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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2007

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning 07-01-2007 and ending 06-30-2008

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return
- ☑ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
SCHOLARSHIP AMERICA INC

Number and street (or P O box if mail is not delivered to street address) | Room/suite
ONE SCHOLARSHIP WAY BOX 297

City or town, state or country, and ZIP + 4
ST PETER, MN 56082

D Employer identification number
04-2296967

E Telephone number
(507) 931-1682

F Accounting method ☐ Cash ☑ Accrual ☐ Other (specify) ▶

● **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) If "Yes" enter number of affiliates ▶

H(c) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list See instructions)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☑ No

G Web site: ▶ www scholarshipamerica org

I Group Exemption Number ▶

J Organization type (check only one) ▶ ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

K Check here ▶ ☐ if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than 25,000 A return is not required, but if the organization chooses to file a return, be sure to file a complete return

M Check ▶ ☐ if the organization is **not** required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 183,510,563

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances *(See the instructions.)*

Revenue

1	Contributions, gifts, grants, and similar amounts received				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	155,362,037		
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	**Total** (add lines 1a through 1d) (cash $ 155,362,037 noncash $)			1e	155,362,037
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	9,720,754
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	
5	Dividends and interest from securities			5	7,222,658
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss) subtract line 6b from line 6a			6c	
7	Other investment income (describe ▶)			7	

		(A) Securities		(B) Other		
8a	Gross amount from sales of assets other than inventory	11,205,114	8a			
b	Less cost or other basis and sales expenses	10,335,237	8b			
c	Gain or (loss) (attach schedule)	869,877	8c			
d	Net gain or (loss) Combine line 8c, columns (A) and (B)				8d	869,877

9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ▶ ☐				
a	Gross revenue (not including $ ____ of contributions reported on line 1b)	9a	333,797		
b	Less direct expenses other than fundraising expenses	9b	87,458		
c	Net income or (loss) from special events Subtract line 9b from line 9a			9c	-87,458
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a			10c	
11	Other revenue (from Part VII, line 103)			11	
12	**Total revenue** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	173,087,868

Expenses

13	Program services (from line 44, column (B))	13	162,953,945
14	Management and general (from line 44, column (C))	14	4,755,266
15	Fundraising (from line 44, column (D))	15	1,637,203
16	Payments to affiliates (attach schedule)	16	
17	**Total expenses** Add lines 16 and 44, column (A)	17	169,346,414

Net Assets

18	Excess or (deficit) for the year Subtract line 17 from line 12	18	3,741,454
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	154,148,816
20	Other changes in net assets or fund balances (attach explanation)	20	-5,929,889
21	Net assets or fund balances at end of year Combine lines 18, 19, and 20	21	151,960,381

Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (*See the instructions.*)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach Schedule) (cash $0 noncash $0) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $156,445,331 noncash $0) If this amount includes foreign grants, check here ▶ ☐	22b	156,445,331	156,445,331		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees etc Listed in Part V-A (attach schedule)	25a	712,915	171,444	437,031	104,440
b Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule)	25b				
c Compensation and other distributions not icluded above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26 Salaries and wages of employees not included on lines 25a, b and c	26	5,411,421	3,391,180	1,240,826	779,415
27 Pension plan contributions not included on lines 25a, b and c	27	201,246	111,101	55,367	34,778
28 Employee benefits not included on lines 25a - 27	28	727,455	457,751	191,988	77,716
29 Payroll taxes	29	453,686	270,342	118,128	65,216
30 Professional fundraising fees	30				
31 Accounting fees	31	133,944		133,944	
32 Legal fees	32	233,869	47,818	160,691	25,360
33 Supplies	33	243,834	177,010	62,493	4,331
34 Telephone	34	126,717	74,826	26,092	25,799
35 Postage and shipping	35	273,617	250,668	18,424	4,525
36 Occupancy	36	622,122	238,740	290,973	92,409
37 Equipment rental and maintenance	37				
38 Printing and publications	38	390,860	290,026	62,333	38,501
39 Travel	39	991,467	410,654	426,214	154,599
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	299,383	201,503	88,388	9,492
43 Other expenses not covered above (itemize)					
a PROFESSIONAL SERVICES	43a	1,796,730	241,959	1,358,251	196,520
b DUES & SUBSCRIPTIONS	43b	38,973	10,446	15,203	13,324
c INSURANCE	43c	81,763	59,338	15,693	6,732
d MISCELLANEOUS	43d	161,081	103,808	53,227	4,046
e	43e				
f	43f				
g	43g				
44 **Total functional expenses.** Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13—15)	44	169,346,414	162,953,945	4,755,266	1,637,203

Joint Costs. Check ▶ ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ▶ ☐ **Yes** ☑ **No**

If "Yes," enter **(i)** the aggregate amount of these joint costs $0, **(ii)** the amount allocated to Program services $0, **(iii)** the amount allocated to Management and general $0, and **(iv)** the amount allocated to Fundraising $0

Part III Statement of Program Service Accomplishments *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization How the public perceives an organization in such cases may be determined by the information presented on its return Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments

What is the organization's primary exempt purpose? ▶ THE MISSION OF SCHOLARSHIP AMERICA, INC IS TO MOBILIZE AMERICA THROUGH SCHOLARSHIPS AND EDUCATIONAL SUPPORT TO MAKE POSTSECONDARY EDUCATION POSSIBLE FOR ALL STUDENTS TO ACCOMPLISH THIS MISSION SCHOLARSHIP AMERICA WILL INVOLVE AND ASSIST COMMUNITIES, CORPORATIONS, FOUNDATIONS, ORGANIZATIONS, AND INDIVIDUALS IN THEIR SUPPORT OF STUDENTS AND THEIR ENCOURAGEMENT OF EDUCATIONAL ACHIEVEMENT SCHOLARSHIP AMERICA IS A PRIVATE SECTOR SCHOLARSHIP AND EDUCATIONAL SUPPORT ORGANIZATION SCHOLARSHIP AMERICA'S PROGRAMS PROVIDE FINANCIAL ASSISTANCE, AS WELL AS ACADEMIC SUPPORT, FOR STUDENTS PURSUING POST-SECONDARY EDUCATION THROUGH ITS PROGRAMS-DOLLARS FOR SCHOLARS, SCHOLARSHIP MANAGEMENT SERVICES, AND SCHOLARSHOP-SCHOLARSHIP AMERICA SERVES AS A LEADER, RESOURCE, AND ADVOCATE FOR IMPROVING ACCESS TO POSTSECONDARY EDUCATION SINCE ITS INCEPTION IN 1958 SCHOLARSHIP AMERICA HAS DISTRIBUTED OVER ONE BILLION DOLLARS WORTH OF SCHOLARSHIP AWARDS TO MORE THAN ONE MILLION STUDENTS ON SEPTEMBER 17, 2001, IN All organizations must describe their exempt purpose achievements in a clear and concise manner State the number of clients served, publications issued, etc Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)	**Program Service Expenses** (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
a STATEMENTS 1-3 (Grants and allocations $ 156,445,331) If this amount includes foreign grants, check here ▶ ☐	162,953,945
b (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) . . . . ▶	162,953,945

Part IV **Balance Sheets** ***(See the instructions.)***

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*			(A) Beginning of year		(B) End of year
45 Cash—non-interest-bearing				45	
46 Savings and temporary cash investments			31,338,725	46	33,547,932
47a Accounts receivable	47a	2,941,225			
b Less allowance for doubtful accounts	47b		3,011,270	47c	2,941,225
48a Pledges receivable	48a	903,353			
b Less allowance for doubtful accounts	48b		914,293	48c	903,353
49 Grants receivable				49	
50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				50a	
b Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)				50b	
51a Other notes and loans receivable (attach schedule)	51a				
b Less allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use				52	
53 Prepaid expenses and deferred charges			159,856	53	236,705
54a Investments—publicly-traded securities ▶ ☐ Cost ☑ FMV			154,327,452	54a	151,013,448
b Investments—other securities (attach schedule) ▶ ☐ Cost ☐ FMV				54b	
55a Investments—land, buildings, and equipment basis	55a				
b Less accumulated depreciation (attach schedule)	55b			55c	
56 Investments—other (attach schedule)				56	
57a Land, buildings, and equipment basis	57a	8,192,349			
b Less accumulated depreciation (attach schedule)	57b	5,011,425	3,332,798	57c	3,180,924
58 Other assets, including program-related investments (describe ▶)			1,279,155	58	999,488
59 **Total assets** (must equal line 74) Add lines 45 through 58			194,363,549	59	192,823,075
60 Accounts payable and accrued expenses			806,583	60	871,590
61 Grants payable				61	
62 Deferred revenue				62	
63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
64a Tax-exempt bond liabilities (attach schedule)				64a	
b Mortgages and other notes payable (attach schedule)			2,034,349	64b	1,953,066
65 Other liabilities (describe ▶)			37,373,801	65	38,038,038
66 **Total liabilities** Add lines 60 through 65			40,214,733	66	40,862,694
Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 67 through 69 and lines 73 and 74					
67 Unrestricted			7,380,006	67	8,317,065
68 Temporarily restricted			129,307,273	68	124,517,661
69 Permanently restricted			17,461,537	69	19,125,655
Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74					
70 Capital stock, trust principal, or current funds				70	
71 Paid-in or capital surplus, or land, building, and equipment fund				71	
72 Retained earnings, endowment, accumulated income, or other funds				72	
73 **Total net assets or fund balances** Add lines 67 through 69 **or** lines 70 through 72 (Column (A) **must** equal line 19 and column (B) **must** equal line 21)			154,148,816	73	151,960,381
74 **Total liabilities and net assets / fund balances** Add lines 66 and 73			194,363,549	74	192,823,075

Assets

Net Assets or Fund Balances

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			a	101,259,099
b	Amounts included on line **a** but not on Part I, line 12				
1	Net unrealized gains on investments	b1	-5,929,889		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify)	b4			
	Add lines **b1** through **b4**			b	-5,929,889
c	Subtract line **b** from line **a**			c	107,188,988
d	Amounts included on Part I, line 12, but not on line **a**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify)	d2	65,898,880		
	Add lines **d1** and **d2**			d	-5,929,889
e	**Total revenue** (Part I, line 12) Add lines **c** and **d** ▶			e	173,087,868

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements			a	103,447,534
b	Amounts included on line **a** but not on Part I, line 17				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify)	b4	87,458		
	Add lines **b1** through **b4**			b	87,458
c	Subtract line **b** from line **a**			c	103,360,076
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify)	d2	65,986,338		
	Add lines **d1** and **d2**			d	65,986,338
e	**Total expenses** (Part I, line 17) Add lines **c** and **d** ▶			e	169,346,414

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(A) Name and address	**(B)** Title and average hours per week devoted to position	**(C)** Compensation **(If not paid, enter -0-.)**	**(D)** Contributions to employee benefit plans & deferred compensation plans	**(E)** Expense account and other allowances
See Additional Data Table				

Additional Data

Software ID:
Software Version:
EIN: 04-2296967
Name: SCHOLARSHIP AMERICA INC

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
DR CLIFFORD L STANLEY ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	PRESIDENT & CEO 40 0	261,100	9,021	0
MR RICHARD J SCHWAB ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	IMMEDIATE PAST CHAIR 5 0	0	0	0
MS MIM SCHRECK ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	CHAIR 5 0	0	0	0
MS KAY M MARQUET ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TREASURER 5 0	0	0	0
MR MICHAEL RYDER ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	CLERK 5 0	0	0	0
MR MARK BATES ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MS SUSANNE HUFFMON ESBER ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MS TINA LEE ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MS BARBARA B MCBEE ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 5 0	0	0	0
MR MICHAEL RYAN ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
MS SEEMA R SHAH ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MR MARTIN MODERI ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	COO & CIO 40 0	168,938	10,440	0
MR DONALD LASSERE ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	SR VP COMMON PROG 40 0	149,122	11,431	0
ANNE CHENEY ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	CONTROLLER 40 0	93,538	9,325	0
MS TREASA BOWERS ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	SECRETARY 5 0	0	0	0
MS JUDY ALLEN ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MR THOMAS CARDELLA ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MR TIMOTHY CHRISTENSEN ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MR RICHARD L FERGUSON ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0
MR J STEPHEN PUTNAM ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
MR ROBERT B RASMUSSEN ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	TRUSTEE 3 0	0	0	0

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 19			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	**75b**		No
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" ▶	**75c**		No
	If "Yes," attach a statement that includes the information described in the instructions			
d	Does the organization have a written conflict of interest policy?	**75d**	Yes	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	**(B)** Loans and Advances	**(C)** Compensation (If not paid enter -0-)	**(D)** Contributions to employee benefit plans and deferred compensation plans	**(E)** Expense account and other allowances

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	**76**		No
77	Were any changes made in the organizing or governing documents but not reported to the IRS?	**77**		No
	If "Yes," attach a conformed copy of the changes			
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	**78a**		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	**78b**		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	**79**		No
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization?	**80a**		No
b	If "Yes," enter the name of the organization ▶ ______ and check whether it is ☐ exempt **or** ☐ nonexempt			
81a	Enter direct or indirect political expenditures (See line 81 instructions) **81a** 0			
b	Did the organization file **Form 1120-POL** for this year?	**81b**		No

Part VI Other Information (continued)

			Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	Yes	
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) — 82b: 16,986			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	Yes	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	Yes	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85	*501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b		
	If "Yes," was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year			
c	Dues assessments, and similar amounts from members — 85c			
d	Section 162(e) lobbying and political expenditures — 85d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
86	*501(c)(7) orgs.* Enter **a** Initiation fees and capital contributions included on line 12 — 86a: 0			
b	Gross receipts, included on line 12, for public use of club facilities — 86b: 0			
87	*501(c)(12) orgs.* Enter **a** Gross income from members or shareholders — 87a: 0			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) — 87b: 0			
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX	88a		No
b	At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI	88b		No
89a	*501(c)(3) organizations* Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0 , section 4912 ▶ 0 , section 4955 ▶			
b	*501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		No
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization ▶			
e	*All organizations.* At any time during the tax year was the organization a party to a prohibited tax shelter transaction?	89e		No
f	*All organizations.* Did the organization acquire direct or indirect interest in any applicable insurance contract?	89f		No
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		No

90a List the states with which a copy of this return is filed ▶

b Number of employees employed in the pay period that includes March 12, 2007 (See instructions) — 90b: 146

91a The books are in care of ▶ ANNE CHENEY CONTROLLER Telephone no ▶ (507) 931-0430

Located at ▶ ONE SCHOLARSHIP WAY ST PETER, MN ZIP + 4 ▶ 56802

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		No

If "Yes," enter the name of the foreign country ▶

See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**, Report of Foreign Bank and Financial Accounts

Part VI Other Information *(continued)*

			Yes	No
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	91c		No

If "Yes," enter the name of the foreign country ▶

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* ***Form 1041***—Check here . . . . ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year . . . . ▶ 92

Part VII Analysis of Income-Producing Activities ***(See the instructions.)***

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		**(E)** Related or exempt function income
	(A) Business code	**(B)** Amount	**(C)** Exclusion code	**(D)** Amount	
93 Program service revenue					
a MANAGEMENT FEES					9,318,457
b SCHOLARSHOP					34,843
c DOLLARS FOR SCHOLARS					367,454
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments . . .					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities . . .			14	7,222,658	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	869,877	
101 Net income or (loss) from special events . .			01	-87,458	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue **a**					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . .				8,005,077	9,720,754

105 **Total** (add line 104, columns (B), (D), and (E)) . . . . ▶ 17,725,831

Note: *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes ***(See the instructions.)***

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities ***(See the instructions.)***

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	**(B)** Percentage of ownership interest	**(C)** Nature of activities	**(D)** Total income	**(E)** End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts ***(See the instructions.)***

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . ☐ **Yes** ☑ **No**

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . ☐ **Yes** ☑ **No**

NOTE: *If "Yes" to* ***(b)****, file Form 8870* ***and*** *Form 4720 (see instructions).*

Part XI **Information Regarding Transfers To and From Controlled Entities** *Complete only if the organization is a controlling organization as defined in section 512(b)(13)*

		Yes	No
106	Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

		Yes	No
107	Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

		Yes	No
108	Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?		No

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

****** 2009-12-23
Signature of officer Date

Anne L Cheney Controller
Type or print name and title

Paid Preparer's Use Only

Preparer's signature KPMG LLP	Date	Check if self-empolyed	Preparer's SSN or PTIN (See Gen Inst W)
Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP 4200 Wells Fargo Ctr 90 S 7th Minneapolis, MN 55402			EIN Phone no (612) 305-5000

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490039000000

SCHEDULE A
(Form 990 or 990EZ)
Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

2007

Name of the organization
SCHOLARSHIP AMERICA INC

Employer identification number
04-2296967

Part I **Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	**(b)** Title and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans & deferred compensation	**(e)** Expense account and other allowances
MARILEE HEDBERG ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	DIR, HUMAN RESOURCES 40 0	87,250	3,786	0
ANN WORLEY ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	EXEC DIR, CADFS 40 0	85,036	3,529	0
RICK MILLERICK ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	EXEC DIR, NWDFS 40 0	85,905	8,760	0
PATSY ROSSOW ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	DIR, TECH, INFRA&SER 40 0	85,790	6,787	0
CURT TRYGSTAD ONE SCHOLARSHIP WAY BOX 297 ST PETER, MN 56082	AVP, COMMUNITY PROG 40 0	86,530	6,684	0
Total number of other employees paid over $50,000 ▶	35			

Part II-A **Compensation of the Five Highest Paid Independent Contractors for Professional Services**
(See page 2 of the instructions. List each one (whether individual or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	**(b)** Type of service	**(c)** Compensation
SMART SOFTWARE SOLUTIONS INC 108 SOUTH PIERRE ST PIERRE, SD 57501	SOFTWARE PROGRAMMING	361,518
MANPOWER TEMP 21271 NETWORK PL CHICAGO, IL 60673	SOFTWARE PROGRAMMING	235,169
LAURA SOLOMON 300 E LANCASTER AV 106A WYNNEWOOD, PA 19096	LEGAL	173,463
KPMG 120 S SEVENTH ST MINNEAPOLIS, MN 55403	AUDIT AND TAX	129,108
JUDGE TECHNICAL STAFF PO BOX 820120 PHILADELPHIA, PA 19182	SOFTWARE PROGRAMMING	77,075
Total number of others receiving over $50,000 for professional services ▶	5	

Part II-B **Compensation of the Five Highest Paid Independent Contractors for Other Services**
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than $50,000	**(b)** Type of service	**(c)** Compensation
SECURE 24 INC 21420 MELROSE AV SOUTHFIELD, MI 48075	REMOTE SERVER HOST	149,481
NELSON PRINTING 838 N MINNESOTA AV ST PETER, MN 56082	PRINTING	89,718
Total number of other contractors receiving over $50,000 for other services ▶		

Part III Statements About Activities (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶$ ____________ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1		No
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing property?	2a		No
b	Lending of money or other extension of credit?	2b		No
c	Furnishing of goods, services, or facilities?	2c		No
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d	Yes	
e	Transfer of any part of its income or assets?	2e		No
3a	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)	3a	Yes	
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	Yes	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement	3c		No
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		No
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	4a	Yes	
b	Did the organization make any taxable distributions under section 4966?	4b		No
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		No
d	Enter the total number of donor advised funds owned at the end of the tax year	▶		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	▶		
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	▶ 0		
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year	▶ 0		

Part IV **Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)

7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 ☐ A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state ▶** ____________________

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)

11a ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

12 ☐ An organization that normally receives **(1) more than 331/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions—subject to certain exceptions, and **(2) no more than 331/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization

☐ Type I ☐ Type II ☐ Type III - Functionally Integrated ☐ Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)

(a) Name(s) of supported organization(s)	**(b)** Employer identification number	**(c)** Type of organization (described in lines 5 through 12 above or IRC section)	**(d)** Is the supported organization listed in the supporting organization's governing documents?		**(e)** Amount of support?
			Yes	**No**	
Total				▶	

14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) ***Use cash method of accounting.***

Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

	Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15	Gifts, grants, and contributions received (Do not include unusual grants See line 28)	94,993,027	98,751,180	87,850,410	83,542,564	365,137,181
16	Membership fees received					0
17	Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose	8,567,821	9,092,435	7,527,314	7,506,094	32,693,664
18	Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	5,048,054	6,419,954	5,086,993	4,491,602	21,046,603
19	Net income from unrelated business activities not included in line 18					0
20	Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21	The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22	Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	0	0	0	0	0
23	Total of lines 15 through 22	108,608,902	114,263,569	100,464,717	95,540,260	418,877,448
24	Line 23 minus line 17	100,041,081	105,171,134	92,937,403	88,034,166	386,183,784
25	Enter 1% of line 23	1,086,089	1,142,636	1,004,647	955,403	

26 **Organizations described on lines 10 or 11: a** Enter 2% of amount in column (e), line 24 ▶ **26a** 7,723,676

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** 52,724,252

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ **26c** 386,183,784

d Add Amounts from column (e) for lines 18 21,046,603 19 0 22 ______ 26b 52,724,252 ▶ **26d** 73,770,855

e Public support (line 26c minus line 26d total) ▶ **26e** 312,412,929

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** 80 9 %

27 **Organizations described on line 12: a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " **Do not file this list with your return.** Enter the sum of such amounts for each year

(2006) ______ (2005) ______ (2004) ______ (2003) ______

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year

(2006) ______ (2005) ______ (2004) ______ (2003) ______

c Add Amounts from column (e) for lines 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ **27c**

d Add Line 27a total ______ and line 27b total ______ ▶ **27d**

e Public support (line 27c total minus line 27d total) ▶ **27e**

f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ▶ **27f**

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g**

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h**

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant **Do not file this list with your return.** Do not include these grants in line 15

Part V **Private School Questionnaire** (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ **a** ☐ if the organization belongs to an affiliated group Check ▶ **b** ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		**(a)** Affiliated group totals	**(b)** To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	**36**		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	**37**		
38 Total lobbying expenditures (add lines 36 and 37)	**38**		
39 Other exempt purpose expenditures	**39**		
40 Total exempt purpose expenditures (add lines 38 and 39)	**40**		
41 Lobbying nontaxable amount Enter the amount from the following table—	**41**		
42 Grassroots nontaxable amount (enter 25% of line 41)	**42**		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	**43**		0
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	**44**		0

If the amount on line 40 is—	**The lobbying nontaxable amount is—**
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	**(a)** 2007	**(b)** 2006	**(c)** 2005	**(d)** 2004	**(e)** Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B **Lobbying Activity by Nonelecting Public Charities**
(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	**Yes**	**No**	**Amount**
a Volunteers		No	
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h.**)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines **c** through **h.**)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(i) Cash	**51a(i)**		No
(ii) Other assets	**a(ii)**		No
b Other transactions			
(i) Sales or exchanges of assets with a noncharitable exempt organization	**b(i)**		No
(ii) Purchases of assets from a noncharitable exempt organization	**b(ii)**		No
(iii) Rental of facilities, equipment, or other assets	**b(iii)**		No
(iv) Reimbursement arrangements	**b(iv)**		No
(v) Loans or loan guarantees	**b(v)**		No
(vi) Performance of services or membership or fundraising solicitations	**b(vi)**		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**c**		No

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ **Yes** ☑ **No**

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

TY 2007 Cash Grants Paid Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Class of Activity	Recipient's name	Address	Amount	Relationship
	APPROX 83000 POST SECONDARY STUDE	Scholarship Way Box 297 St Peter, MN 56082	156,445,331	NONE

TY 2007 Gain/Loss from Sale of Public Securities Schedule

Name:	SCHOLARSHIP AMERICA INC
EIN:	04-2296967
Gross Sales Price:	11,205,114
Basis:	10,335,237
Sales Expenses:	
Total (net):	869,877

TY 2007 General Explanation Attachment

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Identifier	Return Reference	Explanation
STATEMENT OF PROGRAM SERVICES ACCOMPLISHMENTS	990 PART III	Scholarship Management Services Program Service Expense $160,744,557 --------------------- ----------- Scholarship Management Services is the nation's largest administrator of educa tional assistance programs, including scholarships and tuition reimbursement programs The ir customized approach to client needs has earned them exceptional loyalty in the market, including 100 programs for Fortune 500 companies During the fiscal year ending June 30, 2 008 Scholarship Management Services aw arded more than $178 million to nearly 83,000 studen ts through 1,202 sponsored programs nationw ide During the year scholarship distributions totaled $156 million of w hich $90 million w as to recipients selected by Scholarship Americ a and $66 million w as to recipients designated by program sponsors (The remaining $22 mil lion in aw ards w ere deferred at the student's request) A grow ing innovative program is th e Dreamkeepers Emergency Financial Assistance program w hich is designed to help students o ver the hurdles of unexpected personal expenses and assure that they don't have to choose betw een their financial emergency and staying in school Originally funded by Lumina Found ation for Education it is now expanded through a grant from the Wal-Mart Foundation Colle ges implementing this program have seen retention and graduation rates skyrocket from an a verage of 51% to 72% To date the fund has distributed over $1 million to 2,347 students The Families of Freedom Scholarship Fund, a need-based scholarship fund established to ens ure that a college education remains in reach for dependents of those killed or disabled i n the terrorist attacks of September 11, 2001, continues to make aw ards Since 9/11 over $ 100 million has been donated to provide scholarships to families of those killed or perman ently disabled in those attacks, students have received aw ards of over $32 million Future aw ards to students are anticipated through 2030 w hen infants born in the months follow ing 9/11 reach their 24th birthday ScholarShop Program Service Expense $74,422 ------------ ScholarShop is Scholarship America's college readiness program, helping students in grades 4-12 and their parents prepare for college financially, socially and academically It is an activity-based curriculum that helps motivate and prepare students for postsecondary ed ucation During the fiscal year ending June 30, 2007, ScholarShop operated in 156 differen t sites including urban, rural and suburban locations in 22 states and the District of Col umbia These programs, w hich provided resources to students and family members, are locate d in schools, after-school programs, Boys & Girls Clubs, YMCAs, housing communities, place s of w orship, and other community agencies-as w ell as online Combined w ith Options for Ki ds, ScholarShop is now serving over 300,000 students and parents annually ParentShop mate rials in English and Spanish have helped many parents become comfortable in their understa nding of the career and college choices available to their children w hile it also show s ho w to better support their students as they w ork through the postsecondary education proces s "In 2008, 91 percent of George Washington Community School's graduating students w ere a ccepted into college-and ScholarShop contributed to that success The benefit of ScholarSh op is that it's already prepared for us We couldn't have put together a curriculum like t his on our ow n, and w e're very fortunate to have it We have benefited immensely from our relationship w ith Scholarship America," said Jim Grim, Community School Coordinator, Georg e Washington Community School Dollars for Scholars Program Service Expense $2,134,966 --- ------------------ Dollars for Scholars is a national netw ork of community-based scholarsh ip foundations driven by 42,000 volunteers During the fiscal year ending June 30, 2008, t he Dollars for Scholars national netw ork included 1,160 chapters in 40 states and the Dist rict of Columbia Local chapters aw arded $40 5 million to over 40,000 students Nearly $67 5 million w as raised through chapter efforts for both long-term endow ment and immediate s cholarship aw ards Dollars for Scholars has enrolled 503 postsecondary institutions into t he Collegiate Partner Program These Collegiate Partners honor Scholarship America-related aw ards by using them to improve the quality of student financial aid packages and by agre eing not to use these aw ards to displace institutional or federal gift aid, w hich has been a common practice In addition many of the Partners go a step further and match the Schol arship America aw ards Through these actions each Dollars for Scholars chapter and Collegi ate Partner sends the clear message to students that their community shares their educatio nal dreams Beyond providing scholarships, a grow ing number of Dollars for Scholars chapte rs connect students and parents w ith additional resources w ithin their community, from men toring and tutoring programs to finding financial

Identifier	Return Reference	Explanation
STATEMENT OF PROGRAM SERVICES ACCOMPLISHMENTS	990 PART III	aid and securing grants and loans Dollars for Scholars chapters are supported by 42,000 volunteers as well as by staff in the national office and seven regional offices

Identifier	Return Reference	Explanation
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES	990 PART VIII	Scholarship Management Services Fees (Line 93a) The management of scholarship and tuition reimbursement programs sponsored by corporations, foundations, associations and individual s expands access to postsecondary education institutions to more students ScholarShop (Li ne 93b) The formation and support of these local programs, available in organizations thro ughout the country, provides both curricula and resource centers that are designed to moti vate and prepare students for postsecondary education Programs are designed for high scho ol students, middle school students and for the parents of students A recent on-line vers ion, ScholarShop Options for Kids, presents the program to middle school students in a com puter-game environment Dollars for Scholars (Line 93c) The formation and support of these grass-roots organizations throughout the country provides a community effort to raise sch olarship funds and provide financial and academic support to local students Support may b e direct through scholarship aw ards or indirect through the Collegiate Partner scholarship -matching program The program unites local citizens and encourages local students to reac h for and achieve their educational goals

Identifier	Return Reference	Explanation
STATES WHERE REGISTERED TO CONDUCT FUNDRAISING	990 PART VI LINE 90A	Alabama Consumer Protection Section 11 South Union Street Montgomery, Alabama 36130 Alaska Alaska Department Of Law 1031 W 4th Ave , Suite 200 Anchorage, Alaska 99501 Arizona Char itable Organization Registration 1700 W Washington St , 7th Floor Phoenix, Arizona 85007 Arkansas Consumer Protection Division 323 Center Street, 200 Tow er Bldg Little Rock, Arkan sas 72201 California Registry Of Charitable Trusts 1300 I Street, Suite 101 Sacramento, Ca lifornia 95814 Colorado Office Of The Secretary Of State 1560 Broadw ay, Suite 200 Denver, Colorado 80202 Connecticut Public Charities Unit 55 Elm Street Hartford, Connecticut 06106 Florida Division Of Consumer Services 407 S Calhoun Street, #218 Tallahassee, Florida 32 399 Georgia Office Of The Secretary Of State 2 Martin Luther King Jr Dr SE, #802 Atlanta , Georgia 30334 Illinois Charitable Trusts & Solicitations Div 100 W Randolph St , 12th Fl Chicago, Illinois 60601 Indiana Consumer Protection Division 100 N Senate Ave , Room 201 Indianapolis, Indiana 46204 Iow a Consumer Protection Division 1300 East Walnut Des Moi nes, Iow a 50319 Kansas Secretary Of State's Office 120 S W 10th Ave , 1st Flr Mem Hall Topeka, Kansas 66612 Kentucky Consumer Protection Division 1024 Capital Center Drive Frank fort, Kentucky 40601 Maine Licensing & Enforcement Division State House Station 35 Augusta , Maine 04333 Maryland Charitable Division State House Annapolis, Maryland 21401 Massachus etts Division Of Public Charities 1 Ashburton Place Boston, Massachusetts 02108 Michigan C onsumer Protection & Charitable Trust 690 Law Bldg, 525 W Ottaw a Street Lansing, Michigan 48913 Minnesota Charities Division 445 Minnesota Street, Suite 1200 St Paul, Minnesota 55 101 Mississippi Office Of The Secretary Of State P O Box 136 Jackson, Mississippi 39205 Mi ssouri Public Protection Unit P O Box 899 Jefferson City, Missouri 65102 Montana Office Of The Attorney General P O Box 20146 Helena, Montana 59620 New Hampshire Division Of Charit able Trusts 33 Capitol Street Concord, New Hampshire 03301 New Jersey Division Of Consumer Affairs 124 Halsey Street, 7th Floor New ark, New Jersey 07101 New Mexico Office of the At torney General 111 Lomas Blvd , NW, Suite 300 Albuquerque, New Mexico 87102 New York Depar tment Of State 41 State Street, 12th Floor Albany, New York 12207 North Carolina Secretary Of State 2 South Salisbury Street Raleigh, North Carolina 27601 North Dakota Secretary Of State 600 East Boulevard Bismarck, North Dakota 58505 Ohio Charitable Foundation Section 101 East Tow n Street Columbus, Ohio 43215 Oklahoma Oklahoma Secretary Of State 2300 N Lin coln Blvd , Room 101 Oklahoma City, Oklahoma 73105 Oregon Department Of Justice 1515 SW 5t h Avenue, Suite 410 Portland, Oregon 97201 Pennsylvania Bureau Of Charitable Organizations 207 North Office Building Harrisburg, Pennsylvania 17120 Rhode Island Charitable Organiza tion Section 233 Richmond Street, Suite 232 Providence, Rhode Island 02903 South Carolina Office Of The Attorney General P O Box 11350 Columbia, South Carolina 29211 Tennessee Div ision Of Charitable Solicitations 312 Eighth Avenue North, 8th Floor Nashville, Tennessee 37243 Texas Statutory Documents 1019 Brazos Austin, Texas 78701 Utah Division Of Consumer Protection 160 East 300 South Salt Lake City, Utah 45804 Virginia Office Of The Attorney G eneral 1100 Bank Street Richmond, Virginia 23219 Washington Charitable Solicitation Divisi on 801 Capitol Way South Olympia, Washington 98504 West Virginia Office Of The Secretary O f State 1900 Kanaw ha Blvd , East Charleston, West Virginia 25305 Wisconsin Dept Of Regulat ion & Licensing 1400 E Washington Avenue Madison, Wisconsin 53702

Identifier	Return Reference	Explanation
DEPRECIATION, DEPLETION, ETC	990 PART II LINE 42, Part IV Lines 57 A&B	6/30/2007 Sales & 6/30/2008 Fixed Assets Beginning Additions Retirements Ending Furniture & Equip 3,123,101 93,388 - 3,216,489 Furnishings 11,635 - - 11,635 Subtotal, Furniture & Equipment 3,134,736 93,388 - 3,228,124 Land 329,436 - - 329,436 Bldng & Improve 4,524,543 54,120 - 4,578,663 Automobiles 16,126 - - 16,126 Scholarshop Web Site 40,000 - - 40,000 Total Fixed Assets 8,044,841 147,508 - 8,192,349 Accumulated Depreciation Furniture & Equip 2,920,038 125,320 - 3,045,358 Scholarshop Web Site 40,000 - - 40,000 Furnishings 11,635 - - 11,635 Subtotal, Furniture & Equipment 2,971,673 125,320 - 3,096,993 Land 105,522 13,0 14 - 118,536 Buildings & Imp 1,619,797 159,974 - 1,779,771 Automobiles 15,051 1,074 - 16, 125 Total Accum Depr 4,712,043 299,383 - 5,011,425 Net Fixed Assets 3,332,798 3,180,924

Identifier	Return Reference	Explanation
SCHOLARSHIP AWARDS PROCESS	Schedule A Part III Line 3a	Scholarship America was formed to encourage citizen support of higher education In furtherance of that effort it has undertaken a variety of activities including the administration of scholarship programs on behalf of participating corporations, foundations and individuals Scholarship America grants to individuals for study purposes are made in compliance with procedures set forth in the Scholarship America awards kit on file with the IRS , highlights of which are below In administering a scholarship program Scholarship America is available to perform the following to determine the recipients 1 Prepare and furnish application forms 2 Receive all application material directly 3 Process and evaluate all applications 4 Determine the recipients and the amount to be awarded 5 Notify the recipient of their award 6 Confirm the appropriate employment relationship or program eligibility 7 Confirm enrollment in a qualified educational institution 8 Make payment of the award 9 Supervise and investigate the use of the funds by the recipients in their educational programs Recipients are determined by Scholarship America utilizing selection criteria based on a detailed analysis of the following candidate information 1 Scholastic aptitude, as measured by performance on a recognized scholastic aptitude test 2 Scholastic performance measured by rank in class 3 Counselor appraisal 4 Interest, activities and leadership contributions 5 Financial need may also be taken into consideration

Identifier	Return Reference	Explanation
PAYMENT OF COMPENSATION	SCHEDULE A PART III LINE 2A	SEE FORM 990, PART V-A

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490039000000

TY 2007 Mortgages and Notes Payable Schedule

Name: SCHOLARSHIP AMERICA INC
EIN: 04-2296967
Total Mortgage Amount: 1953066

Item No.	1
Lender's Name	THE FIRST NATIONAL BANK OF ST PETE
Lender's Title	
Relationship to Insider	
Original Amount of Loan	
Balance Due	1943077
Date of Note	
Maturity Date	2025-09
Repayment Terms	SEMI-ANNUAL INSTALLMENTS OF $90,000
Interest Rate	5.75
Security Provided by Borrower	
Purpose of Loan	
Description of Lender Consideration	
Consideration FMV	

Item No.	2
Lender's Name	CITY OF ST PETER
Lender's Title	
Relationship to Insider	
Original Amount of Loan	
Balance Due	9989
Date of Note	
Maturity Date	2009-01
Repayment Terms	MONTHLY INSTALLMENTS OF $1,448
Interest Rate	3.0
Security Provided by Borrower	
Purpose of Loan	
Description of Lender Consideration	
Consideration FMV	

TY 2007 Other Assets Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Description	Beginning of Year Amount	End of Year Amount
CONTRIBUTIONS RECEIVABLE		
LESS CURRENT PORTION	1,009,604	756,963
CASH VALUE OF LIFE INSURANCE	269,551	242,525

TY 2007 Other Changes in Net Assets Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Description	Amount
NET CHANGE IN UNREALIZED APPRECIATION	5,929,889

TY 2007 Other Expenses Included Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Description	Amount
SPECIAL EVENTS EXPENSES	87,458

TY 2007 Other Expenses Not Included Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Description	Amount
DESIGNATED SCHOLARSHIPS	65,986,338

TY 2007 Other Liabilities Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Description	Beginning of Year Amount	End of Year Amount
SCHOLARSHIPS PAYABLE	20,113,674	18,055,340
REFUNDABLE DEPOSITS	17,260,127	19,982,698

TY 2007 Other Revenues Not Included Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Description	Amount
SPECIAL EVENTS EXPENSES	-87,458
DESIGNATED SCHOLARSHIPS	65,986,338

TY 2007 Special Events Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Event Name	Gross Receipts	Contributions	Gross Revenue	Direct Expense	Net Income (Loss)

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93490039000000

TY 2007 Other Income Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Description	2006	2005	2004	2003	Total

TY 2007 Scholarship Award Statement

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Statement:

TY 2007 Self Dealing Statement

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Line Number	Explanation
2d	

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2007 Supplemental Support Schedule

Name: SCHOLARSHIP AMERICA INC

EIN: 04-2296967

Year	Gifts, Grants and Contributions Received	Membership Fees Received	Gross Receipts From Admissions, Etc.	Gross Investment Income And Post 1975UBI	Net UBI Pre 1975	Tax Revenues Levied For Organization's Benefit	Value Of Services, Facilities Furnished By Government	Other Income	Total
2006	94,993,027		8,567,821	5,048,054				0	108,608,902
2005	98,751,180		9,092,435	6,419,954				0	114,263,569
2004	87,850,410		7,527,314	5,086,993				0	100,464,717
2003	83,542,564		7,506,094	4,491,602				0	95,540,260