

**Saint Ignatius High School
Scholarship Granting Organization
(Wildcat Ohio Tax Credit Fund)
Frequently Asked Questions (FAQs)**

What is a Scholarship Granting Organization (SGO)?

It is a religious or nonprofit organization exempt from federal taxation whose primary intent must be to award academic scholarships to low-income students to attend schools in grades K-12. Primary intent means the organization must spend >50% of expenses on scholarships. Low income is defined as income below 300% of poverty level.

What is the benefit of an SGO?

The State of Ohio recently enacted legislation allowing a tax credit up to \$750 per individual or \$1,500 for married couples filing jointly for donations made to certified scholarship granting organizations. This credit is available to individuals who have an Ohio tax liability. The credit is a dollar-for-dollar credit, but is limited to the lesser of: 1) \$750 per individual; or, 2) \$1,500 for married couples filing jointly; or, 3) your total tax liability.

Why did Saint Ignatius High School create a separate SGO?

Only donations made to a certified scholarship granting organization are eligible to receive a tax credit on an individual's State of Ohio tax return. The **Wildcat Ohio Tax Credit Fund** was created to allow donors to make donations for our students while also receiving eligibility for tax credits. The **Wildcat Ohio Tax Credit Fund** is fully certified with the State of Ohio as a scholarship granting organization. Donations made directly to the high school's annual fund are not eligible for the credit.

How do I estimate my State of Ohio tax liability?

All individuals with earned income will pay income taxes to the State. Even if you received a refund in the previous year, you paid State income taxes. To estimate the current year's liability, contact your tax preparer or review your previous year's tax return. Your State tax liability is not necessarily the amount deducted from your paycheck or the amount refunded to you or owed to the State. Rather, the tax liability is the total amount owed to the State *before* determining whether there is a refund or an additional amount to pay. In order to estimate if you will have a tax liability in the coming year, review your tax liability from the previous year's State of Ohio tax return (in 2021, this amount would be on 1040 IT, line 8c). After considering whether there have been significant changes to your income this year, reviewing the prior

year's State of Ohio tax return will help to estimate whether you will have a similar liability in the current tax year. Contact your tax preparer with questions.

I received a refund on my State of Ohio taxes last year. Am I still eligible for an SGO tax credit?

Yes. The scholarship granting organization tax credit applies to the State of Ohio tax *liability*. The liability is calculated before credits are applied for withholdings made by your employer or before applying other tax credits. As long as the liability exceeds \$750 per individual or \$1,500 for married couples filing jointly, you may be eligible for the SGO tax credit. Please note, however, the tax credit is not refundable. Although credits are stackable, the SGO tax credit in combination with other State tax credits may not exceed the tax liability.

How does a tax deduction differ from a tax credit?

A tax deduction reduces a taxpayer's overall taxable income. A tax credit is a dollar-for-dollar credit against the taxes paid to the State of Ohio up to the limits allowed by the credit. All SGO donations are directed to the **Wildcat Ohio Tax Credit Fund** rather than to the State.

How can I donate?

You may donate online at www.ignatius.edu/wildcat-fund or by sending a contribution directly to the **Wildcat Ohio Tax Credit Fund**, 1911 W. 30th St., Cleveland, OH 44113.

Can I direct my donation to either Saint Ignatius High School or The Welsh Academy?

Yes. When donating online, donors have the option of designating either school via a drop-down box. If mailing a check, you may indicate the designation in the memo line on your check or in a cover letter. In either case, prioritization of awards will go to low-income students.

Can I direct my donation to a specific student?

No. As a 501(c)(3) organization, the **Wildcat Ohio Tax Credit Fund** may not accept donations that are designated for a specific student.

Is my donation to the Wildcat Ohio Tax Credit Fund limited to \$750 per individual?

No. Any donation may be made, but the tax credit available through the State of Ohio is limited to \$750 for an individual or \$1,500 for married couples filing jointly.

If I would like to make a \$1,500 donation on behalf of myself and my spouse, should I make two separate contributions, or one single contribution?

We advise you to speak to your tax preparer to see if they would recommend individual \$750 donations in each spouse's name.

Can I make a recurring contribution?

Yes. You may make a one-time contribution or a recurring monthly contribution.

My employer offers matching contributions. Will the Wildcat Ohio Tax Credit Fund accept a matching contribution from my employer?

Yes. This is a great way to increase your impact. However, you will not receive a receipt or tax credit for your employer's matching amount.

What students are eligible to receive an award through the Wildcat Ohio Tax Credit Fund?

While all students who attend Saint Ignatius High School or The Welsh Academy are eligible to receive an award, prioritization will be given to low-income students.

Does a student need to apply for an award through the Wildcat Ohio Tax Credit Fund?

Yes. Students may apply for a financial assistance award through the **Wildcat Ohio Tax Credit Fund** by completing an application through FACTS Grant & Aid. A link to that application is provided on the Saint Ignatius High School website (<https://online.factsmgt.com/signin/3x0VC>).

Who is responsible for submitting the contribution information to the State of Ohio?

Each donor is personally responsible for maintaining the contribution acknowledgement receipt provided by the **Wildcat Ohio Tax Credit Fund**. That receipt can be used to claim the tax credit through the State of Ohio.

How do I receive the tax credit with the State?

STEP 1

Estimate your State
of Ohio tax liability

(In 2021, your liability
was shown on Form
1040 IT, Line 8c)

STEP 2

Donate to the
Wildcat Ohio Tax
Credit Fund

STEP 3

Complete your
State of Ohio income
tax return, include
your contribution
receipt and claim the
tax credit