

Please keep in mind that scholarships are not guaranteed and many factors are considered by our Selection Committees.

We have multiple award cycles per school year; only one application is required per school year. Application deadlines can be found on our website at www.acsto.org.

ACSTO can only make an award if your student is currently attending, or in the enrollment process for the school named on your application.

All applications expire at the end of every school year, regardless of when they are received.

HOW ARE SCHOLARSHIPS AWARDED AND WHAT FACTORS ARE CONSIDERED?

Our Selection Committees consider three factors when making award decisions:

- 1 Financial Circumstances of the Student's Family
(A required factor by state law. It is held in strictest confidence.)
- 2 A Narrative Provided by the Parents
- 3 Donor Recommendations Concerning the Student

Every student who has a current application on file and the meets the qualifications of each type of scholarship is considered. If a student does not receive an award, it is simply because there wasn't enough to go around.

WHAT IF MY STUDENT RECEIVES AN AWARD BUT TRANSFERS TO ANOTHER SCHOOL?

As long as the new school is a private Christian school in Arizona that partners with ACSTO, the unused portion will follow the student. Otherwise, any remaining scholarship amount would be awarded among other students at that school.

MAY A STUDENT RECEIVE FUNDS FROM MORE THAN ONE STO?

Yes, we encourage you to apply for any opportunities available. **Our number one goal is for you to be able to afford a Christian Education for your child.**

IF MY STUDENT RECEIVES EMPOWERMENT SCHOLARSHIP ACCOUNT (ESA) MONEY FROM THE ARIZONA DEPARTMENT OF EDUCATION, CAN THEY ALSO RECEIVE A SCHOLARSHIP FROM ACSTO?

The ESA statute (A.R.S. 15-2402 (B)(3)) requires that while a parent has a contract with the ESA program, a student cannot accept ESA and STO money for the same period. If a parent chooses to end their ESA contract during the school year, there is no conflict if the student receives an STO scholarship for the remainder of the academic year.

DO WE AWARD TO FAMILIES?

Per the Arizona Department of Revenue, scholarship awards are only given to individual students. There are no family accounts. These awards are non-transferable, even within the same family.

ACSTO

Arizona Christian School Tuition Organization

P.O. Box 6580
Chandler, AZ 85246

P 480.820.0403
F 480.820.2027

www.acsto.org

NOTICE: A school tuition organization cannot award, restrict, or reserve scholarships only on the basis of a donor's recommendation. A taxpayer may not claim a tax credit if the taxpayer agrees to swap donations with another taxpayer to benefit either taxpayer's own dependent. A.R.S. 43-1603 (C). Any designation of your own dependent as a potential recipient is prohibited.

Copyright © Arizona Christian School Tuition Organization, Inc. June 2017

ACSTO

Frequently Asked Questions

REGARDING SCHOLARSHIPS

WHICH TYPES OF SCHOLARSHIPS ARE AVAILABLE?

ACSTO awards two different scholarships, which are funded by two different tax credits.

Original Scholarships are funded through the Original Individual Tax Credit Law, enacted in 1997 as A.R.S. 43-1089. Any student enrolled in a Private School in grades K-12 (or a preschool student with disabilities) qualifies for this scholarship.

Overflow Scholarships are funded through the Switcher Tax Credit Law which took effect in August of 2012 as A.R.S. 43-1089.03. In order to be eligible for a scholarship from this source, students must fall under one of four categories.

- 1 Student is Switching from an AZ Public District/Charter school to Private School
- 2 Entering Kindergarten (or Preschool with a Disability)
- 3 Student's Parents are in AZ under Active Duty Military Orders
- 4 Student Previously Received Overflow or Corporate Scholarship

(ACSTO does not award Corporate; see schoolchoicearizona.org)

Please review our website and Scholarship Application for more details.

HOW DO I RECEIVE A SCHOLARSHIP FOR MY CHILD?

Parents need to apply for scholarships through their Parent Portal account at acsto.org. Once you create an account, you will be able to apply online, review your scholarship applications, update family information, view previous award history, and be notified about award decisions.

You may also download an application to complete on our website at acsto.org. You may submit it to us by mail, fax, or email (applications@acsto.org). The same application is used for both Original and Overflow Scholarships.

REGARDING DONATIONS

WHY SHOULD I DONATE TO ACSTO?

WE BELIEVE THAT EVERY ARIZONA STUDENT WHO WANTS TO ATTEND A CHRISTIAN SCHOOL SHOULD BE ABLE TO.

We exist to make that happen—your donation helps make that possible.

Christian Education can be a life changer for the student and their family. In 2011, we defended the tuition tax credit law in the United States Supreme Court in **ACSTO vs. Winn**. ACSTO prevailed! We actively support the expansion of school choice in Arizona and nationwide.

With your donation, you not only change lives, but save the state of Arizona money. The average tax credit scholarship is only a small portion of what Arizona would actually pay to educate the child if enrolled in a government funded school. Your donation is a win-win for everyone!

ACSTO's sole purpose is to help make Christian Education a reality for thousands of Arizona families.

HOW CAN I DONATE?

Donate Online: Give through our secure Donor Portal at www.acsto.org. It is quick and easy—create an account or donate as a guest. We accept all major credit cards.

Donate by Phone: Call us at **480.820.0403** to donate over the phone by credit card. Our office is open M–F, from 9am–12pm and 1pm–4pm.

Donate by Mail: Complete a donation card and include a check, money order, or credit card information. Mail donations to **PO Box 6580, Chandler, AZ 85246**.

WHEN CAN I DONATE?

You may donate at any time. We always process as many donations as possible for each award cycle.

For donations made between January 1st and April 15th, it is up to the donor to claim the tax credit for

the previous or current tax year. If claiming it for the previous tax year, **donations must be made by the time you file your taxes or April 15th, whichever comes first**. Even if you file an extension, **your donation must be postmarked or submitted online before midnight, April 15th**.

HOW MUCH CAN I DONATE?

You can make a donation up to the combined maximum of the Original and the Overflow Tax Credits, or your Arizona state tax liability, whichever is less.

Your state tax liability is the amount of money you must pay to the state in taxes based on your earnings. In exchange for your donation, the state gives you a dollar-for-dollar tax credit, essentially taking the place of what you would have to pay to the state. **However your donation cannot exceed the annual donation maximum allowed or your tax liability, whichever is less.**

In order to claim the Overflow Tax Credit, you must donate the maximum amount to the Original Tax Credit first. Any amount donated above the allowed maximum for the Original Tax Credit pours over into the Overflow Tax Credit, up to that credit's allowed maximum donation.

If you have no liability, you cannot receive a credit. However, what you give to ACSTO may count as a charitable gift for Federal deductions.

For the latest tax credit maximums, see our Donation Brochure, or visit our website at www.acsto.org.

IF I ALREADY GET A REFUND, WHY WOULD I NEED A TAX CREDIT?

You receive a refund because you have overpaid into your state taxes throughout the year.

A credit is very different from a refund. Dollar-for-dollar, a credit **offsets** the tax you owe the state. **Arizona gives you credit for each dollar you donate** up to your state tax liability or the stated maximum, whichever is less.

When you take advantage of a tax credit, if you normally get a refund, you'll get a bigger refund!

Likewise, at the end of the year, if you typically owe tax, you'll owe less or now receive a refund.

HOW MUCH OF MY DONATION IS AWARDED AS A SCHOLARSHIP?

Arizona law requires that 90% of donated funds are awarded as scholarships. ACSTO awards **92%** of recommended donations, and uses the balance for operating costs and resources for our schools and parents.

CAN I RECOMMEND A SPECIFIC SCHOOL OR STUDENT WITH MY DONATION?

Yes, you may identify a specific school and your donation will be used to award scholarships among applicants from that school. A current list of schools is available on our website. In addition, you may also recommend any student who is not your child or dependent.

However you cannot “swap” donations with another person by recommending each other's children. The law states, “A taxpayer may not claim a tax credit if the taxpayer agrees to swap donations with another taxpayer to benefit either taxpayer's own dependent.” ACSTO has always discouraged this practice.

DOES A RECOMMENDATION GUARANTEE A SCHOLARSHIP?

No—ACSTO's Selection Committees must retain complete discretion regarding all awards. Both Arizona law and IRS regulations do not allow guarantees. Recommendations are considered in the award process, but they are not the only factor.

WILL I RECEIVE A RECEIPT AT THE END OF THE YEAR?

If you create an account on our Donor Portal, you may print your current year's receipt at any time. If you have not yet created an account, an annual receipt statement will be mailed to you by January 31st of the following year.

IS OUR DONATION ELIGIBLE FOR A FEDERAL DEDUCTION?

We are a federally tax exempt 501(c)(3) charitable organization. For federal tax purposes, any deduction

must be claimed for the tax year in which the donation was made; the April 15th deadline does not apply. You should consult your tax advisor for specific tax advice concerning deductibility for your tax situation.

ARE THERE OTHER TAX CREDIT OPPORTUNITIES?

The state of Arizona offers several other tax credit opportunities. There is also the Public School Extracurricular, Charitable Organizations (Working Poor), Foster Care, and Military Tax Credit available. A taxpayer may donate to as many of the various tax credit programs as they like—so long as they have the state tax liability to do so. Please visit the Arizona Department of Revenue at www.azdor.gov for more information.

HOW DO I REPORT THE DONATION ON MY TAX RETURN?

Donations to ACSTO for the Original Tax Credit are filed using Arizona Form 323. Donations made for the Overflow Tax Credit are filed using Arizona Form 348. If claiming any tax credits, you will also need to complete Form 301. Forms are available from the Arizona Department of Revenue at www.azdor.gov, or our website, at www.acsto.org.

WHY CAN'T PARENTS KNOW WHO DONATED FOR THEIR CHILD OR HOW MUCH?

The Arizona Department of Revenue has always maintained that donor names should not be shared with scholarship recipients. By providing the names of donors who recommended a child for a scholarship, the STO may be giving the impression that money donated to an STO will always be used for the student beneficiary recommended by the donor.

A.R.S. § 43-1603(B)(3) prohibits an STO from awarding, designating or reserving scholarships based solely on a donor's recommendation. In addition, Federal charitable contribution laws expect donor confidentiality. We do not disclose dollar amounts for recommendations because there are no guarantees for the recommended amount. Tax credit law discourages any perception of an entitlement to scholarships that are not yet awarded.

HAVE ANOTHER QUESTION?

*Our friendly customer service staff is always available to help you! Give us a call at **480.820.0403**, or email us at social@acsto.org today!*