SCHOLARSHIPS *for* KIDS

DONOR GUIDE

STEP-BY-STEP GUIDE TO MAKE YOUR TAX CREDIT GIFT

INSTRUCTIONS FOR INDIVIDUAL DONORS

PART 1: CREATING MY ALABAMA TAXES ACCOUNT

If this is your first time claiming an income tax credit, you will need to create a My Alabama Taxes (MAT) account through the Alabama Department of Revenue website.

**You may skip this step and login if you have claimed tax credits in the past.*

To set up a MAT account, you will need:

- Your social security number
- Your Alabama Adjusted Gross Income (AGI) from your previous year's state tax return. Your federal AGI will not work.

Step 1: Go to myalabamataxes.alabama.gov and click ***Create a My Alabama Taxes account*** in the Sign in to MAT box.

Step 2: From the drop-down box, select *Individual Income Tax* and enter your social security number, your last name, and your previous year's Alabama AGI. Click *Next.*

Step 3: Choose a username, a password, and your password recovery question and answer. Click *Next.*
Note – Please record your username and password somewhere safe. You will need this again next year, and we are unable to retrieve lost passwords.

Step 4: Enter your personal contact information. Click *Submit.*

Step 5: Before you leave the final screen, we suggest printing the final confirmation screen with your login details.

PART 2: REGISTERING YOUR DONATION

To claim your tax credit, you will be using the My Alabama Taxes (MAT) portal on the Alabama Department of Revenue website.

Step 1: Go to myalabamataxes.alabama.gov. Sign in using your username and password. You may be prompted to enter a security code to verify your identity.

Step 2: On your home screen, under the Individual Income Tax section, you will see a Tax incentives box. Choose the 3rd link: "*Report a donation to an SGO (Scholarship Granting Organization)*".

Step 3: Enter the following information:

- Donor Name
- Address

- Select "*Click here to enter your address*" and fill out Address Line 1, City, State, and ZIP.
- Then, select "*Click here to verify*" Choose the "*Verified*" option by clicking "*Select this address*" on the right side of your screen. If successful, you will now have a green check and "*Verified*" at the bottom of the box. Click *Save*.

- Phone Number
- SGO Name: This will be a drop-down box. Please select the last option: ***SCHOLARSHIPS FOR KIDS, INC.***
- Donation Amount
- Donation Date
- Click *Next*

Step 4: Write a check for your exact donation amount **made out to Scholarships for Kids.** Mail your check within 30 days, or if possible, the same day: **(attach a sticky note that says "Inspired by Banks Academy".**

Scholarships for Kids, Inc.
P.O. Box 10204
Birmingham, AL 35202

Important Notes About Checks: Checks must be for the same amount as the donation amount entered on MAT and must be written from your personal account.

Tax Receipts: Once Scholarships for Kids receives and processes your check, they will verify your tax credit on the ADOR website and send you a receipt. After your donation is verified, the Department of Revenue will send you a separate Alabama Tax Credit Receipt.

INSTRUCTIONS FOR PASS-THROUGH ENTITIES

Donating to Scholarships for Kids through a pass-through entity, and then claiming an individual tax credit against individual Alabama State income taxes, requires just a few simple steps, as follows.

Step 1: Register your entity with the online portal of The Alabama Department of Revenue (the Department), called My Alabama Taxes (MAT).

Step 2: Designate online at MAT, Scholarships for Kids, then follow a short series of instructions/steps online at MAT to record the donation and reserve a portion of the Remaining Alabama Scholarship Reserve.

Step 3: Cause your entity to make its donation to the SGO. *Note – Checks must be written on the entity account.*

Step 4: The SGO will process your donation and send written confirmation of the gift. You will need this acknowledgment letter to attach in the next step.

Step 5: The pass-through entity will submit a credit claim on their MAT account to be processed by the Department of Revenue.

Step 6: The individual owners of the entity will claim the credit on their individual tax returns, pro rata to their ownership. *Note – The Alabama Accountability Act limits individual taxpayers claiming credits to $100,000 per year. (revenue.alabama.gov/individual-corporate/alabama-accountability-act)*

STEP 1: SETTING UP A MAT ACCOUNT

Reserving a tax credit requires the use of the Alabama Department of Revenue's online portal, My Alabama Taxes (MAT). Taxpayers who have not previously set up an account with MAT will need to do so.

To set up an account with MAT, call the Alabama Department of Revenue – (334) 242-1200 or (334) 242-1033 – or go online at My Alabama Taxes (myalabamataxes.alabama.gov).

If you set up an account by phone, you will need:

- Federal ID Number (EIN)
- Name of company
- Caller's position with the company
- Account type (Pass-through entity)

Note – If your pass-through entity is already registered (e.g., already has a Business Privilege Tax Account), the Alabama Accountability Act option can simply be added to its existing registration.

STEP 2: RESERVING TAX CREDITS

After registering the entity, log in to your account:

- Select the "*Report a donation to a (SGO) Scholarship Granting Organization*" link under Tax Incentives.
- Select your way through the following options:
  - Donor name
  - Address (you'll have to verify your address and click "*Save*")
  - Phone
  - Select your Scholarship for Kids, Inc. as the SGO
  - Identify your donation amount
  - Select your donation date
  - Identify your deductible donation claim year
- Once you have completed the process, you will be given a confirmation number.

STEP 3: MAKING THE DONATION

Checks must be written on the entity account and received within 30 days of the donation registration.

- Checks should be sent to:

  Scholarship for Kids, Inc.
  PO Box 10204
  Birmingham, AL 35202
- **Once the check is received, Scholarship for Kids will verify the donation with the Department of Revenue and send you an acknowledgment letter through the mail.**

STEP 5: DOCUMENTATION

After receiving confirmation from the SGO, you must then submit a credit claim on your MAT Account.

- Log into your My Alabama Taxes account.
- Select the "*Submit a credit claim*" link under the Tax Incentives section found at the bottom of your screen
- Under Credit Type, select "*Alabama Accountability Act Credit – Scholarship Granting Organization (SGO)*" from the dropdown box.
- Next, complete the filing period, credit amount, and provide the owner's Information. ***Be sure to attach the confirmation letter received from the SGO, then click next and confirm that the information is correct.***