



Scholarship Application Guidelines 2018-19 School Year

Determining Household Size

For SGO Applications, the term household means a group of related or nonrelated individuals who are living as one economic unit and who share housing and or significant income and expenses. More than one economic unit may reside together in the same house. Separate economic units in the same house are characterized by prorating expenses and economic independence from one another.

- The total household size reported on the SGO Application is the total household size at the time of application.
- Unborn children are not included in household size. If the baby is born prior to the application deadline, the parent may submit or resubmit the student's SGO Application and include the baby in the household size count and complete a *Household Size Verification Form*.

The following special situations should be considered when determining household size:

• Foster, Adopted, and Foreign Exchange Students

- Foster children, adopted children, and foreign exchange students are considered to be members of the household in which they reside.

• Divorce or Separation

- Children of divorced or separated parents are generally part of the household that has custody.
- When joint custody has been awarded and the child physically changes residence, the child is considered part of the household where s/he resides for the majority of the year.

• Emancipated Child

- A child living alone or as a separate economic unit is considered a household of one.

• Family Members Living Apart

- Family members living apart on a temporary basis are considered household members.
- Family members not living in the household for an extended period of time are not considered members of the household for purpose of determining eligibility, but any money made available by them or on their behalf for the household is included as income to the household.

• Child Attending an Institution

- A child who attends but does not reside in an institution is considered a member of the household in which the child resides.

• Child Away at School

- A child who is temporarily away at school (college or boarding school) is included as a member of the household.

• Child Living with One Parent, Relative, or Friends

- In cases where no specific welfare agency or court is legally responsible for the child or where the child is living with one parent, other relatives, or friends of the family, the child is considered to be a member of the household with whom the child resides.

• Deployed Service Personnel

- Any member of the armed services who is activated or deployed in support of any military combat operation is counted as a household member.

Supporting Document Options

Option 1: Federal Tax Return, Form 1040 or Transcript

Option 2: Foster Child Status

Option 3: Choice Scholarship Eligibility Verification System

Option 4: 3rd Party Verification Programs (FACTS, PASS, etc)

Option 5: Income Verification Form

1. Federal Tax Return

This is the preferred support document for The Lutheran SGO of Indiana SGO applications.

- If a 2017 Federal Tax Return is available, the Adjusted Gross Income amount on the Federal Tax Return should be used to determine income eligibility.
- If members of the same household filed separate 2017 Federal Tax Returns, the Adjusted Gross Income line and household sizes for each return should be added together to determine the total household income and size
- If the household size on the tax return is not accurate, the parent/guardian must complete the *Household Size Verification Form*.
- If the student applying for the Choice Scholarship is not listed on the tax return, the parent/guardian must complete the *Household Size Verification Form*.
- A copy of the tax return(s) and the *Household Size Verification Form*, if applicable, must be kept in the student's file.

2. Foster Child Status

Foster children are automatically income eligible to participate in the SGO Scholarship Program. Official documentation verifying the student's current foster status at the time of application must be submitted with application and retained in the student's file.

3. Choice Scholarship Eligibility Verification System

The Choice School Administrator will be able to search Indiana's DOE database for the student by first and last name and county of residence. The Choice Scholarship Eligibility Results Screen for the student should be printed and submitted with the SGO application and retained in the student's file.

4. 3rd Party Verification Programs

If the school has a third-party verification program, such as FACTS or PASS, a printout with the student and parent names, date, year, household size and income can be used as the supporting document submitted with an application. It is always best to verify with the SGO Data Processing Manager or other TLSGOI Staff that the printout will work and the program is recognized as acceptable before submitting the applications.

5. Income Verification Form

The Income Verification form should only be used for exceptions.

- In situations where the current Federal Tax Return is unavailable, or if an event has occurred and has caused a significant decrease in the expected amount of income, the **Gross Income** amount will be used to determine eligibility. In these cases, the parent/guardian is required to provide the following:
 - The *Income Verification Form* which includes the *Income Calculation Worksheet*.
 - Supporting income documentation, which may include the following:
 - W-2
 - Unemployment compensation statement
 - 1099s and/or statements from banks or other financial institutions showing interest earnings
 - Earnings from investments, bonds, estates, or trust accounts
 - Social Security statements

- Pension or annuity statements
- Military retirement benefits statement
- Employer statement on company letterhead

If a household cannot provide any of the above supporting documentation, the parent/guardian must provide an explanation on the *Income Verification Form*.

The following types of income are excluded from the total household income:

- Payments received for the care of foster children
- Student financial assistances provided for the costs of attendance at an educational institution, such as grants and scholarships
- Loans, such as bank loans
- Value of non-cash benefits
- Value of benefits under the Supplemental Nutrition Assistance Program (SNAP) or Food Distribution Program on Indiana Reservations (FDPIR)
- Military pay received as a result of the service member's deployment to or service in an area that has been designated as a combat zone
- Occasional earnings received on an irregular basis (not recurring, such as payment for occasional baby-sitting or mowing lawns)