

Dear Covenant Christian Ministries Academy Parents and Friends,

Please read the information below to discover the most recent information in helping CCMA fund the newly approved tax credit scholarship program. As we all become a part of this tax redirecting process, we have the unique opportunity to help provide Christian education to others who desire to become part of our Covenant Christian Ministries Academy family!

Most frequently asked questions about the Georgia Christian Schools Scholarship Fund

Q: What is the history and purpose of the new tuition tax credit legislation that gave rise to the Georgia Christian School Scholarship Fund?

A: In 2008, the Georgia General Assembly passed House Bill 1133 that was then signed into law by Governor Sonny Perdue. The new law provides for the creation of student scholarship organization ("SSO's") that use Georgia income tax credit-eligible contributions to provide public school or kindergarten entry students with the opportunity to attend private schools. Covenant Christian Ministries Academy, along with fifteen Christian schools in the area, is participating under the the Georgia Christian Schools Scholarship Fund (GCSSF), one of the SSO's created to implement this new law. The passing of this innovative law in Georgia confirms that the legislature has shown its commitment to providing school choice to the citizens by allowing us to utilize our tax dollars in a way we deem appropriate.

Q: Is GCSSF an agent of Georgia government, and what is its role?

A: No, Georgia Christian School Scholarship Fund is an independent 501(c)(3) tax-exempt organization. GCSSF, not the state of Georgia, provides scholarships to students at its participating schools. The organizational framework and information on the legislation provides ongoing legal monitoring of the required regulations, and generally provides a base of knowledge to the 15 schools currently enrolled in GCSSF.

Q: Are we opening the door for government intervention in our school through this tax redirecting law? Can we be forced to compromise our Christian principles and/or practices if we become eligible for scholarship money?

A: The administration of CCMA would never agree to participate in a program in which our mission or standards could be at risk of compromise or question.

Q: How will Covenant Christian Ministries Academy be able to benefit from this legislation?

A: As funds become available through the program, it has the potential to remove financial barriers and enables more qualified students and families seeking a

Christian education for their children to attend CCMA. As a GCSSF participating school, we will be eligible to promote the program to its donors (any Georgia taxpayer with an interest in promoting Christian education) whom in turn, can designate their contributions to GCSSF to be used to provide scholarships at CCMA.

Q: How will my designated tax credit work?

A: A taxpayer contributing to GCSSF and designating CCMA as the recipient school receives an income tax CREDIT against their Georgia income taxes for the amount of their contribution. For example, if a married couple filing a joint return owes \$6,000 of Georgia income taxes and makes the maximum contribution to GCSSF of \$2,500, they would only have to pay \$3,500 of income taxes to the state of Georgia in the year they applied to be eligible. In essence, by spending (pre-paying) your Georgia state tax, you will get back the exact amount you pre-paid when your tax return is filed. Your only loss will be the time between pre-paying the amount and filing your taxes. Keep reading because you will also be able to receive a donation deduction on your federal taxes if you itemize! It is a winning proposition for every participant!

Q: What is the maximum amount of Georgia income taxes that an individual can redirect each year to GCSSF?

A: For married couples filing a joint return, the maximum tax credit-eligible contribution per year is \$2,500. The maximum for an individual is \$1,000. The limit for a married couple filing separately is \$1,250. Any amount up to the maximum is accepted and appreciated. A person may apply for this redirection of taxes each calendar year.

Q: Who is eligible to redirect their state taxes?

A: Any Georgia state taxpayer is eligible to redirect their taxes. This includes parents, grandparents, neighbors, family, friends, etc. Please encourage family and friends to use this first-time-ever opportunity to use their tax dollars to educate students to "prioritize the wisdom of God first as they include Him in every aspect of their lives while completing a quality academic program which equips them for higher learning and to be a productive part of society."

Q: If a person has already paid his/her estimated Georgia income taxes for a particular tax year and makes a contribution to GCSSF in that year, will he/she still receive a Georgia income tax credit for the amount contributed?

A: Yes. If, after applying the tax credit against the Georgia income tax due and applying all estimated tax payments and withheld income taxes there is an overpayment, the taxpayer can elect to have all or a portion of the overpayment paid back to him/her.

- Q: Can corporations contribute to GCSSF and designate Covenant Christian Ministries Academy as the recipient?
- A: Yes. Corporations can receive a tax credit for amounts contributed up to 75% of their Georgia income tax liability. Presently, this tax credit is only fully available to "C" corporations. Redirection of taxes from a "C" corporation can be designated for CCMA scholarships.
- Q: Can a person get a charitable tax deduction on federal taxes if itemizing deductions?
- A: Yes. On an itemized federal form, a deduction may be taken.
- Q: Is it too late to redirect taxes to this scholarship program in 2009? What is the deadline?
- A: To ensure approval of your intended contribution in time to secure a 2009 Georgia tax credit, take the first step by filing Form IT-QEE-TP1 by October 31, 2009. Until a person receives approval from the Georgia Department of Revenue (DOR), no payment is required. Upon receipt of the approval from DOR, a person has 30 days to issue a check to GCSSF. All payments must be made by the end of the calendar year.
- Q: If I redirect taxes to GCSSF scholarships, can I designate that it goes for CCMA students?
- A: Yes, definitely, and we are counting on your help!
- Q: If I redirect taxes to GCSSF scholarships, can I designate a student who will benefit from the financial assistance?
- A: No. As a tax credit and charitable contribution, a family may not designate a specific student or family who will benefit, including their own. The administration of CCMA will have the discretion of deciding which qualified recipients will be recommended for the receipt of the scholarships.
- Q: What are the state qualifications for a student to receive financial assistance from Georgia Christian School Scholarship Fund?
- A: As the legislation indicates, eligible students include those who are "Georgia residents enrolled in a Georgia secondary or primary public school or eligible to enroll in a qualified kindergarten or pre-kindergarten program." It is important, however, that parents of kindergarten students and students new to CCMA from public school this year enroll within this school term to meet this requirement.

- Q: Will CCMA modify the admission criteria to accommodate students who would qualify for Georgia GOAL Scholarships but not qualify under the current admission criteria of the school?
- A: CCMA will not modify entrance requirements, but will remain steadfast in all admissions requirements currently in place. All applicants will be required to have completed the CCMA application for admission. Exceptions will not be made for GCSSF qualified students. The program simply allows for families with qualified students who desire a Christian education for their student and who had not previously been able to attend CCMA to do so. Admission standards will not be relaxed so that the mission of the school will remain firm.
- Q: How does a family apply to receive financial assistance from the GCSSF Program?
- A: These applications will be completed by the family and submitted through the CCMA front office. Applicants must be accepted to CCMA prior to consideration to receive a GCSSF scholarship.
- Q: Will a student automatically receive GCSSF funding each subsequent year that he/she is enrolled at CCMA after he/she has received an initial scholarship?
- A: GCSSF scholarships are awarded for the duration of a student's enrollment at CCMA. The amount of the scholarship received each year is determined annually based on a student's financial need, the availability of GCSSF funds designated for use specifically at CCMA, and the student's compliance with the behavioral, academic, and covenant standards of the school.
- Q: As funds in GCSSF grow over time, if enough qualified applicants are not accepted at CCMA, what happens to the funds that have been donated and designated for CCMA?
- A: Under the terms of the GCSSF School Participation Agreement entered into between GCSSF and CCMA, any unused funds that have been designated for use at CCMA are held by GCSSF in an account earmarked for CCMA, and together with any net income earned on the account, are available for the awarding of future scholarships.
- Q: Does the scholarship program affect the current financial aid program at CCMA?
- A: Currently, the financial assistance program at CCMA exists to serve current school families who have an identified financial need. Since the GCSSF program serves students new to the school, the program at CCMA continues to operate as it has in the past. There is no conflict between the two. The two working together will compliment one another, making it possible to assist additional families.

Q: How will CCMA communicate this financial assistance opportunity to qualified families?

A: Over the past few years, CCMA has had students who have had to leave the school and are currently enrolled in public schools due to economic reasons. We will make every opportunity to notify these families to provide information about the program. A strategy is being developed to create awareness within the community beginning with our current school families, former school families, and Covenant Christian Ministries.

Q: Is there a cap on the money the state will allow to be designated?

A: There is an annual state-wide \$50 million cap on the available tax credit. Once it has been reached for a calendar year, no additional scholarship money may be collected by GCSSF or other scholarship agencies. This makes it especially important for CCMA parents and interested parties to fill out the paperwork now and begin the process.

Q: What do I do next?

A: Complete the form IT-QEE-TP1 from the CCMA website and mail it to the Georgia Department of Revenue.

1. In 30 days or less you will get a form back from the Georgia Department of Revenue approving your contribution.
2. You then have 30 days to write your check to Georgia Christian Schools Scholarship Fund and designate Covenant Christian Ministries Academy in the memo section of the check. You can mail the check to GCSSF at 1000 Whitlock Avenue, Suite 320, PMB 345, Marietta, GA 30064. GCSSF will send you an acknowledgement form (IT-QEE-SS01) which you will send along with the approved IT-QEE-TP1 form when you file your tax return.
3. When you complete your taxes early next year, you get a direct credit against your Georgia income taxes for the amount of your contribution, AND you get a charitable tax deduction on your federal taxes as well, if you normally itemize your deductions. You get your money back for the donation because your Georgia taxes are reduced by the same amount!
4. In the end, you will have spent no extra money at all, but you will have helped CCMA build a scholarship fund for new students, and you will get an extra federal tax deduction! Can you imagine a better way to use your tax dollars than providing a vehicle whereby God's Word may be shared within our community while educating His most precious treasure?