

**Illinois Department of Revenue
Regulations**

Title 86 Part 1000 Section 900 Scholarship Granting Organizations: Reports

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 1000
INVEST IN KIDS ACT

Section 1000.900 Scholarship Granting Organizations: Reports

- a) *Within 180 days after the end of its fiscal year, each SGO must provide to the Department a copy of a financial audit of its accounts and records conducted by an independent certified public accountant in accordance with auditing standards generally accepted in the United States, government auditing standards, and this Part.*
- 1) *The audit must include a report on financial statements presented in accordance with generally accepted accounting principles.*
 - 2) *The audit must include evidence that no less than 95% of qualified contributions received were used to provide scholarships to eligible students. To qualify as an SGO, the SGO must use at least 95% of the qualified contributions received during an SGO's taxable year for scholarships. (See definition of "scholarship granting organization" in Section 1000.100.) An SGO is not required to distribute 95% of the funds during the taxable year in which the contributions were received.*

EXAMPLE: An SGO's taxable year ends June 30. The SGO receives contributions in the amount of \$1,000,000 before June 30. The SGO is not obligated to use 95% of the funds before June 30, the end of the SGO's taxable year. It is required to ultimately distribute 95% of the funds for scholarships. In addition, the SGO is required to meet any other requirements contained in Section 1000.600(h) and (i).
 - 3) *The audit must include an attestation that the SGO awarded scholarships in compliance with the definition of "eligible student" and the guidelines contained in Section 1000.600.*
 - 4) *The Department shall review all audits submitted pursuant to this subsection (a)(4). The Department shall request any significant items that were omitted in violation of this Part. The items must be provided within 45 days after the date of request. If a scholarship granting organization does not comply with the Department's request, the Department may revoke the scholarship granting organization's ability to issue certificates of receipt.*
- b) *An SGO that is approved to receive qualified contributions shall report to the Department, on a form prescribed by the Department, by January 31 of each calendar year beginning in the year 2019. The report shall include:*

- 1) *the total number of certificates of receipt issued during the immediately preceding calendar year;*
- 2) *the total dollar amount of qualified contributions received, as set forth in the certificates of receipt issued during the immediately preceding calendar year;*
- 3) *the total number of eligible students utilizing scholarships for the immediately preceding calendar year and the school year in progress and the total dollar value of the scholarships;*
- 4) *the name and address of each qualified school for which scholarships using qualified contributions were issued during the immediately preceding calendar year, detailing the number, grade, race, gender, income level, and residency by Zip Code of eligible students and the total dollar value of scholarships being utilized at each qualified school by priority group, as identified in Section 40(d) of the Act; and [35 ILCS 40/35]*
- 5) a list of all transfers of funds made pursuant to Section 1000.600(k) and (l) and the names and addresses of the SGOs who received the funds.