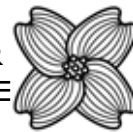




RULES OF
Elected Officials
Division 50—Treasurer
Chapter 5—Missouri Empowerment Scholarship
Accounts Program

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TITLE 15 – ELECTED OFFICIALS
Division 50 – Treasurer
Chapter 5 – Missouri Empowerment Scholarship
Accounts Program

15 CSR 50-5.010 General Organization

PURPOSE: This rule provides a description of the Missouri Empowerment Scholarship Accounts Program and the methods and procedures by which the public may obtain information. This rule is adopted to fulfill the statutory requirement of section 536.023(3), RSMo.

(1) The Missouri Empowerment Scholarship Accounts Program was established August 28, 2021, and qualified students first received grants during the initial program year, which began on July 1, 2022. The enabling statute delegates administrative responsibilities associated with the Missouri Empowerment Scholarship Accounts Program to the state treasurer and permits the treasurer to delegate any duties assigned to the Missouri Empowerment Scholarship Accounts Board.

(2) Requests for information can be submitted to the Missouri Empowerment Scholarship Accounts Program in care of the Office of the State Treasurer at the Harry S Truman State Office Building, Room 780, PO Box 210, Jefferson City, MO 65102. Additional information on the program can be found at www.treasurer.mo.gov.

*AUTHORITY: section 135.719, RSMo Supp. 2025, and section 536.023, RSMo 2016. * Emergency rule filed April 11, 2022, effective April 25, 2022, expired July 30, 2022. Original rule filed Jan. 26, 2022, effective July 30, 2022. Rescinded and readopted: Filed June 16, 2025, effective Jan. 30, 2026.*

**Original authority: 135.719, RSMo 2021, and 536.023, RSMo 1975, amended 1976, 1997, 2004.*

15 CSR 50-5.020 Missouri Empowerment Scholarship Accounts Program

PURPOSE: This rules sets forth general information necessary to carry out the purpose of the enabling statute for the Missouri Empowerment Scholarship Accounts Program. This rule describes the program, establishes the program year, and defines stakeholders and scholarship account.

(1) The Missouri Empowerment Scholarship Accounts Program facilitates grants that provide additional educational opportunities to Missouri families by partnering with charitable organizations that award scholarship accounts and reimburse allowed expenses to elementary and secondary qualifying students that are residents of Missouri. The Missouri Empowerment Scholarship Accounts Program is funded by contributions to educational assistance organizations under the Tax Credit Program and reimbursements to educational assistance organizations under the Missouri Empowerment Scholarship Accounts Grant Program.

(2) Purpose. The purpose of the Missouri Empowerment Scholarship Accounts Program is to assist Missouri families in accessing the educational model or therapeutic education services that meet an individual qualified student's needs. The Missouri Empowerment Scholarship Accounts Program

provides options for Missouri families and allows them to seek an array of alternative educational services ranging from private schools to therapeutic education services.

(3) Program Year. The Missouri Empowerment Scholarship Accounts Program year is a twelve- (12-) month period beginning July 1 and ending on June 30. The program year is identical to the State of Missouri's fiscal year.

(4) Rules and Procedures. The treasurer may promulgate rules as necessary or desirable to carry out the provisions of the Missouri Empowerment Scholarship Accounts Program Tax Credit Program statute. The treasurer may adopt policies and operating procedures concerning its internal management of the Missouri Empowerment Accounts Program Tax Credit Program.

(5) Program Administration and Management. The Missouri Empowerment Scholarship Accounts Program is administered and managed in compliance with the statutes, rules, and the Missouri Empowerment Scholarship Accounts Program Procedures. Procedures and forms for use in the administration and management of the Missouri Empowerment Scholarship Accounts Program are subject to approval of the treasurer or the treasurer's designee.

(6) Stakeholders and Scholarship Account.

(A) Parents and qualified students.

1. Parents. A parent, guardian, custodian, or other person with authority to act on behalf of a qualified student may establish a Missouri Empowerment Scholarship Account for a student by entering into a written agreement with an educational assistance organization.

2. Qualified students. Any elementary or secondary school student who is a resident of Missouri and satisfies all statutory conditions may receive a grant deposited in a scholarship account. The grant funds may be spent for allowable expenses and may not be used for disallowed expenses. The account is renewable on an annual basis upon the request of a parent, guardian, custodian, or other person with authority to act on behalf of a qualified student.

(B) Missouri Empowerment Scholarship Account. A scholarship account provided by an educational assistance organization that can receive distributions of funds raised through the tax credit program or reimburse allowed expenses through the grant program.

(C) Qualified schools. Family paced education (FPE) schools, charter schools, public schools, and public or private virtual schools that do not discriminate on the basis of race, color, or national origin that can enroll qualified students and partners with an educational assistance organization. A qualified school must educate qualified students in at least the subjects of English language arts, mathematics, social studies, and science.

(D) Educational assistance organizations. Educational assistance organizations are charitable organizations that partner with the Missouri Empowerment Scholarship Accounts Program to award scholarship accounts to qualifying students. The number and location of educational assistance organizations is limited by statute. In order to partner with the Missouri Empowerment Scholarship Accounts Program, educational assistance organizations must meet statutory requirements and be certified by the treasurer.

(7) Severability. If any provision of this rule, or the application



of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application and, to that end, the provisions of this rule are severable.

AUTHORITY: section 135.719, RSMo Supp. 2025. Emergency rule filed April 11, 2022, effective April 25, 2022, expired July 30, 2022. Original rule filed Jan. 26, 2022, effective July 30, 2022. Amended: Filed Nov. 14, 2024, effective May 30, 2025. Rescinded and readopted: Filed June 16, 2025, effective Jan. 30, 2026.*

**Original authority: 135.719, RSMo 2021.*

15 CSR 50-5.030 Tax Credit Program

PURPOSE: This rule sets forth general information necessary to carry out the purpose of the enabling statute for the Missouri Empowerment Scholarship Accounts Tax Credit Program and provides for the annual adjustment and allocation of tax credits.

(1) The Missouri Empowerment Scholarship Accounts Program Tax Credit Program encourages taxpayers to make qualifying contributions to educational assistance organizations (EAOs). The EAOs use the qualifying contributions to award scholarship accounts to qualifying students as required by statute.

(2) The treasurer and/or department of revenue may promulgate rules as necessary or desirable to carry out the provisions of the Missouri Scholarship Accounts Program Tax Credit Program statute. The treasurer may adopt policies and operating procedures concerning its internal management of the Missouri Scholarship Accounts Program Tax Credit Program.

(3) Annual Adjustment and Allocation of Tax Credits.
(A) Annual adjustment. The treasurer shall adjust the cumulative amount of tax credits that may be allocated to all taxpayers contributing to educational assistance organizations as provided by statute.

(B) Allocation of tax credits. At or near the beginning of the program year, the treasurer shall provide an initial allocation of tax credits to participating EAOs. During the program year, the treasurer may rebalance or reallocate any available tax credits.

(4) Taxpayers may apply for a tax credit by visiting the treasurer’s official website and completing the online Application for Tax Credit Reservation for contributions to a participating educational assistance organization. Taxpayers may request to rescind all or part of a tax credit reservation. Procedures and forms for use in the administration and management of the program are subject to the approval of the treasurer or the treasurer’s designee.

(5) Severability. If any provision of this rule, or the application of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application and, to that end, the provisions of this rule are severable.

AUTHORITY: section 135.719, RSMo Supp. 2025. Emergency rule filed April 11, 2022, effective April 25, 2022, expired July 30, 2022. Original rule filed Jan. 26, 2022, effective July 30, 2022. Amended: Filed Nov. 14, 2024, effective May 30, 2025. Rescinded and*

readopted: Filed June 16, 2025, effective Jan. 30, 2026.

**Original authority: 135.719, RSMo 2021.*

15 CSR 50-5.035 Grant Program

PURPOSE: This rule sets forth general information necessary to carry out the purpose of the Missouri Empowerment Scholarship Accounts Grant Program and provides for the annual budget authority.

(1) The Missouri Empowerment Scholarship Accounts Grant Program assists certified Educational Assistance Organizations (EAOs) in awarding scholarship accounts to qualifying students.

(2) The treasurer may promulgate rules as necessary or desirable to carry out the provisions of the Missouri Empowerment Scholarship Accounts Grant Program. The treasurer may adopt policies and operating procedures concerning its internal management of the Missouri Scholarship Accounts Grant Program.

(3) Annual Budget. At or near the beginning of the program year, the treasurer shall provide the certified EAOs the anticipated budget authority for the program year. The anticipated budget authority may be increased or decreased during the program year.

(4) During the program year and based upon fund availability, certified EAOs may request reimbursement of allowed expenses for qualified students.

AUTHORITY: sections 135.719 and 166.710, RSMo Supp. 2025. Original rule filed June 16, 2025, effective Jan. 30, 2026.*

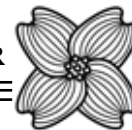
**Original authority: 135.719, RSMo 2021, and 166.710, RSMo 2021.*

15 CSR 50-5.040 Audits and Reporting Requirements

PURPOSE: This rule establishes procedures for the audit and reporting requirements of the Missouri Empowerment Scholarship Accounts Program (the program) and specifies responsibilities of the treasurer, his or her staff, educational assistance organizations, parents, beneficiaries, and any third party designated by the treasurer to carry out services under the program, and is intended to ensure the program conforms with state statutes and promulgated rules. The treasurer has authority to establish standards and reporting requirements for audits performed on certified educational assistance organizations. This rule sets forth requirements to be met directly by the certified educational assistance organizations and the standards for the auditing and financial reporting.

(1) Definitions.
(A) Existing Missouri Definitions. The following terms, as used in this rule, are defined in section 135.712, RSMo: educational assistance organization, parent, program, scholarship account, taxpayer. The following terms, as used in this rule, are defined in section 166.700, RSMo: curriculum, district, private school, qualified school, qualified student. The following term, as used in this rule, is defined in section 135.715, RSMo: qualifying contribution.

(B) Additional Definitions. The following definitions shall



also apply to the following terms as they are used in this rule:

1. "Division" means the treasurer's office division of program administration; and
2. "School year" means the period that commences on the first day of July and ends on the thirtieth day of the following June.

(2) Audits.

(A) Annual Audited Financial Statements.

1. Annual Audited Financial Statements. The annual financial statements audit required by section 135.714, RSMo, shall be prepared by a certified public accountant and submitted to the treasurer within six (6) months after the close of the educational assistance organization's fiscal year and shall include the following information:

A. The name and address of the educational assistance organization;

B. Annual financial accounting to show –

(I) One hundred percent (100%) of its revenues from interest or investments is spent on scholarship accounts;

(II) At least ninety percent (90%) of its revenues from qualifying contributions is spent on scholarship accounts; and

(III) Marketing and administrative expenses do not exceed the thresholds established in section 135.714.1(5)(c), RSMo; and

C. An auditor's report on program compliance, based on a random sampling of accounts, with regard to use of student account funds for eligible program expenses.

2. Requirements for Educational Assistance Organizations.

A. The educational assistance organization is responsible for preparing and providing financial information to be included in the annual financial statements audit. The educational assistance organization shall maintain adequate accounting records for that purpose.

B. The educational assistance organization shall engage an independent auditor to conduct the audit. The treasurer does not recommend, select, or approve the educational assistance organization's auditor or the auditor's fee, except as provided in 15 CSR 50-5.040(2)(A)2.C. The educational assistance organization is responsible for fulfilling all contractual obligations with the auditor, including payment of all earned fees.

C. The educational assistance organization shall file a copy of the completed audit report with the treasurer within six (6) months after the close of the educational assistance organization's fiscal year. If any audit report fails to comply with promulgated rules, the treasurer shall notify the educational assistance organization and specify the defects. If the specified defects remain uncorrected after ninety (90) days from the date of the treasurer's notice to the organization, or if a copy of the required audit report has not been received by the treasurer within the specified time, the treasurer shall make, or cause to be made, the required audit at the expense of the educational assistance organization.

3. Standards for Auditing and Financial Reporting.

A. The independent auditor shall meet all requirements of Chapter 326, RSMo, and the code of professional ethics and rules of conduct promulgated by the Missouri State Board of Accountancy.

B. The audit shall conform to generally accepted auditing standards (GAAS) promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants.

C. All audits shall conform to the standards (hereafter referred to as "generally accepted government auditing standards") established by the Comptroller General of the

United States and applicable to financial audits of government entities, programs, activities, and functions.

D. The contents of the financial statement audit report shall be presented in conformity with generally accepted accounting principles. If the financial statement audit report is not presented in conformity with generally accepted accounting principles, then the independent auditor shall make appropriate audit report modifications and disclosures. The auditor shall certify the report is free of material misstatements.

E. Nothing in the rules promulgated for audits of certified educational assistance organizations shall be construed as restricting, limiting, or relieving the independent auditor of his or her professional judgment or responsibility.

(B) Use of Account Funds.

1. Account funds may only be used for the qualified student for whom the account was awarded.

2. Use of account funds shall be limited to qualified expenses as defined in 166.705.1(4), RSMo.

3. The treasurer or a third party with whom the treasurer contracts shall establish and maintain a database of approved vendors and expenses. Similar expenses by similarly situated account holders shall be treated in the same manner. This section does not create authorization for an account holder to expend funds in a manner not permitted by statute.

4. Use of account funds must be substantiated by documentation, in a format acceptable to the treasurer.

5. The treasurer reserves the right to make final determination with regard to eligible use of account funds.

(C) Reviews of Accounts.

1. Procedures for conducting exams on use of accounts funds. The treasurer may conduct or contract for review of expenses pursuant to this section to ensure program funds are used only for qualified expenses, and shall request periodic reports on the use of account funds from the educational assistance organization or a designated third party.

2. Procedures for conducting random reviews of accounts. The treasurer may randomly, through an in-person site visit or an electronic request, sample the accounts held by an educational assistance organization. The sampling of accounts may include but is not limited to a review of student records and expenses, tracking mechanisms for reporting student outcomes, and contribution tracking.

3. Procedures for conducting quarterly reviews of accounts. The treasurer shall provide to the educational assistance organization quarterly report forms for the purpose of reporting program performance and financial data. The educational assistance organization is responsible for preparing and submitting the quarterly program reports to the treasurer within thirty (30) days after each quarter's end. The treasurer shall review quarterly program reports within thirty (30) days of receipt and conduct any follow-up or remediation actions as necessary.

4. Procedures for conducting annual reviews of accounts. The treasurer shall review the Annual Statutory Audit submitted by the educational assistance organization for compliance with program requirements and performance.

(D) 2023-2024 Audit Required by Statute. Beginning with the 2023-2024 school year, the treasurer shall conduct or contract for annual audits of Missouri Empowerment Scholarship Accounts to verify compliance with statutory requirements of the program. This audit shall conform to the standards for auditing of governmental organizations, programs, activities, and functions established by the comptroller of the United States.



(3) Reporting Requirements.

(A) Annual Reports. The following annual reports, unless otherwise specified, shall be due on August 1, for the period of July 1 through June 30 immediately preceding:

1. Results from annual state achievement tests or nationally norm-referenced tests for grades requiring testing under the statewide assessment system set forth in section 160.518, RSMo;

2. Student information that would allow the treasurer to aggregate data by grade level, gender, family income level, and race;

3. Results from the annual parental satisfaction survey, including information about the number of years the parent's child has participated in the program;

4. Rates of high school graduation; and

5. To the extent the data is provided or otherwise available to the educational assistance organization, rates of college attendance and college graduation for participating students.

(B) Monthly Remittance Report. An educational assistance organization shall submit a remittance report to the treasurer no later than the 15th of each month following a month in which the educational assistance organization received a contribution from a taxpayer. The remittance report shall include 1) a listing of all donors for which the educational assistance organization has submitted the donor's documentation to claim the credit; and 2) four percent (4%) of the total qualifying contributions received by the educational assistance organization for that calendar month to be deposited in the Missouri Empowerment Scholarship Accounts fund. Money shall be remitted by Automated Clearing House (ACH) transfer or check made payable to the treasurer and delivered to the division when the report is filed.

(C) Quarterly Report. An educational assistance organization shall submit a quarterly report, which shall include the number of scholarships awarded, the dollar amount of scholarships awarded, the dollar amount of funds raised for tax credits, and any other information deemed necessary by the treasurer.

(D) Statutory Report. On July 1, 2027, the treasurer shall issue a report on the state of the program. The report shall include information regarding the finances of the educational assistance organizations and educational outcomes of qualified students. This report shall be posted on the treasurer's official website.

(E) Other Reporting. The following information shall be submitted by August 1, regardless of an educational assistance organization's fiscal year, for the preceding calendar year, unless granted an extension by the treasurer:

1. The name and address of the educational assistance organization;

2. The name and address of each qualified student for whom a parent opened a scholarship account with the organization;

3. The total number and total dollar amount of contributions received during the previous calendar year;

4. The total number and total dollar amount of scholarship accounts opened during the previous calendar year;

5. The total dollar amount spent on marketing and administrative expenses during the previous calendar year;

6. The total dollar amount remitted to the division for administrative costs during the previous calendar year; and

7. The total dollar amount of revenue from interest or investments during the previous calendar year.

(4) Online Anonymous Fraud Reporting Service. Beginning July 1, 2022, the treasurer shall create an online anonymous fraud

reporting service to accept any reports of fraud pertaining to the program. Such anonymous fraud reporting service shall be located on the treasurer's official website and shall transmit anonymous reports to the treasurer via web interface.

(5) Dedicated Anonymous Telephone Hotline. Beginning July 1, 2022, the treasurer shall have a dedicated anonymous telephone hotline for reporting any fraud related to the program. Such hotline shall be toll-free and shall not permit the tracing of the caller.

(6) Test Results and Graduation Rates. Beginning July 1, 2025, the treasurer shall annually post on the treasurer's official website the following information:

(A) Student test results and associated learning gains. These findings shall be aggregated by the students' grade level, gender, family income level, number of years of participation in the scholarship program, and race; and

(B) Graduation rates.

(7) Severability. If any provision of this rule, or the application of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application, and to that end, the provisions of this rule are severable.

AUTHORITY: section 135.719, RSMo Supp. 2021. Emergency rule filed April 11, 2022, effective April 25, 2022, expired July 30, 2022. Original rule filed Jan. 26, 2022, effective July 30, 2022.*

**Original authority: 135.719, RSMo 2021.*

15 CSR 50-5.050 Educational Assistance Organizations

PURPOSE: This rule establishes procedures and requirements for educational assistance organizations participating in the Missouri Empowerment Scholarship Accounts Program (the program) and is intended to ensure that the program conforms to state statutes and regulations.

(1) Certification. Any non-profit organization registered in this state that is exempt from federal taxation under the *Internal Revenue Code* may apply with the treasurer to be a certified educational assistance organization.

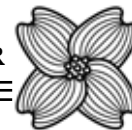
(A) Annual Application Deadline. The application deadline for a certification for a school year, as that term is defined in section 160.041.1, RSMo, shall be published annually by the treasurer.

(2) Requirements.

(A) Qualifications of Educational Assistance Organizations. The following are the qualifications and requirements necessary for an educational assistance organization to be eligible for certification by the treasurer to participate in the program:

1. An educational assistance organization shall demonstrate it is exempt from federal income tax under section 501(c)(3) of the *Internal Revenue Code* of 1986, as amended;

2. No educational assistance organization that has been through a Chapter 7 or Chapter 11 bankruptcy in the seven (7) years immediately preceding application for certification shall be qualified to be certified as an educational assistance organization;



3. Financial viability shall be demonstrated by an educational assistance organization's most recent year audited financial statements, Form 990, or other financial records as determined by the treasurer;

4. An educational assistance organization shall not have a president, officers, or director who owns or operates a qualified school that is participating in the program;

5. An educational assistance organization shall not provide a scholarship account to a child of: a member of its board, including the president, officers, director or, an employee of the educational assistance organization; and

6. An educational assistance organization shall comply with the provisions of section 285.530, RSMo.

(3) Program Participation.

(A) Qualified Student Eligibility. A Missouri resident who is a qualified student designated as a beneficiary in a participation agreement may be a recipient of an Empowerment Scholarship Account grant. A parent that obtains a scholarship account shall provide the valid Social Security number or individual taxpayer identification number and address in the United States of the beneficiary of the applicable scholarship account. Social Security numbers will be utilized for student identification and Department of Elementary and Secondary Education funding purposes. A qualified student shall only be the beneficiary of one (1) scholarship account administered by the program.

1. Within thirty (30) days of the United States Department of Agriculture publishing in the *Federal Register* the income eligibility guidelines to be used in determining eligibility for free and reduced price meals under the National School Lunch Program and the School Breakfast Program, the treasurer shall publish the program's income eligibility guidelines on the treasurer's official website.

2. Household income shall be determined using the eligibility criteria for free and reduced price meals under the National School Lunch Program and the School Breakfast Program.

(B) Parent Eligibility. A parent may be any individual who 1) is a Missouri resident, 2) submits to an educational assistance organization a completed participation agreement, and 3) otherwise meets the qualifications set forth in Missouri law and promulgated rules governing the program. A parent that applies for a scholarship account shall provide the valid Social Security number or individual taxpayer identification number and address in the United States of the qualified student.

(C) Participation Agreements. To participate in the program, a prospective parent shall submit a completed qualified student application and participation agreement to an educational assistance organization that has approved the qualified school the student will attend by the deadline established by the treasurer. Educational assistance organizations shall accept rolling admissions into the program. Within thirty (30) days of receipt of a completed qualified student application and participation agreement, the educational assistance organization shall notify the parent in writing that the application is approved, granted conditional approval pending funding, or denied, in accordance with the criteria set forth in section 166.700(8), RSMo, unless granted an extension by the treasurer. The participation agreement shall provide that the parent (and any successor account owner) will retain oversight over payments made under the program and for the benefit of the beneficiary designated by such parent (or the successor account owner). Only one (1) parent and one (1) beneficiary is permitted per scholarship account. Each participation agreement shall provide that the participation agreement may

be cancelled upon the terms and conditions set forth therein.

1. Agreement. The treasurer shall prescribe the form and content of the program participation agreement.

2. Withdrawal. A parent may cancel a participation agreement and withdraw a qualified student from the program at any time by submitting to the educational assistance organization a written notice to terminate the participation agreement in such form as the treasurer may specify. A parent and a beneficiary of a cancelled participation agreement shall continue to be subject to the terms and conditions of the program during any term of schooling in which tuition was paid for using scholarship grant funds. The qualified student's scholarship account shall be closed and any remaining funds shall be returned to the educational assistance organization for redistribution to other qualified students.

3. Copy of Agreement to Parent. Upon request by a parent, the educational assistance organization shall provide the parent with a copy of the participation agreement executed by the parent, mailed within ten (10) business days of receipt of the parent's request.

4. FERPA and Age 18. Any eligible student that attains the age of eighteen (18) while still enrolled in qualified school that is subject to the provisions of the Family Educational Rights and Privacy Act (FERPA) shall provide any school records to an educational assistance organization or the treasurer when requested. Failure of the eligible student to provide school records as requested by an educational assistance organization or the treasurer shall result in the immediate suspension of the eligible student's scholarship account and may result in the eligible student being required to reimburse the educational assistance organization for any program funds expended for the benefit of the eligible student during the term in which the scholarship was suspended. Any such funds that are reimbursed to an educational assistance organization shall be redistributed to other qualified students.

(D) Limitation on Additional Scholarships for Newly Qualified Students. In the event the amount appropriated by the general assembly in any fiscal year for pupil transportation pursuant to section 163.161, RSMo, is less than \$111,562,312, no additional scholarships for newly qualified students shall be awarded. Students who received a scholarship in a previous year shall be eligible to apply for renewal. If the general assembly does not appropriate the required amount, the treasurer shall notify participating educational assistance organizations no later than June 1 that no newly qualified students shall receive a scholarship award for the upcoming fiscal year.

(E) Background Checks.

1. An educational assistance organization shall conduct a review of criminal history records maintained by the Missouri State Highway Patrol in the Missouri criminal records repository of all operators, directors, executives, board members, and employees and exclude from employment or governance any individual who might reasonably pose a risk to the appropriate use of contributed funds or who is listed on the sex offender registry. Any such criminal background check shall be provided to the treasurer upon request.

2. An educational assistance organization shall conduct a review of criminal history records maintained by the Federal Bureau of Investigation of any employee who has signatory authority on any educational assistance organization bank account or who has access to the accounting system of the educational assistance organization, and exclude from employment or governance any individual who might reasonably pose a risk to the appropriate use of contributed funds. Any such criminal background check shall be provided



to the treasurer upon request.

(F) Investment Policy. When investing any contributions received from the program, an educational assistance organization shall adhere to the written Missouri Empowerment Scholarship Account investment policy prepared and maintained by the treasurer.

(G) Financial Accountability and Viability.

1. Surety Bond. An educational assistance organization shall file with the treasurer, within thirty (30) days of notification of certification and allocation, unless granted an extension by the treasurer, a surety bond with the Missouri State Treasurer named as obligee in an amount equal to the aggregate amount of contributions expected to be received during the school year, or pledge collateral in an amount determined by the treasurer to demonstrate the financial viability of the organization.

2. Annual Audited Financial Statements. An educational assistance organization shall submit to the treasurer annual audited financial statements, which have been audited by a certified public accountant within six (6) months of the end of the educational assistance organization’s fiscal year, unless granted an extension by the treasurer. The auditing certified public accountant shall certify the report is free of material misstatements or misrepresentations.

(H) Testing of Students. Educational assistance organizations shall ensure qualified students take the state achievement tests or nationally norm-referenced tests that measure learning gains in math and English language arts, and provide for value-added assessment, in grades that require testing under the statewide assessment system set forth in section 160.518, RSMo. Costs of this testing requirement may be covered by the scholarships distributed by the educational assistance organization. Beginning with the first year of testing and on an annual basis thereafter, the educational assistance organization shall provide the parents of each student who was tested and the treasurer a copy of the test results.

(I) Reports and Audits. Educational assistance organizations certified by the treasurer to participate in the program shall submit all reports and audits required by state statutes and promulgated rules.

(J) Parental Satisfaction Survey. No later than March 1, an educational assistance organization shall distribute the annual parental satisfaction survey to all parents with whom the organization has a current participation agreement. The treasurer shall prepare and maintain the form of the annual parental satisfaction survey which shall include questions written to obtain the following information:

1. A parent’s level of satisfaction with the child’s academic achievement, including academic achievement at the school the child attends through the scholarship program versus academic achievement at the school previously attended; and

2. A parent’s level of satisfaction with school safety at the school the child attends through the scholarship program versus safety at the school previously attended.

(K) Excess Funds. Any funds remaining after an educational assistance organization distributes scholarships and takes statutory administrative and marketing fees shall be used for scholarship accounts.

(L) Readiness. Prior to being allocated any tax credits, an educational assistance organization must demonstrate to the treasurer’s satisfaction, by providing the readiness information requested in the application to be certified, that it is able to begin granting scholarships for the upcoming school year.

(4) Scholarships. All grants to scholarship accounts shall be in the form of a deposit by an educational assistance organization

into the scholarship account. The maximum amount which may be contributed annually by an educational assistance organization with respect to a beneficiary shall be established by the treasurer, but in no event shall it exceed a total annual grant amount equal to the state adequacy target as defined in section 163.011, RSMo, and calculated annually by the Department of Elementary and Secondary Education.

(5) Changes of Designated Parent. A parent may transfer ownership of an account to another parent eligible to oversee the account under the provisions of the statute and this rule, and upon receipt of a request for change of account ownership that satisfies the criteria set forth in this section, the transferee shall be considered the parent for all purposes related to the program.

(A) General Rule. Any such change of account ownership shall be effective provided the transfer completed by the parent 1) is irrevocable, 2) transfers all oversight, 3) the transferee satisfies the definition of “parent” as that term is defined in section 135.712.2(2), RSMo, and 4) is submitted to the educational assistance organization on a change of account ownership form in such form as the treasurer may specify from time to time.

(B) Designation of Successor Account Authority. Any parent may designate a successor account owner for his or her account, to become the sole authority of the account automatically upon the death or disability of such parent. Prior to the initial action taken by the successor account owner following the death or disability of the parent, the successor account owner shall provide the educational assistance organization a certified copy of a death certificate sufficiently identifying said deceased parent by name and Social Security number or taxpayer identification number, or such other proof of death as is recognized under applicable law, or shall provide sufficient proof of disability. The successor account owner shall provide any other documentation requested to establish he or she satisfies the definition of “parent” as that term is defined in section 135.712.2(2), RSMo.

(6) Payment of Expenses.

(A) Qualified Expenses. A parent may request a qualified withdrawal from his or her account by submitting a completed request for a qualified withdrawal to the educational assistance organization in such form as the treasurer may specify from time to time.

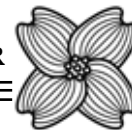
(B) Limitation on Expenses.

1. The annual expenses for any one category set forth in section 166.705.1(4), RSMo, may be limited by the treasurer from time to time. If the treasurer limits the annual expenses for any one category, those limitations shall be communicated to the educational assistance organizations no later than July 1 for the following school year.

2. Mileage Limitation. Mileage reimbursement shall not exceed the state mileage reimbursement rate authorized by section 33.095, RSMo.

3. Computer Devices. Expenses for computer hardware and other technological devices shall be limited to a single computer device per student every three (3) years, unless otherwise pre-approved by the educational assistance organization as a necessary educational resource, including assistive devices and accessible educational hardware and materials. Smartphones are specifically excluded from this category of expenses.

4. Specialized After-School Education Program. A specialized after-school education program is any after-school



program that provides services during non-school hours to support student learning, including tutoring, homework help, and other academic enrichment, such as hands-on math, reading/language arts, and science programs. Specialized after-school education programs do not include child care provided by a child-care facility, as that term is defined in section 210.201(3), RSMo, or any child care provided by a person or facility that is providing care to six (6) or less children.

5. Summer Education Programs. A summer education program is any educational program that occurs outside the regular school term during the months of June, July, and August that provides services to support student learning, including tutoring, homework help, credit recovery, and other academic enrichment, such as hands-on math, reading/language arts, and science programs. Summer education programs do not include child care provided by a child-care facility, as that term is defined in section 210.201(3), RSMo, or any child care provided by a person or facility that is providing care to six (6) or less children.

(7) Distribution Limitations. No distributions shall be made within thirty (30) days of receipt by the board of a completed change of parent form or request to change the mailing address of the parent, unless the current parent's signature has an acknowledgement by a notary on the request.

(8) Costs of Administration. All costs of administration of the program shall be borne by the educational assistance organizations and the treasurer's office.

(9) Funds for the Administration of the Program.

(A) Educational Assistance Organization Administration Costs. An educational assistance organization may withhold from contributions an amount to cover the costs of administering the program, up to the maximum amounts authorized for marketing and administrative expenses in section 135.714.1(5) (c), RSMo. All remaining funds shall be made available to qualified students for scholarship accounts.

(B) Treasurer Administration Costs. An educational assistance organization shall submit a remittance report to the treasurer no later than the 15th of each month following any month in which the educational assistance organization received a contribution from one (1) or more taxpayers. The remittance report shall include 1) a copy of the treasurer approved receipt the educational assistance organization provided to each taxpayer from which it received a contribution to indicate the value of the contribution received from that taxpayer, and 2) four percent (4%) of the total qualifying contributions received by the educational assistance organization for that calendar month, to be deposited in the Missouri Empowerment Scholarship Accounts fund. Money shall be remitted by Automated Clearing House (ACH) transfer or check made payable to the Missouri State Treasurer and delivered to the treasurer's office when the report is filed.

(10) Scholarship Accounts.

(A) Scholarship Account Distributions. Scholarship account grants may be distributed either four (4) times per year or in a single lump sum at the beginning of the school year as requested by the parent of a qualified student. The annual total of all such distributions to scholarship accounts shall not exceed a total annual grant amount equal to the state adequacy target as calculated by the Department of Elementary and Secondary Education. Distributions shall be in the form of a deposit to the scholarship account of a qualified student.

(B) End of Year Balance. Any funds remaining in a qualified student's scholarship account at the end of a school year shall remain in the account to be used for qualified expenses and shall not be returned to the educational assistance organization.

(C) Separate Accounting. An educational assistance organization shall provide separate accounting for each individual scholarship account.

(11) Renewal of Scholarship Accounts. Scholarships eligible for renewal shall be renewed on or before July 1.

(12) Completion of Secondary Education. Funds remaining in a scholarship account after an eligible student has completed their secondary education shall only be used for expenses set forth in section 166.705.1(4)(g), RSMo, and shall be spent no later than June 30 immediately following such completion. Any funds remaining in a scholarship account after the June 30 immediately following a qualified student's completion of their secondary education shall be returned to the educational assistance organization to be redistributed to other qualified students for scholarship accounts.

(13) State Adequacy Target. The annual total grant amount shall not exceed the grant limits as provided under sections 135.714.1(6)(a)a.-d., RSMo.

(14) Distribution Order. Priority must be given to eligible students as provided under sections 135.714.1(4)(a)-(i), RSMo.

(15) Non-Compliance or Fraud.

(A) Revocation. The treasurer may revoke the certification of any educational assistance organization that is found to be in non-compliance with applicable state laws and regulations. If the treasurer receives information, directly or indirectly, which gives the treasurer reason to believe an educational assistance organization has intentionally and substantially failed to comply with the provisions of sections 135.712 to 135.719, RSMo, and 166.700 to 166.720, RSMo, promulgated rules, or any other provision of law, the treasurer may suspend the certification of such educational assistance organization. In such a case, the treasurer shall notify the educational assistance organization in writing of the grounds for the proposed suspension of certification and provide the organization an opportunity to respond to the allegations in writing or, upon request, through a hearing conducted in accordance with the provisions of Chapter 536, RSMo. Suspension of an educational organization's certification by the treasurer shall not be a prerequisite nor a substitute for any other civil or criminal causes of action to which such organization may otherwise be subject, but is in addition to such possible remedies. Any information obtained or compiled by the treasurer in determining whether to suspend a certification may be disclosed to appropriate law enforcement agencies, in any investigation, action, or proceeding, civil or criminal, brought by a governmental agency to enforce the laws of this state or upon court order in any action or proceeding where such information is material to an issue in the action or proceeding. After a twelve (12) month waiting period, any educational assistance organization whose certification has been suspended may thereafter seek to be re-certified in accordance with the applicable laws governing certification.

(B) Notification. Any educational assistance organization suspended, revoked, or otherwise barred from the program by the treasurer shall immediately notify affected parents of



qualified students of the decision.

(16) Unspent Balance. Any educational assistance organization that does not apply for recertification following a year in which they were previously certified, or whose certification is suspended, revoked, or otherwise not renewed by the treasurer, shall immediately notify the state treasurer’s office of the amount of the unspent balance. The state treasurer’s office shall direct the educational assistance organization to either distribute the unspent funds to other specified educational assistance organizations in good standing, or to return any unspent balance to the treasurer for redistribution to educational assistance organizations in good standing.

(17) Number of Certified Educational Assistance Organizations. The treasurer shall limit the number of certified educational assistance organizations to no more than ten (10) in any single school year, with no more than seven (7) having their principal place of business in any one (1) of the following entities: Greene County, Jackson County, St. Charles County, St. Louis County, or St. Louis City. An educational assistance organization will be evaluated based on experience, geographic coverage pertaining to eligible students it can serve, readiness to award scholarship grants, and the organization’s anticipated administrative expenses. All decisions regarding certification are final.

(18) Severability. If any provision of this rule, or the application of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application, and to that end, the provisions of this rule are severable.

AUTHORITY: section 135.719, RSMo Supp. 2024. Emergency rule filed April 11, 2022, effective April 25, 2022, expired July 30, 2022. Original rule filed Jan. 26, 2022, effective July 30, 2022. Amended: Filed Nov. 14, 2024, effective May 30, 2025.*

**Original authority: 135.719, RSMo 2021.*