



900 S.W. Jackson Street, Suite 102
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www.ksde.org

TAX CREDIT FOR LOW INCOME STUDENTS SCHOLARSHIP PROGRAM

RULES AND REGULATIONS

The rules and regulations in this document are based on the provisions of K.S.A. 72-4351 through 72-4357 and amendments thereto.

Each scholarship granting organization (SGO) that desires to be certified in compliance with the Tax Credit for Low Income Students Scholarship Program shall apply to the State Board of Education.

The application shall include the following information for the scholarship granting organization: name; address; name of chief executive officer; list of qualified schools cooperating with the scholarship granting organization; verification of 501(c)(3) designation under the federal IRS code; surety bond or financial information (form 990 schedule A or most recent independent CPA audit of organization); and verification that there is no co-mingling of scholarship funds with any other funds.

Following review of the application, the State Board of Education shall issue a certificate to the Director of Taxation and a copy to the scholarship granting organization or a denial of a certificate to the scholarship granting organization within 30 days of receipt of the application by the scholarship granting organization.

A denial of a certificate shall contain a description of the items required but not included in the application. The scholarship granting organization shall have 30 days to submit the required items.

SGO Required Reports and Forms:

On June 1st of each year the scholarship granting organization shall submit to the State Board of Education the latest calendar year CPA audit. The CPA audit should consist of, but not limited to, information verifying that the educational scholarships awarded by the SGO were distributed to qualified schools with respect to eligible students, the SGO has disburse not less than 90% of contributions received pursuant to the program in the form of educational scholarships within 36 months of receipt of such contributions, that contributions made under the program are not commingled with other contributions made to the scholarship granting organizations and information specified in K.S.A. [72-4354](#). Eligible students must meet the following criteria: (1) resides in Kansas; (2) Is eligible for free or reduced-price meals under the national school lunch act; (3) was enrolled in kindergarten or any of the grades one through eight in any public school in the previous school year in which an educational scholarship is first sought for the child; or is



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eligible to be enrolled in any public school in the school year in which an educational scholarship is first sought for the child and the child is under the age of seven years; or has received an educational scholarship under the program and has not graduated from high school or reached the age of 21 years.

By June 1st of each year, the SGO shall also submit a report to the State Board of Education listing the educational scholarships to be provided in the preceding 12 months. Such report shall be certified by a CPA and included the following information:

- 1) The name and address of the SGO
- 2) The name and address of each eligible student receiving an educational scholarship by the SGO during the preceding 12 months.
- 3) The total number and total dollar amount of contributions received during the preceding 12 months.
- 4) The total number and total dollar amount of educational scholarships awarded during the preceding 12 months to eligible students.
- 5) The total number and total dollar amount of contributions received each month of the reporting period.
- 6) List each student scholarship awarded for the reporting period.

On December 1st of each year the scholarship granting organization will submit a scholarship award report to the Kansas State Board of Education. This report will be used by the State Board of Education to review the eligible students that were awarded a scholarship each school year and will contain data used by the State Board of Education to complete the legislative report.

On December 1st of each year the SGO shall submit to the Kansas State Department of Education, the SGO Renewal of Compliance form for the following calendar year. This form renews the SGO participation and compliance in the program for the following calendar year.

Following review of the renewal of compliance form, the Kansas State Board of Education shall issue a certificate of substantial compliance to the Director of Taxation for the following calendar year or a denial of a certificate of substantial compliance to the scholarship granting organization within 30 days of receipt of the renewal of compliance form by the scholarship granting organization.

A denial of a certificate of substantial compliance shall contain a description of the items required but not submitted by the SGO (ex: CPA audit, or annual report). The scholarship granting organization shall have 30 days to submit the required items.



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SGO Payments of Educational Scholarships to Qualified Private Schools:

The scholarship granting organization shall direct payments of educational scholarships to the qualified school attended by the eligible student or in which the eligible student is enrolled. Payment may be made payable to both the parent and the qualified school or to only the qualified school.

Qualified Private Schools:

A qualified private school is defined by K.S.A 72-4352(h) section 1-4 as:

- (1) any nonpublic school that provides education to elementary or secondary students
- (2) and is accredited by the state board or a national or regional accrediting agency that is recognized by the state board for the purpose of satisfying the teaching performance assessment for professional licensure.
- (3) has notified the state board of its intention to participate in the program; and
- (4) complies with the requirements of the program.

The list of accrediting agencies that are recognized by the state board can be found at the link below.

[Recognized K-12 Accrediting Agencies \(ksde.org\)](http://ksde.org)

A nonpublic school that wishes to participate in the program must submit the Request for Participation form to the Kansas State Board of Education. Once the Request for Participation form is received by the Kansas State Department of Education and if the nonpublic school meets the definitions of a qualified private school, the name of the school will be listed as a qualified private school on the Tax Credit for Low Income Students Scholarship Program website. [Tax Credit for Low Income Students Scholarship Program \(ksde.org\)](http://ksde.org)

Once the nonpublic school is determined to be a qualified private school by the Kansas State Department of Education, the qualified private school should also submit a copy of the Request for Participation form to any Scholarship Granting Organization that awards scholarships to eligible students to attend the qualified private school.