

## HOW DO I RECEIVE A SCHOLARSHIP FOR MY CHILD?

**First**, create a Parent Portal account at ACSTO.org and apply for scholarships for each of your students. You may also print an application from our website and submit the completed application to us by mail, fax, or email ([applications@ACSTO.org](mailto:applications@ACSTO.org)).

Only one application is required per school year. Application Deadlines can be found on our website. Applications expire at the end of the school year, regardless of when they are received.

Once an application is submitted, your student will be considered for scholarships in each Award Cycle during the school year as long as your student is enrolled at the school named on the application.

**Next**, learn how the Private School Tax Credit Program works to make Christian Education affordable for families. Take advantage of the great resources on our website and attend a Parent Workshop.

## HOW ARE SCHOLARSHIPS AWARDED AND WHAT FACTORS ARE CONSIDERED?

Every student who has a current application on file, is enrolled, and meets the qualifications of each type of scholarship is considered.

Our Selection Committees consider three factors when making award decisions:

- 1 Family Financial Information provided on the application (*This is a required factor by state law. It is held in strictest confidence.*)
- 2 Student Narrative provided on the application
- 3 Donor Recommendations received for the student

**By law, donor recommendations are not guaranteed. However, they do help in the award decision process.**

Regardless of our desire to award every student during each Award Cycle, we do not always have the funds available to meet this goal since we are a donation-based organization.

## 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.

CONTINUED ON BACK COVER →

## MAY A STUDENT RECEIVE FUNDS FROM MORE THAN ONE SCHOOL TUITION ORGANIZATION (STO)?

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

## IF MY STUDENT RECEIVES FUNDS FROM AN EMPOWERMENT SCHOLARSHIP ACCOUNT (ESA), CAN THEY ALSO RECEIVE A SCHOLARSHIP FROM AN STO?

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 concurrently.** If a parent ends their ESA contract during the school year, there is no conflict if that student receives an STO scholarship for the remainder of the academic year.

## ARE SCHOLARSHIPS AWARDED TO FAMILIES?

Per the Arizona Department of Revenue (ADOR), scholarship awards are only given to individual students. There are no family accounts.

# ACSTO

Arizona Christian School Tuition Organization

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**WHAT IS A TAX CREDIT?**  
Scan this with your cell phone camera and watch a short video to find out!



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**NOTICE:** A school tuition organization cannot award, restrict, or reserve scholarships solely 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.

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# ACSTO

## Arizona Christian School Tuition Organization

# FREQUENTLY ASKED QUESTIONS

## REGARDING SCHOLARSHIPS

### WHAT TYPES OF SCHOLARSHIPS ARE AVAILABLE?

In Arizona, there are four different tax credit scholarship programs available to help families afford a private education. Two of the programs are funded by Individual taxpayers; the other two are funded by Corporate taxpayers.

ACSTO awards scholarships through the two Individual tax credit programs: Original and Overflow. Our sister organization, School Choice Arizona, awards scholarships through the Corporate tax credit program. For more information on Corporate scholarships, visit [schoolchoicearizona.org](http://schoolchoicearizona.org).

**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 preschooler with disabilities) qualifies for this scholarship.

**OVERFLOW SCHOLARSHIPS** are funded through the Switcher Individual Tax Credit Law which took effect in August 2012 as A.R.S. 43-1089.03. To be eligible, students who qualify for an Original Scholarship must **also** meet one of the requirements below.

- 1 The student attended an AZ district or charter school for at least 90 days in the prior school year, then transferred to a private school.
- 2 The student is currently enrolled in Kindergarten at a private school.
- 3 The student is a dependent of a member of the US Armed Forces who is stationed in Arizona under military orders.
- 4 The student previously received an Overflow or Corporate Scholarship in a prior year, and has attended private school continuously since.  
*Beginning with the '21-'22 academic year, eligibility prerequisites were expanded to include:*
- 5 The student was homeschooled immediately prior to enrolling in a private school.
- 6 The student moved to Arizona from out of state immediately prior to enrolling in a private school.
- 7 The student participated in the ESA program and did not renew or accept the scholarship in order to accept STO scholarships.

Please review our website and Scholarship Application at [ACSTO.org](http://ACSTO.org) for further details.

## REGARDING DONATIONS

### WHY SHOULD I DONATE TO ACSTO?

*ACSTO's sole purpose is to make Christian Education affordable for everyone.*

#### ✓ WE ARE DISTINCTLY CHRISTIAN

Our passion is Christian Education — we believe every student should have the opportunity to learn not just in a private school but, specifically, a **Christian School**. This is why we partner with over 130 Christian Schools across the state of Arizona!

#### ✓ WE PROTECT THE PRIVATE SCHOOL TAX CREDIT PROGRAM

We engage with policymakers, school choice working groups, and will always fight to protect the program in court ... **including prevailing in ACSTO v. Winn at the U.S. Supreme Court.**

#### ✓ WE ARE GOOD STEWARDS

We award **92%** of all donor recommendations — more than the 90% required by law!

#### ✓ OUR CUSTOMER SERVICE & RESOURCES ARE EXCELLENT

Our team members have the best training, are available, and helpful! We also have great resources available for donors, parents, and schools.

### HOW CAN I DONATE?

**DONATE ONLINE:** Give through our secure Donor Portal at ACSTO.org.

**DONATE MONTHLY:** If you prefer to make smaller donations each month, create a donation schedule online through your Donor Portal account at ACSTO.org!

**DONATE BY PHONE:** Call us at **480.820.0403** to donate by credit/debit card. Our phone hours are Monday-Friday, 9am-12pm and 1pm-4pm.

**DONATE BY MAIL:** Complete a donation card and include a check, money order, or credit/debit card information. Mail donations to **PO Box 6580, Chandler, AZ 85246.**

### WHEN CAN I DONATE?

You may donate at any time of the year! For donations made between January 1 and Tax Day, the donor can choose to claim the tax credit for the previous or current tax year. **If claiming for the previous tax year, donations must be made by the time you file your taxes or by Tax Day, whichever comes first.** Even if you file an extension, your donation must be postmarked or submitted online prior to midnight on Tax Day.

### HOW MUCH CAN I DONATE?

You can donate up to the combined maximum of the Original and 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.

To claim the Overflow Tax Credit, you must donate the maximum amount to the Original Tax Credit **before any additional amount is applied** to the Overflow Tax Credit, up to that credit's allowed maximum donation.

**For the current tax credit maximums, see our Donation Brochure, or visit ACSTO.org.**

If you have no liability, you cannot receive a credit. However, what you give to ACSTO may be considered a charitable gift.

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

If you created a Donor Portal account, you may print a current receipt at any time. Otherwise, an annual receipt statement will be mailed to you by January 31 of the following year.

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

You receive a refund when you overpay toward 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 DO I CLAIM MY CREDIT ON MY STATE TAX RETURN?

Donations to ACSTO for the Original Tax Credit are claimed using Arizona Form 323. Donations made for the Overflow Tax Credit are claimed using Arizona Form 348. If claiming any tax credits, you will also need to complete Form 301. Forms are available at ACSTO.org or at AZDOR.gov. Visit our website to watch *Claiming Your Tax Credit*, a quick video walk-through of these forms.

### ARE THERE OTHER TAX CREDIT OPPORTUNITIES?

Arizona offers several other tax credit opportunities for public schools, charitable organizations, foster care, and military families. A taxpayer may donate to as many of the various tax credit programs as they like — as long as they have the state tax liability to do so. Visit AZDOR.gov for more information.

### DO I NEED A CODE TO CLAIM MY TAX CREDIT?

Unlike Arizona's charitable, foster care, and public school tax credits, the Private School Tax Credit does not require an organization/school code to claim the credit on your state taxes. If a code is requested, please confirm you have selected the **Private School Tax Credit**, or that you are using Arizona Form 323 (and Form 348, depending on your donation amount).

### IS MY DONATION ELIGIBLE FOR A FEDERAL DEDUCTION?

Please consult your tax advisor for specific advice concerning deductibility for your tax situation.

### 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. We operate on an 8% budget which is used to pay for operating costs and numerous resources for our schools, parents, and donors.

### 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 our Partner Schools is available at ACSTO.org. In addition, you may also recommend an eligible K-12 student (or preschooler with disabilities) who is not your child or dependent. Please note, Overflow Scholarships can only be awarded to students who qualify to receive them.

Families may not "swap" donations 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."

### WHAT IS THE DIFFERENCE BETWEEN A DONOR RECOMMENDATION AND A SCHOLARSHIP AWARD?

A donor recommendation is just that, a recommendation. By law, an STO cannot guarantee a scholarship award based solely on the recommendation of a donor. Recommendations are considered and are helpful in the scholarship award process, but they are not the only factor.

Scholarship awards are made by our Selection Committees on a quarterly basis. In addition to any donor recommendations received, the committees consider the family financial information (required by state law) and the student narrative provided in the student's Scholarship Application.

### CAN AN STO LET PARENTS KNOW WHO RECOMMENDED THEIR CHILD FOR A SCHOLARSHIP OR THE AMOUNT DONATED?

Per the ADOR, donor names may not be shared with scholarship recipients. In addition, as a 501(c)(3) charitable organization, we are required by federal law to maintain donor confidentiality.

Arizona tax credit law prohibits STOs from awarding, designating, or reserving scholarships based solely on a donor's recommendation. Therefore, donation amounts for recommendations are not disclosed since there are no guarantees to scholarships that have not been awarded yet.

## Have another question?

*We're ready to help!*



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