



## Scholarship Granting Organization Donations

**Did you know that Individual and Corporate SGO donors receive a 50% State Tax Credit & a Federal Deduction on their tax returns?**

### **About the SGO**

The Scholarship Granting Organization of Northeast Indiana (SGONEI) was founded in 2011 to provide low and middle-income families with scholarships to attend Catholic schools in the Diocese of Fort Wayne-South Bend. SGONEI is one of six approved SGOs (Scholarship Granting Organizations) in the state of Indiana and was created to allow diocesan families to benefit from the Indiana Tax Credit Scholarship program. Since 2011, SGONEI has granted over 4,000 student scholarships worth more than \$4.3 million.

### **What is an SGO?**

SGO stands for "Scholarship Granting Organization" which provides scholarship awards to low and middle-income families to help them afford the school of their choice. SGOs were enacted in 2009, but were expanded as part of the 2011 Choice Bill that features a 50% state tax credit for contributions made to these SGOs. The funds donated can then be distributed to families who meet the income and other requirements. SGO scholarships are funded by charitable corporate or individual private donations, not by the state.

### **What is the tax credit available to SGO donors?**

Donors are eligible to take advantage of a 50% credit against their state tax liability for these contributions. If a donation exceeds a donor's tax liability for the year, the credit can be used against future tax liabilities.

### **What is the difference between a tax deduction and tax credit?**

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

### **Who can qualify for the tax credit?**

Individuals, corporations, partnerships, LLCs, PCs, and self-employed are all eligible for the tax credit; in fact, any entity with a state tax liability can receive the benefit from a donation to the SGO.

**Is there a cap or limit to the SGO and tax credit?**

There is a \$12.5 million per fiscal year cap (through June 30) on available state tax credits for up to \$25 million in donations across the state. There are no limits on the size of donations per entity or individual; you or your business could donate \$5 or \$25,000,000 depending on the remaining tax credits available state-wide. **Tax credits are awarded on a first-come, first-serve basis, and the cap was reached mid-December last year.** You can check [www.in.gov/dor/4305.htm](http://www.in.gov/dor/4305.htm) to see how many credits are currently remaining.

**Can I still take my SGO gift as a deduction on my federal taxes?**

Yes, your gift to the SGO is tax deductible to the full extent of the charitable laws.

**What is an example of the possible tax benefits for my gift to the SGO?**

Depending on your tax bracket, a donation of \$1000 to the SGO could result in:

Donation to SGO	\$1000.00
50% state tax rebate	(-\$500.00)
30% federal deduction	(-\$300.00)
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Net cost to you	\$200.00

\*\*Consult your tax advisor to determine your specific tax situation.

**Why should I make a contribution to the SGO?**

Gifts to the SGO will ensure that more and more students in our community will receive a Catholic education! An award from the SGO during a student's Kindergarten year, will most likely result in a School Choice Scholarship for the student's subsequent years of Catholic education (provided the family still meets the income requirements)

**Can I restrict my donation to a specific diocesan school or student?**

Donations can be restricted to a specific diocesan school, such as St. Anthony de Padua. Donors, however, may not designate to a particular student or family. Also, you may not donate to the SGO if you have children receiving a SGO award.

**How do I donate to the SGO?**

To donate, go the home page of the [SGONEI website](#) and click the blue "Donate Online" button. It will take you to the donation page where you will input your information. There will be various options for payment, including credit card, check, or stock transfer. Please be sure to specify "St. Anthony de Padua School" as the recipient.

An email confirmation will be sent. Following this process, the donor will receive a Tax Credit Certification Number (TCCN) in a letter to use.

**Thank you for your consideration is helping children in need receive a Catholic education!**