Rules of
Department of Elementary and Secondary Education
Division 60—Vocational and Adult Education
Chapter 95—Sponsorship and Mentoring Program

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Title 5—DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
Division 60—Vocational and Adult Education
Chapter 95—Sponsorship and Mentoring Program

5 CSR 60-95.010 Allowable Activities and Participating Student Eligibility

PURPOSE: This rule defines activities which will be considered as permissible through the Sponsorship and Mentoring Program, and categories of students eligible for program participation.

(1) Activities shall be designed to broaden and strengthen opportunities which shall include, but not be limited to the goals of the Sponsorship and Mentoring Program for all participating students:

(A) Positive development and participation in community life for youth;

(B) To discourage such persons from engaging in behavior detrimental to social, educational, and career advancement; and

(C) To complete secondary school with a focus toward entering and completing post-secondary education, and successful entry into meaningful employment.

(2) Mentoring activities provided shall offer participating youth the opportunity for a one-on-one relationship with an adult or an older, responsible youth who will be a positive example from which the youth can learn. Three (3) general categories of mentoring activities will be eligible through this initiative: school-based mentoring; community-based mentoring; and work-based mentoring.

(A) The school-based mentor shall be a professional educator employed at a school who is designated as the mentor for a particular student and who works in consultation with other educators and possibly employers for older students to provide support and monitor the progress of the student in school. The school-based mentor shall assume responsibilities which include, but not be limited to:

1. Being available to assist the student;
2. Providing support to the student in decision making;
3. Assisting the student in planning career and evaluation goals;
4. Encouraging the student in a variety of academic, personal, and social issues;
5. Assisting the student in career awareness and career exploration; and

(B) The community-based mentor shall be an adult or mature individual within the community who assumes a mentor or a role-model relationship for a particular child or youth; who works with educators, community-based agencies, and employers of older students to provide guidance and support; and who monitors the progress of the child and youth in the home, at school, and at the work site of older students if needed. The community-based mentor assumes a number of responsibilities which include, but not be limited to:

1. Being available to assist the student;
2. Providing support to the student in decision making;
3. Assisting the student in planning career and evaluation goals;
4. Encouraging the student in a variety of academic, personal, and social issues;
5. Assisting the student in career awareness and career exploration; and

(C) The work-based mentor shall be an employee of a participating business or other individual, who is approved by a participating employer; who possesses the skills and knowledge to be mastered by a student; who instructs, critiques the performance, challenges the student to perform well; and who works in consultation with educators and employers of the student. The work-based mentor assumes a number of responsibilities which include, but not be limited to:

1. Introducing the student in the business and establishing expectations;
2. Providing instructions for the student;
3. Evaluating the performance of the student using a corrective learning approach; and
4. Counseling the student on matters related to work-site activities as well as encouraging good performance at school.

(3) Eligible participation in Sponsorship and Mentoring Program activities shall be limited to students deemed to be at-risk of dropping out of school, unless otherwise approved by the Department of Elementary and Secondary Education (DESE).

(A) A student deemed to be at-risk of dropping out of school shall be any student who is still school age, but whose continued education is in jeopardy because they are experiencing academic deficits, or have characteristics identified as indicative of at-risk students.

1. Students will be considered as experiencing academic deficits if they—
   A. Are one (1) or more years behind their age or grade level in mathematics or reading skills through eighth grade; or three (3) or more credits behind in the number of credits toward graduation from the ninth grade through twelfth grade;
   B. Have low scores on tests of academic achievement and scholastic aptitude;
   C. Have low grades and academic deficiencies;
   D. Have a history of failure and being held back in school;
   E. Have language problems or be from non-English speaking home; or
   F. Are without access to appropriate educational programs.

2. Students will be considered as having characteristics identified as indicative of at-risk students if they have—
   A. A parent or sibling who dropped out of school;
   B. Experienced numerous family relocations;
   C. Poor social adjustment, or deviant social behavior;
   D. Employment of more than twenty (20) hours per week while school is in session;
   E. Been the victim of racial or ethnic prejudice;
   F. Low self-esteem and expectations of teachers, parents, and the community;
   G. A poorly educated mother and/or father;
   H. Children of their own;
   I. A deprived environment which slows economic and social development;
   J. A fatherless home; or
   K. Been a victim of personal or family abuse, which includes substance abuse, emotional abuse, and sexual abuse.

(B) Any school district with an approved project may petition DESE to deem additional students as eligible for participation in the Sponsorship and Mentoring Program.

1. The principal of any school in a district which has an approved project may recommend, to the local school board, those students who do not meet the criteria of at-risk, as defined in this rule, and the school board may submit the names of such students and the circumstances which justify the student’s participation to DESE for approval of the student’s participation.

2. If the petition for participation of any student is approved by DESE, said students shall be deemed eligible for participation in the Sponsorship and Mentoring Program.


5 CSR 60-95.020 Administration, Eligible Contributors, and Tax Credits

PURPOSE: This rule defines eligible administrators and contributors, and establishes guidelines which shall govern Sponsorship and Mentoring Program tax credits.

(1) Public school districts, as defined under section 160.011, RSMo, shall be the eligible administrators of Sponsorship and Mentoring Program projects receiving approval by the Department of Elementary and Secondary Education (DESE).

(2) Design of activities provided through the Sponsorship and Mentoring Program shall involve taxpaying businesses involved in helping to find solutions to problems concerning youth in their own communities. Eligible contributors are employers as defined in section 143.191, RSMo, or sections 143.401 to 143.471, RSMo, that have Missouri state income tax liability.

(3) A tax credit will be approved by the Sponsorship and Mentoring Program for qualifying taxpayers that make property or monetary contributions to projects, which have been approved by the Sponsorship and Mentoring Program, designed to help youth grow positively in their communities and to complete secondary education, enroll and complete post-secondary education, and gain successful entry into meaningful employment.

(A) The allowable tax credits for contributions are—
   1. One hundred percent (100%) for property contributions (real or personal);
   2. One hundred percent (100%) for monetary contributions; and
   3. Fifty percent (50%) for wages paid to youth participating in an approved internship, apprenticeship or employment project.

(B) Contributions that qualify for tax credits are—
   1. Cash—valued at face amount of check or bankdraft;
   2. Materials, supplies, equipment—valued at the lesser of either the fair market value or contributor’s cost; and
   3. Real estate—valued at the lesser of two (2) independent appraisals; and
   4. Wages paid to youth participating in an internship, apprenticeship or employment program, which is directly tied to work-based mentorship—valued at total amount of wages earned.

(C) For taxable years commencing on or after January 1, 1998, a qualified taxpayer shall be allowed a credit against the tax imposed by Chapter 143, RSMo, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, RSMo, to the extent of the lesser of two thousand dollars ($2,000) times the number of eligible students for which the qualified taxpayer is allowed a credit pursuant to this rule, or the net expenditures made directly or through a fund during a taxable year by the qualified taxpayer for the participation of an eligible student in an approved Sponsorship and Mentoring Program project.

   1. Net expenditures are only those paid or incurred for the participation of an eligible student in an approved Sponsorship and Mentoring Program project less any amounts received by the qualified taxpayer from any source for the provision of said mentoring activity.

   2. No credit shall be allowed for any amounts for which any other credit is claimed or allowed under any other provision of state law for the same net expenditures.

   3. No credit shall be issued for mentoring activities provided to an eligible student which occur during less than eight (8) calendar months of the taxable year for which a return is filed claiming said credit.

(D) The tax credit allowed by this rule shall be claimed by the qualified taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by Chapter 143, RSMo, after all other credits provided by law have been applied.

(E) Where the amount of the credit exceeds the tax liability, the difference between the credit and the tax liability shall not be refundable but may be carried forward to any of the taxpayer’s four (4) subsequent taxable years.

(F) There is no minimum contribution set by DESE.

(G) Restrictions on tax credits for contributions to an approved Sponsorship and Mentoring Program project shall include, but not be limited to:

   1. Used clothing does not qualify for credit. Only new items contributed by clothing manufacturers, distributors, or retailers are eligible;
   2. Non-cash contributions qualify only if the contributed goods are needed specifically to carry out project activities covered by the Sponsorship and Mentoring Program agreement. Items are valued at the lesser of either the fair market value or cost to the contributor and may include reasonable overhead costs incurred by the contributor in making the contribution, such as transportation or shipping. In no case shall the value of the contributed items include sales tax;
   3. In order for credits to be given for the contribution of buildings and other real estate, the title must be held free and clear by the contributor. Credits are based on the lesser of two (2) independent appraisals conducted by state-certified or state-licensed appraisers. Appraisals must be performed no more than eighteen (18) months prior to date of contribution. Only one (1) appraisal is required, however, if the property is either—
      A. Commercial property whose appraised value is less than fifty thousand dollars ($50,000); or
      B. Vacant or residential property whose appraised value is less than twenty-five thousand dollars ($25,000);
   4. Contributions of partial ownership interest in real estate do not qualify for Sponsorship and Mentoring Program tax credits (i.e., full title must be given by the contributor in order for the contribution to qualify for credit);
   5. If only a portion of contributed real estate is to be used for activities covered under this agreement, Sponsorship and Mentoring Program tax credits will be prorated according to the proportion of the property that is to be used for the Sponsorship and Mentoring Program project;
   6. A Phase I Environmental Assessment is required on all real estate contributed for Sponsorship and Mentoring Program credit, with the exception of existing residential structures;
   7. If only a portion of the value of a non-cash gift is contributed, Sponsorship and Mentoring Program tax credits will be based on the amount discounted from what the value of the contribution would have been had the item been contributed outright;
   8. Contributions to pay for fund-raising activities do not qualify for Sponsorship and Mentoring Program tax credits;
   9. Contributions of labor and professional services do not qualify for Sponsorship and Mentoring Program tax credits;
   10. Contributions of stocks and bonds do not qualify for Sponsorship and Mentoring Program tax credits;
   11. Contributions must be made directly to the school district which is administering an approved Sponsorship and Mentoring Program project;
   12. Contributions must be directly utilized by the Sponsorship and Mentoring Program project. Contributions of items that will be sold or auctioned off are not eligible for Sponsorship and Mentoring Program tax credits; and
   13. In order to qualify for tax credits, contributions must occur within the approved project’s fund-raising period.

(H) Eligible businesses wishing to apply for tax credits must complete a Sponsorship
and Mentoring Program Tax Credit Application.

1. Tax credit applications are to be completed and signed by the project director or authorized designee.

A. Tax credit applications must be submitted directly to the Sponsorship and Mentoring Program office no later than one (1) year following the date of contribution.

B. Tax credit applications submitted more than one (1) year following the date of contribution will be void and the right to the tax credit will be forfeited.

2. The order in which tax credit applications are received by DESE will determine the order in which credits are approved.

3. Facsimile copies of the application and accompanying verifying documentation will be accepted provided it is complete and legible.

4. DESE shall examine all submitted applications and determine whether the contribution meets the eligibility criteria.

5. If the tax credit application or verifying documentation is illegible, or if the contribution is determined to be ineligible, the project will be notified and materials returned to the project. The Sponsorship and Mentoring Program will not be responsible for notifying individual contributors of ineligible contributions for tax credits.

(I) The following method will be used to determine the value of contributions of real or personal property:

1. Real or personal property contributions shall be equal to the lowest of at least two (2) qualified independent appraisals, with the following exceptions: commercial property which value is less than fifty thousand dollars ($50,000) and vacant or residential property which value is less than twenty-five thousand dollars ($25,000) will require only one (1) appraisal;

2. When the full title of real or personal property is not transferred and use of property is offered, the amount of the contribution shall equal either the comparable market value of the rental or the actual rental value, whichever is less;

3. Contributions of equipment, supplies, or materials shall equal the cost to the contributor or the fair market value, whichever is less. Fair market value and cost to the contributor shall be determined by DESE and may be based on the applicant’s support of the amounts by documentation either from the applicant itself or from an independent appraiser;

4. When contributions consist of the use of items, the amount of the contribution shall equal the actual cost of the item’s use to the contributor, but not more than the fair market value of that use. Cost and fair market value shall be determined by DESE and may be based on the applicant’s support of the amounts by documentation either from the applicant itself or from an independent appraiser.

(J) Verifying documentation must accompany each tax credit application and must be attached to the tax credit application. The required verifying documentation for the contribution depends on the type contribution, and may include, but is not limited to, one of the following:

1. Forms of verifying documentation for monetary contributions are as follows:
   A. Cash—legible receipt from the project with the project name and Sponsorship and Mentoring Program reference number, name of the contributor, amount of contribution, and date of the contribution;
   B. Check—photocopy of the canceled check, front and back—if not possible then copy of original check and a receipt from the project with the project name and Sponsorship and Mentoring Program reference number, name of the contributor, amount of contribution, and date of the contribution;
   C. Credit card—legible transaction receipt with the project name and Sponsorship and Mentoring Program reference number, name of the contributor and amount of contribution;
   D. Money order or cashiers check—legible copy of original document with Sponsorship and Mentoring Program project name and reference number, name of contributor and amount of contribution;
   E. Electronic transfers—copy of the original authorization form from the contributor stating the amount to be deducted from the contributor’s account, how often the deductions are to occur (i.e., one (1) time, weekly, monthly, etc.) and the date the deductions are to begin and end.

(I) One (1) application for these contributions must be submitted quarterly or at six (6)-month intervals totaling the amount to date that has been contributed. The date of the last contribution will be used by DESE as the official date of contribution.

(II) Also required is documentation from the participating school district verifying the total cumulative amount that has been contributed by the contributing taxpayer. This documentation shall include the project name and Sponsorship and Mentoring Program reference number, name of the contributor, amount of contribution, and date(s) of the contributions; and

F. Cashiers check—photocopy of the check. Accompanying the copy of the check should be a letter from the contributor stating that the contribution is to the specific Sponsorship and Mentoring Program project, or a copy of the receipt from the administering school district which identifies the project name and Sponsorship and Mentoring Program reference number, name of the contributor, amount of contribution, and date of the contribution;

2. Real estate contributions shall have a copy of the deed and the required number of appraiser’s reports. All appraisals must be performed by state-licensed or certified appraisers;

3. Contributions of equipment or supplies shall have a copy of the invoice or other documentation showing the cost to the contributor or current fair market value, whichever is less;

4. For wages paid to youth participating in intern/apprenticeship or employment projects there shall be a copy of an invoice (or official record or statement) signed by the employee and employer itemizing the total number of hours worked and the employee’s hourly wages, along with a copy of the employer’s payroll record; and

5. Any other type of contribution or form of verification must be approved by the Sponsorship and Mentoring Program and DESE prior to applying for credit.

(4) Upon approval of the tax credit application, a Tax Credit Certification form will be issued to the contributing taxpayer. The following criteria must also be met in order for the contributing taxpayer to claim the credit:

(A) The total tax credits approved for each contributor shall not exceed two hundred fifty thousand dollars ($250,000) per tax period;

(B) Tax credits for wages paid to youth participating in an approved Sponsorship and Mentoring Program project shall not exceed two thousand dollars ($2,000) in credits per youth;

(C) Tax credits may be claimed by the contributor to offset tax liability against Chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo;

(D) In cases of a corporation described in section 143.471, RSMo, or a partnership, in computing Missouri’s tax liability, such as credits, shall be allowed to the following:

1. The shareholders of the corporation described in section 143.471, RSMo;

2. The partners of the partnership; and

3. Such credits shall be apportioned to these entities in proportion to their share of ownership on the last day of the taxpayer’s tax period;

(E) The amount of the tax credit claimed shall not exceed the amount of the taxpayer’s
liability in the tax period that the credit is claimed;

(F) The tax credit shall be claimed by the contributor to offset the taxes that become due in the taxpayer’s tax period in which the contribution was made. Any tax credit not used in such tax period may be carried over to the next four (4) succeeding tax periods;

(G) DESE will transmit in writing to the director of the Department of Revenue the necessary information on the amount of tax credits approved for each taxpayer; and

(H) In the event that tax credits were improperly approved, DESE will notify the taxpayer of the reason for the adjustment and notify the Department of Revenue that the tax credits have been adjusted and the reason for the adjustment.

(5) As the administering agency for the Sponsorship and Mentoring Program, DESE has the fiduciary responsibility of seeing that the tax credits are awarded for projects that result primarily in public benefit rather than private gain.

(A) Sponsorship and Mentoring Program tax credits will not be used to financially benefit an organization that would not otherwise be eligible to apply for the Sponsorship and Mentoring Program on its own behalf. The following guidelines have been developed in this in mind:

1. New construction—The entire cost may be underwritten by the Sponsorship and Mentoring Program if the space will be fully used by the organization to carry out mentoring related activities, as agreed upon with DESE. If any portion of the newly constructed space will be for non-mentoring related activities it must be determined what proportion of the facility that represents and the Sponsorship and Mentoring Program will prorate that percentage of costs out of the Sponsorship and Mentoring Program project budget; and

2. Building acquisition/renovation—The entire cost may be underwritten by the Sponsorship and Mentoring Program if—
   A. At least half of the space will be fully used by the administering school district to carry out mentoring activities, as agreed upon with DESE; and
   B. If more than half of the space shall be fully used by the administering school district to carry out mentoring activities, as agreed upon with DESE, it must be determined what proportion of the facility that represents the Sponsorship and Mentoring Program will prorate that percentage of costs out of the Sponsorship and Mentoring Program project budget; and

   (B) Approval for construction and renovation projects is based on the plans presented in the proposal, and on any revisions agreed upon with DESE. If, at some point during the next ten (10) years, the administering school district wishes to dispose of the constructed or renovated facility, credit payback may be avoided by selling it for at least ninety percent (90%) of fair market value, lump sum payment, with proceeds applied toward a replacement facility for the organization, or by carrying out some other project activity approved by DESE.

1. If Sponsorship and Mentoring Program credits have been given for improvements on leased property, and the lease is terminated (for whatever reason) and property reverts to the owner within ten (10) years, a percentage of the credits approved for the building, including any furnishings or equipment that revert to the owner, must be repaid to the state of Missouri.

2. In addition to outright payment by the organization to the state of Missouri, other acceptable methods of settlement involve voluntary relinquishing of credits by contributors. The percentage of credit settlement will be based on the number of years between project approval and time of voluntarily relinquished credits by contributing taxpayers.

   A. If the contributing taxpayer voluntarily relinquishes credits during the first year, one hundred percent (100%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.
   B. If the contributing taxpayer voluntarily relinquishes credits during the second year, ninety percent (90%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.
   C. If the contributing taxpayer voluntarily relinquishes credits during the third year, eighty percent (80%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.
   D. If the contributing taxpayer voluntarily relinquishes credits during the fourth year, seventy percent (70%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.
   E. If the contributing taxpayer voluntarily relinquishes credits during the fifth year, sixty percent (60%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.
   F. If the contributing taxpayer voluntarily relinquishes credits during the sixth year, fifty percent (50%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.
   G. If the contributing taxpayer voluntarily relinquishes credits during the seventh year, forty percent (40%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.

H. If the contributing taxpayer voluntarily relinquishes credits during the eighth year, thirty percent (30%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.

J. If the contributing taxpayer voluntarily relinquishes credits during the tenth year, ten percent (10%) of the Sponsorship and Mentoring Program tax credit shall be repaid to the state.


5 CSR 60-95.030 Standards for Submission and Review of Proposals

PURPOSE: This rule identifies the content of acceptable proposals, and the review and approval process of proposals deemed acceptable by the Department of Elementary and Secondary Education (DESE).

(1) The Department of Elementary and Secondary Education (DESE) shall review all acceptable proposals from school districts, submitted in accordance with this rule, and shall approve or disapprove proposed projects for the Sponsorship and Mentoring Program.

(A) School districts may qualify for the Sponsorship and Mentoring Program provided these conditions are met:

1. The project addresses a specific identified need for mentoring which will serve for the betterment of eligible students;
2. The activities and services associated with the project are open to any eligible student of the administering school district that wishes to participate; and
3. Costs outlined in the Sponsorship and Mentoring Program project budget do not reflect those costs associated with the normal or regular curriculum or operations of the school.

(B) Submission of a proposal shall be defined as the act of putting forward a proposed project by a school district for carrying out a specific project consistent with mentoring activities as defined by the Sponsorship and Mentoring Program.
Proposals submitted by school districts shall be approved for a period not to exceed twelve (12) months.

(2) Sponsorship and Mentoring Program projects shall be approved for a period not to exceed twelve (12) months.

(3) DESE shall determine an annual application deadline and application materials shall be distributed upon request no less than thirty (30) days prior to the actual application deadline.

(4) Facsimile copies of Sponsorship and Mentoring Program applications shall not be accepted.

(5) All proposals are to be submitted to the Sponsorship and Mentoring Program Office within DESE in Jefferson City.

(6) DESE shall issue an acknowledgment of receipt of the submitted proposal to the applying school district within fifteen (15) working days of the date received by the Sponsorship and Mentoring Program Office.

(7) The maximum of amount of tax credits allowed per project is two hundred fifty thousand dollars ($250,000).

(8) DESE shall evaluate acceptable proposals for the Sponsorship and Mentoring Program, and determine proposal approval or disapproval based upon the project's design to meet the goals for participating students, and other factors including but not limited to:

(A) The degree to which the proposed project provides the youth of the community with mentoring that would not otherwise be possible;

(B) The degree to which the proposed project provides youth the opportunity to learn skills that could provide a better future for themselves and their families;

(C) The extent to which the applicant possesses sufficient capacity to administer the project and achieve the desired results;

(D) The extent to which the applicant possesses sufficient capacity to utilize the tax credits through fund-raising; and

(E) The degree to which the proposed project addresses specific priorities set by the DESE and the Sponsorship and Mentoring Program.

(9) Proposals submitted by school districts subsequent to the first year will be evaluated on performance of the first year project, other resources developed, continued need and potential for eventual self-sufficiency.

(10) Upon notice of approval of the proposed project, DESE will send an official agreement that is to be completed by the administering agency.

(A) No Sponsorship and Mentoring Program tax credits are officially allocated to projects until the Sponsorship and Mentoring Program Agreement has been signed and notarized by the administering agency and DESE.

(B) The Sponsorship and Mentoring Program Agreement shall discuss the official terms under which the project is to be approved, administered, evaluated, and completed. The Sponsorship and Mentoring Program Agreement shall refer to this document for explicit definitions and explanations.

(11) Proposals that have not been approved by the department shall be notified by telephone and in writing. At that time their official status will be "disqualified."

(12) When an application has been approved as a Sponsorship and Mentoring Program project, the following terminology will be used in reference to the status of the project:

(A) "Pending"—The proposal has been selected for approval, but the contract (Sponsorship and Mentoring Program Agreement) has not been completed;

(B) "Open project"—Projects that are in their fund-raising period;

(C) "Active project"—Projects that are not longer in their fund-raising period, but have not completed their performance targets and/or have not expended their Sponsorship and Mentoring Program budget;

(D) "Administratively closed"—Projects that have completed their performance targets and expended their Sponsorship and Mentoring Program budget, but have not completed and reported the final audit and/or final project evaluation; and

(E) "Closed"—Projects that have reported their final audit and final project evaluation, and which DESE have deemed "complete."

(13) Applicants who have a complaint concerning the status of their proposal may file their complaint with the director of the Sponsorship and Mentoring Program.
