

1. How should a school proceed if the household size reported on a Federal Tax Return is inaccurate?

The school must collect the Federal Tax Return and have the parent/guardian complete the *Household Size Verification Form*. The parent/guardian must indicate on the *Household Size Verification Form* why the household size reported on the tax return is no longer accurate.

2. Are one-time distributions from IRA, 401k, pension or annuity accounts included in the total household income?

Yes, any distribution from an IRA, 401 k, pension or annuity account that occurred should be included in the total household income reported on a student's application.

3. Is overtime pay included in the total household income?

Yes, all earnings and payment for work, including overtime pay, should be included in the total household income.

4. Can medical and other recurring expenses be deducted from the total household income?

No, medical and other recurring expenses cannot be deducted from the household income.

5. The head of the household has informed the school that he or she has no documentation to verify income. How should the school proceed?

In instances where the head of household can provide no documentation, the school should have a parent/guardian complete the *Income Verification Form*. On the *Income Verification Form* the parent/guardian would select other as the form of documentation and provide a detailed explanation in the space provided. The school should ask the parent/guardian how they are meeting their everyday expenses (housing, food, phone bill, etc.) if they have no documented income.

6. When is the prior year tax return or other required income documentation provided by the household no longer an accurate picture of household income for purposes of the SGO Scholarship Program?

If an event has occurred that has caused a significant decrease in the expected amount of income to be earned in the current year (2018) compared to the previous year (2017), the total household income reported on the application would be the prior year's income minus the income that is expected to be lost due to the event plus any income that will be received because of the event. The school must have the parent/guardian complete the *Income Verification Form*, provide documentation of the prior year's income, documentation of the event that occurred that caused the change in income, and documentation of any current income that resulted from the event.

7. What type of events would be considered to cause a significant decrease in the expected amount of income to be earned in the current year?

- Job loss
- Reduction in hours
- Death of a household member
- Separation/divorce of the parents/guardians.

8. May anticipated changes in household income (anticipated loss of overtime, anticipated loss of commissions or bonus, etc.) be reflected in the total household income reported on the SGO Scholarship Application?

No, the event that causes a significant decrease in the expected amount of current year income must be an event which has already occurred by the time of application. The reported household income cannot be adjusted based on the uncertainty of future circumstances.