGO fund at Sagamore Inc.

SEC
•SEC secures tax credit, sends receipt letter to donor, places funds in designated account, and notifies school of available balance.

STUDENT SCHOLARSHIPS

School
•Application for eligible student household is completed (by the parent or with parental consent by the school).

School
•School collects financial information to verify income (directly or via third-party) and submits to SEC

SEC
•SECprovides roster of applicatns to school or school access via Portal.

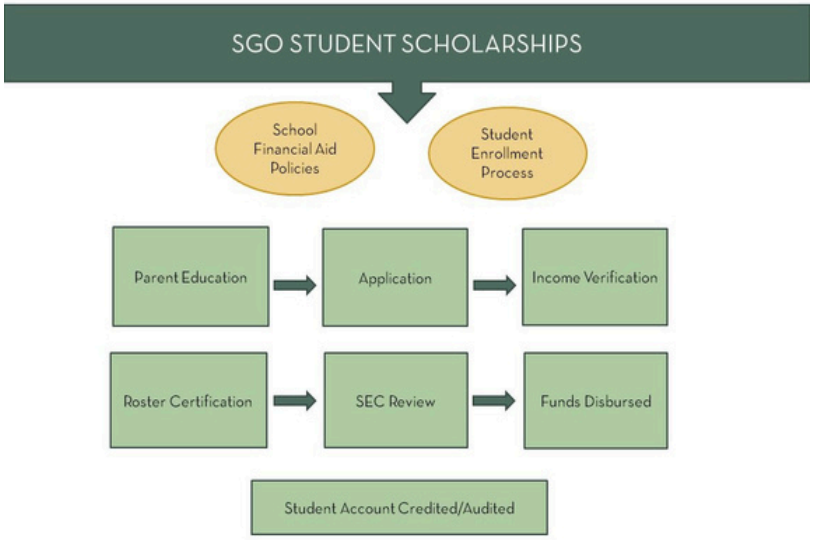
School
•School certifies the roster and completes the school information needed (including the award amount for each student).

SEC
•SEC verifies eligibility and sends school a check or an ACH for scholarship awards, along with letter and roster.

School
•School credits student accounts and notifies households of scholarship award.

The School's Role in Processing Student Scholarships

Below is an outline of the basic steps for awarding scholarships. We have training tools available, a brochure to provide to interested families, and we will coach schools through the process.



Each partner school receives a custom on-line student application form if they are requestion parents apply. If not, an application can be submitted by the school through our portal with parental permission, by a school official (principal or office staff person). It is important that ALL families who may qualify are given the opportunity to apply. Real-time access to all student applications as well as donor information is available online through the school portal.

The next step is for the school to gather the documentation to verify that the household income and family size meet the eligibility criteria outlined in the legislation. Sometimes this income verification is done through a third-party that the school already uses (like FACTS), and other times the school gathers and submits copies of the most recent tax return from the applicant families. If the school uses a third-party they can grant us "viewing" permission, to ensure eligibility. We also have an Assurance Form that can be used if tax returns are not available or if there has been a change in family size or income that is not reflected on the tax return. Income documentation can be uploaded to the Student Award in the portal or you can scan or fax the income documentation to SEC.

After the application has been submitted and the income has been verified, the school approves or denies each application and indicates a scholarship amount for each approved student (we call this step the school certification). We expect each school

to make these decisions based on their financial assistance policy and the amount of funding available in their account, so the size of the award may be different for each school or student. Some schools will award each qualified applicant the same scholarship amount; other schools will award different amounts for the applicants, to a maximum of the total amount of tuition. There are a few other pieces of information we need on each student, including the tuition amount and the initials of the school official approving the award. These pieces of information can be added in the Award tab or the Student Award record in the portal.

When all the student information is complete, income has been verified and school certification is finished, then we can disburse funds up to the amount available in the school's account. Our disbursement timeline is very flexible between August 1st and May 1 of each school year (as long as students have been in attendance since at least April 1). Depending on the school's needs, we can disburse once for the year, once each semester, or multiple times during the school year. ACH transfers are made out to the school and include a roster with the name and amount for each awarded student. Note that each student's tuition account must be credited with the specific amount of the scholarship unless the scholarship is part of a larger financial aid package.

Communication to the parents about the award comes from the school. We also ask the schools to maintain records of the scholarship awards for five years.

SEC Provided Materials and Resources- Students & Families:

- Tri-Fold Household Brochure- a brochure that explains the SGO (Tax credit scholarship) including how a family can be eligible, what steps need to be taken, and what to expect after the award is made.
- Household Guide – similar to the brochure but focused more on FAQ's
- Online Application form – each school has a link to an online application form that households complete. An email is sent to a school official when an application is completed; the application also enters the SEC database and is accessible to the school via the portal or by requesting a roster from SEC.
- SEC presence at school hosted events in order to explain the program and the eligibility requirements (if planned in advance & schedules allow)
- Student Award reports – by request or available on the portal
- Process Manual – detailed guidance on the award process
- Portal – online access to student award information in real time
- Eligibility Checker Decision Tree
- Explainer Video for Parents

Timeline for Typical School Year

July

- First day of the new fiscal year
- Final reports are sent from SEC to the school official to verify donation records and scholarship awards for the prior fiscal year.

August

- Email notifications will be sent from SEC to the school officials to begin the roster process for the new school year. Disbursements may be made for the new school year on or after August 1.

September

- Rosters are verified and disbursements sent to schools.

October

- Schools gear up for end of year giving campaigns.

February

- 2nd semester rosters are verified, and remaining awards are disbursed.

March

- SEC updates household application forms with updated income requirements and applications accepted for next school year.

April

- Applications and final disbursements for current year awards due by 5/1. Students must have been attending since April 1 ofthe current year.

June

- June 30 – Last day of the fiscal year.

Weekly Reports: SEC will send schools donation reports if the school has had donation activity during the week.

Monthly Reports: SEC will send all schools a month end report that itemizes donations for the month and reports on the total amount of disbursements for the school year to date and the balance in the school account.

All activity is available in real-time from the portal.

Steps to Becoming a Participating School

1 Review the following Participation Agreement

2 Contact Laurel Vanden Berg, Director of Scholarships for Education Choice, with any questions

3 Complete the Participation Agreement (see Appendix 1) and submit to SEC. Go to this link and complete information regarding your school for our database: http://www.tfaforms.com/365345.

SEC will return an executed copy of the agreement with the director's signature to the school.

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Appendix 1 - Participation Agreement

The purpose of this agreement is to establish a formal understanding between Scholarships for Education Choice (SEC) and its partner schools. Scholarships for Education Choice is a program of Sagamore, Inc., a certified Scholarship Granting Organization (SGO) in the state of Indiana.

ASSURANCES OF SCHOLARSHIPS FOR EDUCATION CHOICE (SEC):

1. **Authority - SEC will operate and administer the Federal Scholarship Tax Credit Program as an approved SGO within the guidelines set forth by the Department of Treasury. The program will operate on a fiscal year of July 1 to June 30.**

2. **Donations– SEC will allocate donated funds in a manner that respects the intent of the donor. SEC WILL allow donors to direct their gift to a participating school; donors will NOT be permitted to direct their gift to a particular student or family. Upon receipt of a donation accompanied by a completed donor form, SEC will secure the tax credit certification from the Department of Revenue. This number will be included on a receipt letter mailed or e-mailed to the donor within 7-10 business days.**

3. **Fund Management – SEC will keep an account for all funds designated for scholarships, and will track fund balances designated for participating schools. Scholarship funds are maintained in a bank account separate from Sagamore, Inc.'s general operating fund. Fund balances may carry over to subsequent fiscal years.**

4. **Administrative Fees – Per the legislation, SEC may debit each donation up to 10% to cover program administrative costs and offers the following discounts.**

   - **7.5% fee assessed on the first $500,000 of donations received in the fiscal year**
   - **5% fee assessed on subsequent donations after a school has exceeded $500,000 in any one fiscal year.**

   SEC is committed to keeping costs reasonable and will manage the fees in a manner that is in the best interest of the SGO, the school, the donors and the recipients.

5. **On-line Donations - Unless the school asks to be excluded, the school will be eligible to receive on-line donations using SEC's vendor.**

6. **Collateral Material – SEC will provide collateral material as necessary to assist with fundraising and program promotion. SEC will assist with co-branding material, and we reserve the right of final approval on all school-produced material to ensure compliance with state guidelines.**

7. **Application and Disbursement – SEC will maintain a scholarship origination and disbursement process that offers the school, the applicant household and SEC the most efficient means of awarding funds. The official application roster will include enrollment information for each student (including the student's name and address, the name and address of the parents if different, the student's date of birth, the student's grade level), school certification, household financial information (including the family income and the number of people in the household), award amounts, and reasons for any denied applications. Disbursements may be made to the school for approved applications when funds are available between August 1 and May 1 (as long as the student has been in attendance as of April 1) of each academic year.**

8. **Scholarship Amounts – SEC allows the school to establish the scholarship amounts, based on the school's board-approved financial aid policies. The maximum amount will be the tuition/fees for the school year and SGO awards cannot total more than Tuition.**

9. **Withdrawal/Transfer – The SGO scholarship is awarded to a particular student attending a particular school. The scholarship does not transfer with a student from one school to another. In the case of a mid-year withdrawal or transfer of a scholarship student, the school will calculate the unused portion (if any) of the scholarship award and work with SEC to either apply the unused portion to another eligible student or refund the money to SEC where it will be deposited back into the school's dedicated fund (no administrative fee will be assessed).**
10. **Audits – SEC will send an end of year report detailing donations and awards to schools in mid-July. The school is required to review that report, notify SEC of any discrepancies then sign and return the report affirming that the donations and awards are accurate and that tuition statements for the students have been adjusted accordingly. With that report SEC will request that the school send three randomly selected tuition statements for students to ensure that SGO awards have been deducted from tuition statements. SEC will hold any further disbursements until the school returns the signed end of year report along with the sample tuition statements. SEC may perform audits as it deems necessary to confirm enrollment and scholarship fund credits to tuition accounts and reserves the right to contact parents directly. Any audits will be coordinated in advance and will be performed in a manner that does not hinder the school's daily operations.**
11. **Termination of Agreement - If SEC and/or the school elect to cease their partnership under the terms of this agreement or the school closes, good faith negotiations will take place to ensure that any remaining designated funds are disbursed as quickly as possible to fund scholarships for eligible students at the school. If the school does not have enough eligible students to utilize remaining funds then the funds will be transferred to the SEC General fund.**
12. **Donor Solicitation – SEC agrees to not solicit donors on behalf of Sagamore, Inc. unless Sagamore, Inc. can demonstrate a relationship exists with the donor outside of the SEC Program or the donor initiates a relationship with Sagamore, Inc. beyond the SEC Program.**
13. **Confidentiality – SEC will preserve and respect the confidentiality of all information concerning income eligibility of a prospective student's parent/guardian, whether provided via FACTS or some other method. As required by statute, all SEC employees and board members submit to criminal background checks.**

ASSURANCES OF PARTICIPATING SCHOOLS:

1. **Intent – The school accepts the assurances on behalf of SEC above and agrees to operate their program in compliance with the legislation and rules governing the Federal Tax Credit Scholarship Program. The school agrees to maintain their eligibility according to the legislation by remaining accredited and offering a norm-referenced test. The school agrees to communicate and negotiate circumstances not covered in this agreement in a manner that protects the school, donors, recipients and SEC.**
2. **Donor Communication – Any promotion of the SGO program to donors must ensure that the donor is aware that any funds given through the SGO are restricted for student scholarships but cannot be designated for a particular student. We reserve the right to contact donors if donor intent is in question.**
3. **Scholarship Promotion – The school agrees to promote the scholarship program to ALL of the student households enrolled in the school and to provide the opportunity to apply to ALL that are eligible.**
4. **Accuracy of Information – The school agrees to provide accurate and verifiable information concerning the applicant and their household, as required for scholarship application processing. The school and SEC will work together to resolve any processing errors. Any resulting tuition balance remains the sole issue of the school and the recipient household. Errors deemed intentional could result in the dissolution of this agreement and the partnership.**
5. **Financial Need Assessment – If the school uses a third-party service for the purpose of assessing household financial need (FACTS, etc.), the school's signature on this agreement authorizes SEC to have access to that information for families applying for tuition assistance.**

The purpose of this access is to determine income eligibility for the scholarship program. Schools that do not use a third-party service will collect and provide income information on each applicant to SEC.

6. **Application of Funds – The school agrees to apply all awarded scholarship funds to the recipient's tuition account either as a separate line item or a part of their financial aid package for the school year of record on the application. The school will communicate with parents that they received a tax credit scholarship (SGO).**
7. **Financial Assistance Policy – The school agrees that they have or are working towards a board-approved financial assistance policy for determining the amount of each scholarship award that does not subjectively discriminate between student recipients and they will provide a copy of the policy to SEC. Questions or disputes from applicant families regarding award amounts will be directed to the school.**
8. **Audit Cooperation – The school agrees to cooperate with any audit request by SEC in accordance with item 10 of the SEC Assurances. The school will maintain information on all students receiving scholarships for the amount of time specified in the legislation (currently 5 years). The school is required to review the end of year report, notify SEC of any discrepancies, then sign and return the report affirming that the donations and awards are accurate and that tuition statements for the students have been adjusted accordingly. The school agrees to send tuition statements to SEC for the students SEC has selected and understands that SEC will hold any further disbursement checks until the school returns the signed end of year report along with the sample tuition statements.**
9. **Conflict of Interest – The school agrees that if a staff or faculty member who approves/verifies awards has a child that is eligible for an award, then an alternate person will approve/verify that award. The initials of the person approving/verifying the award will be indicated on the official school roster.**

By their signatures, the individuals below affirm that they represent the parties indicated and agree to the assurances outlined within this agreement.

Participating School

School Name

Official's Name (Please Print)

Official's Title

Signature

Date

Scholarships for Education Choice

Official's Name

Official's Title

Signature

Date

Please visit this link to provide details about your school: http://www.tfaforms.com/365345