



RED SANDS CHRISTIAN SCHOOL

Address: Highway 99 MM 59, Winslow, AZ 86047

Mailing Address: PO Box 579, Winslow, AZ 86047

928.289.9221 • www.redsands.cc

Dear Friends and Families of Red Sands Christian School:

Red Sands Christian School wants to give parents as much information as possible regarding how to fund their children's Christian education. There is an incredible opportunity with tax credits and scholarships here in the State of Arizona and we want families to be familiar with this as they plan their children's education.

Arizona State Legislature established a law in 1997 that allows taxpayers to redirect a portion of their taxes to School Tuition Organizations (STOs) and receive a dollar for dollar tax credit. The STOs then give the money out in the form of scholarships to students attending private schools.

Many families at Red Sands Christian School benefit from STOs and as a school we see the importance of educating our parents on how STOs operate. See below for more information and should you have any questions please feel free to call me.

School Tuition Organizations (STO's)

What are they and how can they benefit me?

Frequently Asked Questions

Q. What are School Tuition Organizations (STO's)?

STO's take in redirected tax dollars from AZ taxpayers and then award the money in the form of scholarships to students at private schools to help pay for tuition. Arizona is one of the few states to have a law that allows taxpayers to re-direct tax dollars to STO's and receive a dollar for dollar tax credit on their state taxes.

Q. How can STO's benefit me?

Redirecting a portion of your tax dollars to a STO benefits you in several different ways. First, you receive a dollar for dollar tax credit on your Arizona state taxes! Second, a STO can provide a scholarship to your child to help pay for tuition here at Red Sands Christian School. Lastly, STO's benefit you by simply knowing that you are supporting Christian education in a world today that is desperately seeking direction.

Q. How much can I redirect of my tax dollars to a STO?

In 2016, an individual taxpayer can redirect up to \$545.00 under the "Original" Private School Tax Credit and then can redirect up to an additional \$542.00 under the "NEW Switcher" Tax Credit for a total of \$1087.00.

In 2016, a married couple, filing jointly can redirect up to \$1,090.00 under the "Original" Private School Tax Credit and an additional \$1,083.00 under the "NEW Switcher" Tax Credit for a total of \$2,173.00.

Tuition Tax Credits 2016	“Original” Tax Credit	“New” Switcher Tax Credit	Total Tax Credit
Individual Filer	\$545.00	\$542.00	\$1,087.00
Married Filing Jointly	\$1,090.00	\$1,083.00	\$2,173.00

Q. What do I need to do in order to redirect my tax dollars?

1. Go online to one of the Individual STO websites (see below) and complete the donor form. You can pay by check or credit card.
2. The STO will mail/email you a receipt of the amount you redirected for your taxes.
3. It is that simple!

Q. What is the deadline to make a “redirection” of my tax dollars and receive the tax credit?

A redirection must be either postmarked by April 15th or received online by midnight on April 15th to be eligible for the Arizona dollar-for-dollar tax credit in the previous calendar year.

Q. What if I owe Arizona State tax?

Your tax credit redirection will provide you with a dollar-for-dollar credit on your AZ state taxes.

For example, if you owe the State of Arizona \$1,500, and you redirected a \$1,000 to an STO in 2015, you reduce the amount owed to the State of Arizona by \$1,000 and now only owe \$500.

Q. Do we get a refund for our donation?

Depending on how much you pre-paid in taxes throughout the year, one of several things could happen when you file your state taxes after redirecting:

1. What you owe is reduced, and you pay the difference to the state.
2. You overpay on your taxes, and you get a refund from the state.
3. You donate in excess of your liability and the remaining credit can be carried forward and used to offset state income taxes for up to five years.

Q. Can my family and friends redirect tax dollars to an STO and recommend Red Sands Christian School to receive the scholarships?

Yes! As long as they pay taxes in the State of Arizona they can redirect their tax dollars to benefit families here at Red Sands Christian School. On the donation form have them write in our school name.

Q. Can my family and friends redirect tax dollars to an STO and recommend my child to receive the scholarship?

Yes. On the donor form have them write in your child’s name and school.

Q. Does a recommendation guarantee a scholarship?

No, donor recommendations are not the only factor that STO committees consider when allocating a tuition award.

Q. If my child has been recommended by a donor on the donation form, do I still need to submit an application?

Yes, EACH student must have an application on file. You must reapply each year!

Q. May I recommend my own child?

No, the state of Arizona prohibits recommending a dependent.

Q. Can my friend and I donate to each other's children?

No. This is called swapping and the law states, "A taxpayer may not claim a tax credit if the taxpayers agree to swap donations with another taxpayer to benefit either taxpayer's own dependent."

Q. Is my donation also eligible for a federal income tax deduction?

Your donation may be eligible for a federal deduction. You should consult your tax advisor for specific tax advice. The April 15th deadline does NOT apply when considering the federal deduction.

Q. Can I take advantage of both the Public school and Private School Tax Credits?

Yes! Contact the public school for further information on their donation process. Your redirection of tax dollars to a private school must be made through an Arizona State approved non-profit 501(c)(3) Student Tuition Organization.

Q. Can I use my credit card to redirect money to an STO?

Most of the STOs accept Credit Cards. Go online to the STO of your choice to complete the credit card information.

Q. Can I use automatic withdrawal through my employer?

Yes! Arizona allows individuals to redirect a portion or all of their payroll tax withholding amount in order to make a contribution to a School Tuition Organization.

You can "take the credit" to support school choice without having to provide money up front or in one large sum!

If your employer voluntarily elects to participate, you can request that they redirect a portion of your state tax withholding amount to a STO and they will make quarterly payments to the STO on your behalf. Many of the STOs will help facilitate this process with your employer. At the end of the year, you will receive a statement from the STO and your employer indicating the total amount of your contribution. Your employer will also send a statement to the AZ Department of Revenue.

Q. Is there a way to make a weekly/monthly redirection of tax dollars rather than writing out one large check to receive the dollar for dollar tax credit?

Yes. Contact the Individual STO that you are interested in redirecting tax dollars to and they will help you with this payment system.

Q. What is the difference between a "Tax Credit" and a "Tax Deduction?"

A tax credit reduces the amount a taxpayer owes as opposed to a tax deduction, which only lowers taxable income.

Typically, a tax credit is better than a tax deduction in lowering the overall amount paid in taxes.

Q. I work for a Corporation. Can they “redirect” their tax dollars to a STO that can provide scholarships to students at Red Sands Christian School?

YES! “C” Corporations are primarily the businesses that are able to take advantage of the tax credit. School Tuition Organizations that work with “Corporate” donors are listed below. In some cases “S” Corps can receive a tax credit as well.

Q. How do I apply for a scholarship?

Complete a scholarship application on line with one or more of the STOs. Make sure you have begun the enrollment process at Red Sands Christian School otherwise STOs cannot make an award.

Q. Are there different kinds of scholarships?

Yes. There are three different scholarships to apply for in the State of Arizona each with their own unique criteria.

1. Individual Scholarship

*No income guidelines to meet

All families may apply for this scholarship

2. Corporate Scholarship

*Income guidelines to meet are based on the National Reduced Lunch Program income guidelines and specific STO guidelines. Please visit the STO websites for further information (see below).

AND

One of the following must apply

- A. Transferring from a public/charter school to private school
- B. Entering Kindergarten
- C. Active Military in AZ
- D. Previously received Individual or Corporate Scholarships

3. *NEW Switcher Scholarship

*No Income Guidelines to meet

AND

One of the following must apply

- A. Transferring from a public/charter school to private school
- B. Entering Kindergarten
- C. Active Military in AZ
- D. Previously received a Corporate Scholarship

Q. May a student receive funds from more than one STO?

Yes! Students may receive funds from multiple STOs as long as all the scholarships combined do not exceed the tuition due.

Q. What kind of information are they going to ask on the application?

Student name, family contact information, financial makeup of the home, and a narrative.

Q. Are there deadlines to apply for scholarships and when will I know if my child receives one?

Deadlines to apply for scholarships vary. STOs also have different disbursement dates. Check each of their websites for the most current information.

Q. What is the difference between an “Individual” Scholarship and a “Corporate” Scholarship and an “Individual” STO and a “Corporate” STO?

Individual Scholarships and Individual STOs go together. Corporate Scholarships and Corporate STOs go together. Individual STOs receive redirected tax dollars from Arizona state taxpayers. Anyone can apply for Individual Scholarships. Corporate STOs receive redirected tax dollars from Corporations. You can apply for Corporate Scholarships if you meet financial criteria.

The following are links to STOs which our families have received scholarships from in the past.

Some of the STOs below work with both “Individual” Scholarships and “Corporate” Scholarships.

Individual STOs:

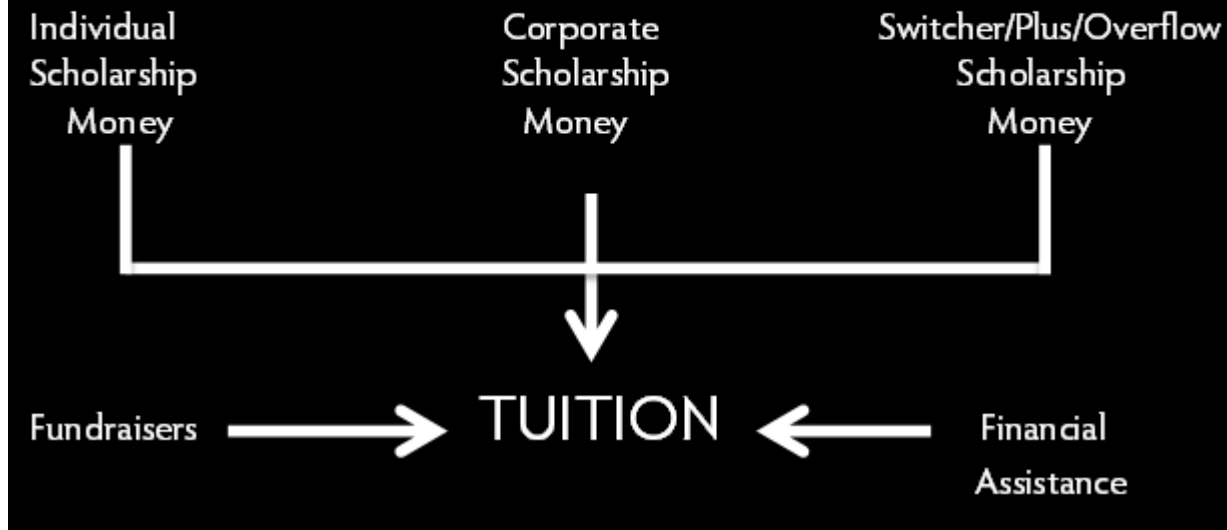
- ☞ [Arizona Christian School Tuition Organization, Inc.](#)
- ☞ [Arizona Private Education Scholarship Fund, Inc.](#)
- ☞ [Institute for Better Education](#)
- ☞ [Tuition Organization for Private Schools](#)

Corporate STOs:

- ☞ [Arizona Leadership Foundation](#)
- ☞ [Arizona Private Education Scholarship Fund, Inc.](#)
- ☞ [Institute for Better Education](#)
- ☞ [School Choice Arizona](#)

In addition to STOs there are other ways to help fund tuition for a Christian education here at Red Sands Christian School. Information is below for all options.

GREAT OPTIONS TO HELP PAY FOR TUITION!



Financial Assistance

Frequently Asked Questions:

Q. What is the difference between STO's and Financial Assistance? Aren't they the same thing?

STO's are separate entities independent of Red Sands Christian School and Financial Assistance is run through our school. Financial Assistance is limited each year and is ONLY available to those who have taken the time to fill out the School Tuition Scholarship applications for the current school year and have not been able to receive tuition funds.

Q. Who do I contact to discuss Financial Assistance?

Brian Snyder 928-289-9221 or brian@lifeline.org

Q. How do I apply for Financial Assistance?

Schedule an appointment to speak with Brian Snyder, the School Administrator. You can call to schedule an appointment at 928-289-9221.