

Alabama  
Department  
of Revenue



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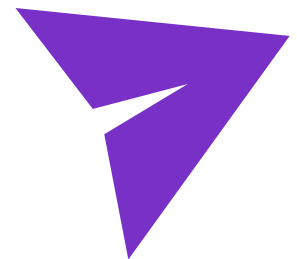
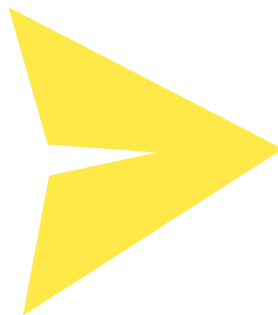
# Education Service Provider Guide

2025-2026 School Year



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## CHOOSE ACT ALABAMA OVERVIEW

The Creating Hope and Opportunity for Our Students' Education Act of 2024 (The CHOOSE Act) is administered by the Alabama Department of Revenue (ALDOR). The CHOOSE Act Alabama makes refundable income tax credits called **education savings accounts** (ESAs) available to support the success of eligible K-12 students in Alabama.

**An ESA can be used to pay for tuition, fees, and other qualified education expenses at approved education service providers (ESPs) in Alabama.**

ALDOR has contracted with ClassWallet for programmatic support and to coordinate the distribution of funds to participating families.

Using ClassWallet's digital wallet platform, parents can use their student's ESA to pay for approved educational purchases and expenses.

### ESA ANNUAL AMOUNTS:



- **\$7,000 per participating student who is enrolled in a participating school**
- **\$2,000 per participating student who is participating in a home education program** (this includes an individual or group program, homeschool, co-op, etc., and is capped at \$4,000 per family)

All payments and purchases using ESA funds must be made through the ClassWallet platform. **There is no reimbursement to families.**

**2025-2026 SCHOOL YEAR:** Parents of participating students may direct ESA funds where needed beginning July 1, 2025.



## EDUCATION SERVICE PROVIDERS

Education Service Providers (ESPs) are individuals or organizations approved by ALDOR to provide educational goods and services to participating families.

ALDOR has developed an application process for ESP participation. This application is available year-round [here](#) and, by state law, all ESPs must agree to adhere to the attestation found in the ESP application.

A private tutor must have a Bachelor's degree or state certification to be approved as an ESP. Educational therapists must have a valid license in the therapy they provide. Both private tutors and educational therapists must have a completed background check. Documentation must be submitted at the time of application.



### Important Notes:

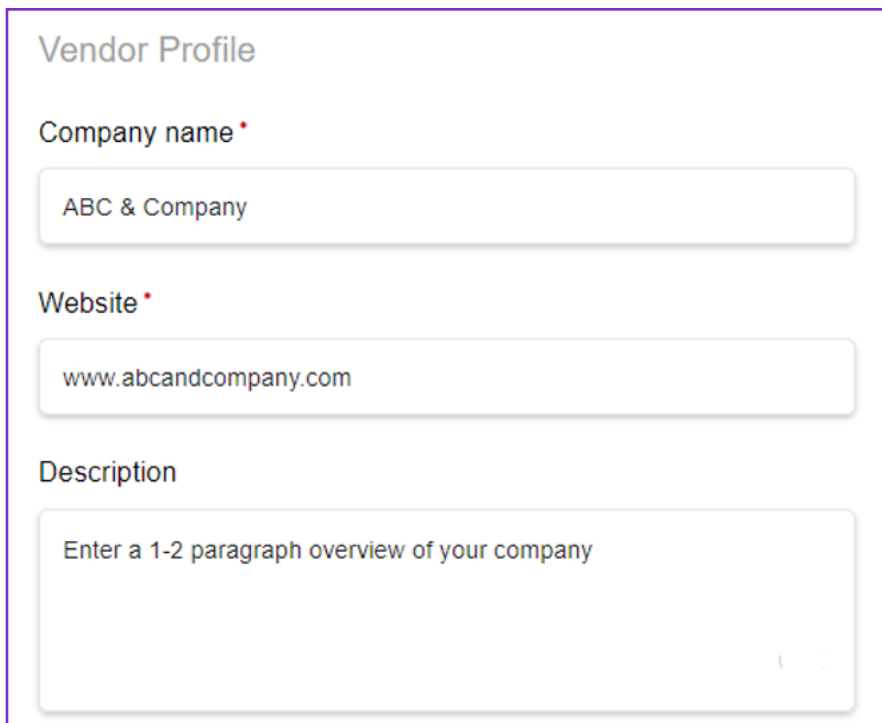
- Once approved by ALDOR, the ESP must register with ClassWallet to begin receiving payments from participating families.
- **All approved ESPs are visible to participants within the ClassWallet platform. The list is also publicly available on the CHOOSE Act Alabama [website](#).**
- **The parent is responsible for selecting the ESP.** It is the responsibility of the parent to measure the overall effectiveness of a provider for each individual student.

## PROVIDER PROFILE:

As part of the approval and registration process, all ESPs must create their own login and have their own account within the ClassWallet platform.

Through the ClassWallet platform, ESPs have the ability to create a profile and share information that will allow participating families to have a better understanding of the service(s) they provide. Website and contact information can be included.

This information will be publicly available and help participating families locate and connect with ESPs that best meet their student's needs.



The screenshot shows a 'Vendor Profile' form with three main sections: 'Company name', 'Website', and 'Description'. Each section has a corresponding input field. The 'Company name' field contains 'ABC & Company'. The 'Website' field contains 'www.abcandcompany.com'. The 'Description' field contains the placeholder text 'Enter a 1-2 paragraph overview of your company'.

Vendor Profile

Company name \*

ABC & Company

Website \*

www.abcandcompany.com

Description

Enter a 1-2 paragraph overview of your company

## USER MANAGEMENT:

The **User Management** feature on the homepage allows an ESP to **add and manage users**.

The ESP can invite other team members and control their level of account access by designating them either as a 'User' or 'Administrator.'

- **User:** Can view Payment Reports and manage their own Credentials.
- **Administrator:** Has the User permissions, plus the ability to invite other users and administrators, update the linked bank account, and manage vendor profile information.

## PAYMENTS AND REPORTS:

**All purchases and payments will be reviewed** to ensure compliance with CHOOSE Act Alabama guidelines.

After approval, the ESP receives an email confirmation from ClassWallet that contains a link to any image(s) that the parent/guardian uploaded.

The payment should settle to the ESP's designated bank account within **2-10 business days**.

The Payment Report feature within the platform provides an overview of payments pending and received.

The Payment Report includes :

- Transaction ID
- Status (definitions provided below)
- Date the transaction was last updated

## STATUS DEFINITIONS:

- **Queued** - Transaction has been approved and is being readied for processing
- **Initiated** - Transaction has been sent to processor
- **Processing** - Funds are moving between accounts
- **Settled** - Deposit should be visible in ESP's bank account

The report can be exported in a CSV format.

## MAKING PAYMENTS AND PURCHASES THROUGH CLASSWALLET:

Once the ClassWallet account is funded and the affidavit accepted, participants can shop through the integrated ClassWallet Marketplace and issue payments to ESPs (schools, tutors, etc.).

### Two options are available:

**1** Participants can make payments to ESPs using the “Pay Vendor” feature on the ClassWallet homepage. ESPs listed here include schools, tutors, therapists, etc. View a step-by-step guide on how a payment is made by a participant through “Pay Vendor” [here](#).

**2** Participants are also able to purchase approved educational items with ESA funds, like school supplies and technology through the ClassWallet Marketplace. View a step-by-step guide on how a purchase is made by a participant [here](#).

### Important Notes:

**ESPs will need to provide an invoice for all services. For a participant to make a payment to an approved ESP, an invoice is required.**

The invoice must include the following information:

- Provider Name and Address
- Student Name
- Parent Name
- Date of Invoice
- Date(s) of Service
- Type of Service (what payment is for)
- Total Amount Due

### Handwritten documentation will not be approved.

The participant receives an email confirmation upon order submission.

If a purchase or payment is rejected for any reason, the participant receives an email notification with instructions. The funds are immediately returned to the ESA and available for reuse.

Payment for services can be made prior to the service(s) or paid after service(s) have been rendered. **However, only invoices for services provided during the 2025-2026 academic year will be approved.**

If an ESP would like to include **more than one student on an invoice, please be sure that the charges are listed separately.** The parent will submit each payment under the respective student's account.

The billing/payment cadence is at the discretion of the ESP. Weekly, monthly, and quarterly invoices and payments are acceptable.

### ENROLLMENT VERIFICATION:

If the student is using ESA funds to pay school tuition, the payment will not be approved until the student's enrollment at the school is verified. More information on the enrollment verification process will be sent to ESPs prior to the start of the school year.





# APPROVED EXPENSES FOR THE 2025-2026 SCHOOL YEAR

## 1. Tuition and Fees at a participating school (online or in-person)

- Activity fee
- Administration fee
- Enrollment and registration fees
- Programming fee
- School fee
- Security fee
- Student fee
- Supply fee
- Technology fee
- Tuition

### Important Notes:

Payment will not be approved until the student's enrollment is verified.

Participating families are responsible for any costs associated with school attendance over and above the ESA balance. Participants may want to discuss their financial obligations with the school.

### Enrollment Verification:

When using ESA funds to pay school tuition, the payment will not be approved until the student's enrollment at the school is verified.

## Disallowed school fees include:

- Athletic/Sports
- Before and after school child care
- Capital or building campaign
- Child care
- Commitment fees
- Food
- Field trip
- Fundraising
- Insurance
- Late fees
- Missed session/cancellation fees
- Senior class/graduation fees
- Transportation
- Uniforms

## 2. Textbooks (K-12, in the following subject areas only):

- Mathematics
- English Language Arts (including Phonics, Grammar, Reading and Writing)
- Science (including Computer Science and Engineering)
- Social Studies (including History, Civics, and Character Education)
- Religion
- Art
- Music
- Foreign Languages
- Other elective subjects approved by ALDOR

**3. Fees for after-school or summer education programs provided by a participating school**

**4. Curriculum and supplemental reading materials** (for individual student use only)

- Reference books
- Workbooks and flashcards
- Supplemental reading materials associated with approved textbook subjects

**5. Instructional Materials**

- School supplies (no bulk, individual student use only)
- Binders (3-ring, etc.)
- Calculators (including graphing)
- Colored pencils
- Crayons
- Erasers
- Folders
- Glue
- Index cards and card holders
- Markers (including dry erase and highlighters)
- Notebooks (including composition notebooks)
- Paper (lined and copy and graph)
- Pencils
- Pens
- Rulers
- Scissors
- USB cards

**6. Private Tutoring** (can be in-person or online)

- Mathematics
- English Language Arts (including Phonics, Grammar, Reading and Writing)
- Science (including Computer Science and Engineering)

- Social Studies (including History, Civics, and Character Education)
- Religion
- Art
- Music (including voice or musical instrument lessons)
- Foreign Languages
- Other elective subjects approved by ALDOR
- Supply fees charged by the tutor (this cannot include transportation)

**7. Computers** (used primarily for a student’s educational needs and approved by ALDOR or required by a licensed physician)

- Laptop, desktop, monitor, and tablet computers under \$1,200.
- Product warranties included as part of the purchase are approved

**Important Note:**

Computers identified as “gaming” will not be approved and the purchase is limited to \$1,200 for one item within this category every two years.

**8. Technological Aids** (used primarily for a scholarship student’s educational needs and approved by the department or a licensed physician)

- Printers and ink (3D printers are not approved)
- Headphones/Headsets
- Keyboard
- Mouse/mouse pad
- Apple Pen
- Charging cords and cables
- Protective case for technology (iPad case, laptop case, etc.)

**Important Note:**

**Technological devices purchases are limited to \$500 total per academic year.** External speakers, external hard drives, SMARTboards and TVs will not be approved.

**9. Tuition and fees for an approved nonpublic K-12 online learning program,** classes and courses in the following subjects are approved:

- Mathematics
- English (including Phonics, Grammar, Reading and Writing)
- Science (including Computer Sciences and Engineering)
- Social Studies (including History, Civics, and Character Education)
- Religion
- Art
- Foreign Languages
- Other elective subjects approved by ALDOR
- Test Preparation (AP, SAT, ACT, etc.)
- Study Skills

**10. Educational software and applications,** classes or courses for K-12 in the following subjects:

- Mathematics
- English (including Phonics, Grammar, Reading, and Writing)
- Science (including Computer Science and Engineering)
- Social Studies (including History, Civics, and Character Education)
- Religion
- Art
- Foreign Languages
- Other elective subjects approved by ALDOR

This may also include software and applications for special-needs students such as dictation software, braille translation software, and other assistive software programs.

**11. Educational therapies for students with disabilities** (must be a licensed or accredited practitioner)

- Applied Behavior Analysis (ABA) Therapy
- Speech Therapy
- Physical Therapy
- Occupational Therapy
- Vision Therapy
- Dyslexia and Dysgraphia Therapies

**Important Note:**

Fees for initial evaluations are approved expenses.

**12. Fees for standardized and nationally recognized assessments,** including college admissions tests and advanced placement examinations and related preparatory courses.

**13. Contracted services provided by a public school district including specific classroom instruction**

**All expenses are reviewed by ALDOR to ensure compliance with the program.** While each ESP has the discretion to set pricing, ALDOR reserves the right to reject any invoice that is not within reason or is suspected as being fraudulent. ALDOR also has the authority to add or remove items on the 2025-2026 Approved Expenses List.

## CHOOSING AN EXPENSE CATEGORY:

**As part of the payment process, the participant needs to select an expense category.**

**The categories available are:**

- Computers and technological aids
- Curriculum and supplemental reading materials
- Educational software and applications
- Educational therapies for students with disabilities
- Fees for after-school or summer education programs provided by a participating school
- Fees for standardized and nationally recognized assessments
- Instructional materials (i.e., school supplies)
- Services provided by a public school district including specific classroom instruction
- Textbooks in approved subjects
- Tuition and fees at a participating school
- Tuition and fees for an approved nonpublic K-12 online learning program
- Private Tutoring

**More than one category can be selected per transaction.** For example, if the invoice includes **tuition and tutoring fees**, select both the **"Tuition and fees at a participating school"** and **"Private Tutoring"** categories.



# SUPPORT AND RESOURCES

The CHOOSE Act Alabama [website](#) is up-to-date with the latest information and the ClassWallet [Knowledge Base](#) is full of resources.



**For all general CHOOSE Act Alabama and digital wallet questions, ClassWallet is ready to help!**

Phone: **877-969-5536**

Email: [help@classwallet.com](mailto:help@classwallet.com)

Customer support is available Monday through Friday 7 a.m. – 7 p.m. CT and Saturday 9 a.m. – 3 p.m. CT.

The CHOOSE Act Alabama  
Frequently Asked Questions

The CHOOSE Act Alabama  
Parent Guide

Watch a webinar

Review  
The CHOOSE Act statute