



Scottsdale *Unified* School District

Ensuring All Individual Learners Reach Their Full Potential

Tax Credit Handbook

GUIDELINES FOR THE PUBLIC SCHOOL TAX CREDIT

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Introduction

An individual may claim a nonrefundable tax credit for making cash contributions or for certain fees paid to a public school located in Arizona for the support of the following purposes:

- a) Extracurricular activities
- b) Character education programs, defined in A.R.S. § 15-719
- c) Standardized testing fees for college readiness
- d) Assessment for career and technical preparation programs
- e) Cardiopulmonary resuscitation (CPR) training defined in A.R.S. § 15-718.01.

From and after **June 30, 2019 through June 30, 2022** individuals may claim a nonrefundable tax credit for making contributions or for fees paid for the support of:

- f) Acquiring capital items as defined in the Uniform System of Financial Records, including those items listed in section A.R.S. § Title 15-903, subsection C paragraphs 2 through 8
- g) Community school meal programs
- h) Student consumable health care supplies
- i) Playground equipment and shade structures for playground equipment.

To qualify for the credit, an individual must make contributions for qualifying expenditures per A.R.S. § 43-1089.01. The credit is equal to the amount of fees paid or cash contributions, not to exceed \$400 for married filing joint filers and \$200 for all other filing statuses.

School Tax Credits

Extracted from Arizona Department of Revenue Publication 707

This publication provides general information about school tax credits for individuals. For complete details, refer to the Arizona Revised Statutes. In case of inconsistency or omission in this publication, the language of the Arizona Revised Statutes (A.R.S.) will prevail.

What school tax credits are available to individuals?

There are five different school tax credits that an individual may be eligible to claim. An individual may claim a credit for making contributions or paying fees to a public school for support of qualified activities or qualified programs. An individual may also claim two separate credits for making donations to a qualified school tuition organization for scholarships to private schools. Additionally, an individual who is a shareholder of an S corporation may claim two separate credits for contributions made by the S corporation to a qualified school tuition organization when the S corporation qualifies for a corporate credit and makes an election to pass that credit through to its individual shareholders.

Who may claim the individual school tax credits?

The individual school tax credits are available only to individuals. The individual school tax credits are not available to trusts, estates, regular corporations, or S corporations. Additionally, partnerships and S corporations cannot pass the individual credits through to its partners or shareholders. However, an S corporation that is eligible for the corporate school tuition tax credits may elect to pass those corporate credits through to its individual shareholders.

What forms should an individual use to claim these credits?

An individual that makes contributions or pays fees to a public school for support of qualified activities or qualified programs uses Arizona Form 322 to claim this credit. An individual that makes a contribution to a qualifying school tuition organization uses Arizona Form 323 and Arizona Form 348 (depending on the level of donations) to claim these credits. An individual shareholder of an S corporation uses Form 335-I and/or 341-I to claim the private school tuition tax credit(s), which an S corporation passed through to its individual shareholders.

Can a taxpayer receive a refund of these credits?

No. The credits may only be used to the extent they reduce a tax liability to zero. Any unused amounts may be carried forward for not more than five consecutive taxable years

Can a taxpayer claim all five credits in the same taxable year?

Yes.

On the Arizona state income tax return, can a taxpayer claim both an itemized deduction and a tax credit for a contribution made to either a public school or a school tuition organization?

No. Any amount claimed as a tax credit cannot be taken as an itemized deduction. However, you may still claim any excess over the amount claimed as a credit as an itemized deduction as long as the contribution did not benefit your dependent.

Must a taxpayer have a child in school in order to claim any of these credits?

No.

Is a charter school considered to be a public school or a private school?

A charter school is defined in A.R.S. §15-101 as a public school. Therefore, contributions made or fees paid for support of qualified activities or qualified programs to a charter school are eligible for the credit on Arizona Form 322.

Credit for Contributions Made or Fees Paid to a Public School

What do I have to do to qualify for this credit?

To qualify for the credit you must make cash or payroll withholding contributions or pay fees to a public school for support of qualified activities or qualified programs.

What are qualified activities or qualified programs for the purpose of the public school credit?

For the purpose of the public school credit, qualified activities and qualified programs include any of the following:

- Extracurricular activities
- Character education programs
- Standardized testing fees for college credit or readiness offered by a widely recognized and accepted educational testing organization
- Preparation courses and materials for standardized testing
- The career and technical education industry certification assessment
- Cardiopulmonary resuscitation training pursuant to A.R.S. §15-718.01

What are extracurricular activities?

Extracurricular activities are school-sponsored activities that may require enrolled students to pay a fee in order to participate. Such activities may include, but are not limited to, use of band uniforms, use of equipment or uniforms for varsity athletics, use of scientific laboratory equipment or materials or in-state or out-of-state trips that are solely for competitive events.

Extracurricular activities do not include any senior trips or events that are recreational, amusement or tourist activities. Generally, any optional, noncredit, educational or recreational activities that supplement the education program of the school are considered to be extracurricular activities. A.R.S. §15-342(24) requires each district school board to determine which activities are extracurricular and what fees will be levied. Fees must not exceed the actual costs of the activity. Fees for the use of scientific or other equipment must be optional and not part of a course taken for credit.

What is a character education program?

A character education program is a program defined in A.R.S. §15-719. Under this statute each district may develop its own course of study for each grade. At a minimum, the character education program must include:

- Instruction in the definition and application of at least six of the following character traits: truthfulness, responsibility, compassion, diligence, sincerity, trustworthiness, respect, attentiveness, obedience, orderliness, forgiveness, virtue, fairness, caring, citizenship and integrity.
- Use of activities, discussions and presentations to illustrate and reinforce the application of the character traits.
- Presentations by teachers or mentors who demonstrate the character traits.

What are standardized testing fees for college credit or readiness?

These are testing fees paid to the school for the SAT, PSAT, ACT, advanced placement and international baccalaureate diploma tests and other similar tests.

What is a widely recognized and accepted educational organization testing organization?

A widely recognized and accepted educational testing organization means the College Board, the ACT, the International Baccalaureate and other organizations that are widely recognized and accepted by colleges and universities in the United States and that offer college credit and readiness examinations.

What is career and technical education industry certification assessment?

This is an assessment for career and technical preparation programs for students.

What is a fee paid for the support of extracurricular activities?

A fee is a dollar amount paid to a public school for the support of extracurricular activities.

What is an enrolled student for the purpose of extracurricular activities?

An enrolled student is a student included by the school in its average daily membership count. Pre-school students, except handicapped students, and adult education students are excluded.

Will I qualify for the credit if I pay fees for my own child to participate in qualified activities or qualified programs?

Yes, if the fees you pay for your own child to participate in qualified activities or qualified programs qualify for the credit.

Do contributions I make to the school qualify for the credit?

Yes, if the contributions are in support of qualified activities or qualified programs.

Do I qualify for the credit if I make a contribution or pay fees to an organization (e.g., PTA, school foundation, or school club) which then gives the funds in a lump sum to the school or directly pays for qualified activities or qualified programs?

No. A.R.S. §43-1089.01 requires that the contributions be made and that fees be paid "to a public school." Therefore, the payment must be made directly to the public school or district only.

Do I qualify to claim the credit if I make a contribution or pay fees for qualified testing to the testing company instead of directly to the school?

No. A.R.S. §43-1089.01 requires that the fees be paid "to a public school." Therefore, for standardized testing to qualify for the public school tax credit, the checks will need to be made out to the public school and not the testing company.

Must the credit for contributions made or fees paid to a public school be claimed in the year of donation?

No, beginning in 2016, credit-eligible fees paid and contributions made to a public school from January 1 through April 15 of a calendar year may be used as a tax credit to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

For example, qualifying contributions made to a public school from January 1, 2018, to April 17, 2018, may be used as a tax credit on either your 2017 or 2018 Arizona income tax return. If April 15 falls on a Saturday, Sunday or a legal holiday, a contribution shall be considered timely if made on the next business day. For example: April 15, 2018, falls on a Sunday and District of Columbia Emancipation Day will be observed on Monday, April 16, 2018. You have until Tuesday, April 17, 2018, to file your return.

What is the maximum amount of the credit?

The credit is equal to the amount contributed or the amount of fees paid. However, for single taxpayers or heads of household, the credit cannot exceed \$200. For married taxpayers that file a joint return, the credit cannot exceed \$400. If married taxpayers file separate returns, each spouse may claim 1/2 of the credit that would have been allowed on a joint return.

What public schools and grades are eligible for the credit?

Public schools and charter schools that provide instruction in grades kindergarten through 12 are eligible for the credit. Nongovernmental schools, pre-schools, community colleges and universities do not qualify for the credit.

If a school establishes a central fund to pay for extracurricular activities, would a payment to this central fund qualify for the tax credit?

Yes. The credit is authorized for any fees paid by a taxpayer to a public school located in this state for the support of extracurricular activities.

Where should the central fund be held?

The central fund should be held at the school district, but the district must separately account for the funds from each public school and not transfer funds from one public school to another.

Must each public school make a report to the Arizona Department of Revenue (ADOR) detailing amounts and uses of the extracurricular activity and character education program funds?

Yes. Each school must report on a form prescribed by ADOR by February 28 of the following calendar year showing the number of payments, the dollar amount of fee and contributions received and the amount spent categorized by specific activity or program.

Must a public school issue a receipt to the taxpayer for contributions made or fees paid for qualified activities or qualified programs?

Yes. A taxpayer needs a receipt in order to claim a tax credit. The receipt needs to include the school site CTDS number (County Code, Type Code, and District Code & Site Number), public school name, school district name, taxpayer name and address, amount contributed or fees paid, date contributed or paid, and a description of the extracurricular activity, program or purpose being supported.

May I make credit-eligible contributions through payroll withholding?

Yes. You may be able to make credit eligible contributions to a public school through payroll withholding. Check with your employer to see if your employer has agreed to withhold contributions that qualify for this credit from your pay.

Guidelines for the Public School Extracurricular Activity (ECA) Tax Credit

Provided by the Office of Economic Research & Analysis Arizona Department of Revenue

Use of unspent ECA contributions previously designated for a specific purpose

The site council of each individual public school that receives contributions that are not designated for a specific purpose shall determine how the contributions are used. The principal, director or chief administrator of a charter school shall determine how the contributions are used if the charter school does not have a site council.

Can a school reclassify unspent contributions that were previously designated for a specific purpose?

The school site may reclassify contributions that were previously designated for a specific purpose or program under the following two conditions

1. The purpose or program has been discontinued
2. Or the program has not been used in 2 consecutive years

The site council (generally a group of parents, teachers and classified employees that work with the school officials to make decisions) of each individual public school that reclassifies contributions to undesignated shall determine how the contributions are used. If a charter school does not have a site council the principal, director or chief administrator of a charter school shall determine how the contributions are used.

Moving fund within schools (From and after June 30, 2019 through June 30, 2022)

The site council may transfer undesignated contributions as defined above to any school within the same school district.

How must extracurricular activity fees be adopted?

If an extracurricular activity fee is charged, the fee must be adopted by the Governing Board at a public meeting after a notice is given to all parents of students enrolled in the district. See A.R.S. § 15-342(24). Districts typically adopt a fee schedule near the beginning of the school year and may later publish supplementary fee schedules. Best practice is for any extracurricular activity fees, including fees for field trips, to be included on the district's published fee schedules. Activity fees that have not been properly noticed or adopted by the Governing Board are not tax credit eligible.

Can the fees be paid directly to a third-party that is coordinating the activity?

Extracurricular activity fees, if any, must be paid directly to the district or school. Fees paid to third-parties do not qualify for tax credits. See Arizona Attorney General Opinions I03-008 and I98-007.

Must the district waive all or part of an activity fee if it creates an economic hardship for a student?

The Governing Board must authorize principals to waive all or part of the fee if it creates an economic hardship for a pupil. In practice, the school's site council may choose to use undesignated tax credit donations to pay for the activity fees of students for whom payment would represent an economic hardship. Thus, for an activity fee to be tax credit eligible, other funding sources (such as other fund raising or the use of undesignated tax credit donations approved by a site council) must be available to allow a student with economic hardship to participate in the activity.

Arizona Revised Statutes Regarding Tax Credits

A.R.S. 43-1089.01 Tax Credit; public school fees and contributions; definitions

A. A credit is allowed against the taxes imposed by this title for the amount of any fees paid or cash contributions made by a taxpayer or on the taxpayer's behalf pursuant to section 43-401, subsection G during the taxable year to a public school located in this state for the following public school purposes:

1. Standardized testing for college credit or readiness offered by a widely recognized and accepted educational testing organization.
 2. The career and technical education industry certification assessment.
 3. Preparation courses and materials for standardized testing.
 4. Cardiopulmonary resuscitation training pursuant to section 15-718.01.
 5. Extracurricular activities.
 6. Character education programs.
 7. From and after June 30, 2019 through June 30, 2022:
 - (a) Acquiring capital items, as defined in the uniform system of financial records, including those items listed in section 15-903, subsection C, paragraphs 2 through 8.
 - (b) Community school meal programs.
 - (c) Student consumable health care supplies.
 - (d) Playground equipment and shade structures for playground equipment.
- B. The amount of the credit shall not exceed:
1. \$200 for a single individual or a head of household.
 2. \$400 for a married couple filing a joint return.
- C. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax credit that would have been allowed for a joint return.
- D. The credit allowed by this section is in lieu of any deduction pursuant to section 170 of the internal revenue code and taken for state tax purposes.
- E. If the allowable tax credit exceeds the taxes otherwise due under this title on the claimant's income, or if there are no taxes due under this title, the taxpayer may carry the amount of the claim not used to offset the taxes under this title forward for not more than five consecutive taxable years' income tax liability.

- F. The site council of the public school that receives contributions that are not designated for a specific purpose shall determine how the contributions are used at the school site. If a charter school does not have a site council, the principal, director or chief administrator of the charter school shall determine how the contributions that are not designated for a specific purpose are used at the school site. If at the end of a fiscal year a public school has unspent contributions that were previously designated for a specific purpose or program and that purpose or program has been discontinued or has not been used for two consecutive fiscal years, these contributions shall be considered undesignated in the following fiscal year for the purposes of this subsection, and the site council may transfer these undesignated contributions to any school within the same school district.
- G. A public school that receives fees or a cash contribution pursuant to subsection A of this section shall report to the department, in a form prescribed by the department, by February 28 of each year the following information:
1. The total number of fee and cash contribution payments received during the previous calendar year.
 2. The total dollar amount of fees and contributions received during the previous calendar year.
 3. The total dollar amount of fees and contributions spent by the school during the previous calendar year, categorized by specific standardized testing, preparation courses and materials for standardized testing, extracurricular activity or character education program.
- H. For the purposes of this section, a contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.
- I. For the purposes of this section:
1. "Career and technical education industry certification assessment" means an assessment for career and technical preparation programs for pupils.
 2. "Character education programs" means a program described in section 15-719.
 3. "Community school meal program" means a school meal program that takes place before or after the regular school day on school property.
 4. "Extracurricular activities" means school-sponsored activities that may require enrolled students to pay a fee in order to participate, including fees for:
 - (a) Band uniforms.
 - (b) Equipment or uniforms for varsity athletic activities.
 - (c) Scientific laboratory materials.
 - (d) In-state or out-of-state trips that are solely for competitive events. Extracurricular activities do not include any senior trips or events that are recreational, amusement or tourist activities.
 5. "Public school" means a school that is part of a school district, a career technical education district or a charter school.
 6. "Standardized testing for college credit or readiness" includes the SAT, PSAT, ACT, advanced placement and international baccalaureate diploma tests and other similar tests.

7. "Student consumable health care supplies" includes tissues, hand wipes, bandages and other health care consumables that are generally used by children.
8. "Widely recognized and accepted educational testing organization" means the college board, the ACT, the international baccalaureate and other organizations that are widely recognized and accepted by colleges and universities in the United States and that offer college credit and readiness examinations.

A.R.S. 15-342.24 Discretionary powers

For common and high school pupils, assess reasonable fees for optional extracurricular activities and programs conducted when the common or high school is not in session, except that no fees shall be charged for pupils' access to or use of computers or related materials. For high school pupils, the governing board may assess reasonable fees for fine arts and vocational education courses and for optional services, equipment and materials offered to the pupils beyond those required to successfully complete the basic requirements of any other course, except that no fees shall be charged for pupils' access to or use of computers or related materials. Fees assessed pursuant to this paragraph shall be adopted at a public meeting after notice has been given to all parents of pupils enrolled at schools in the district and shall not exceed the actual costs of the activities, programs, services, equipment or materials. The governing board shall authorize principals to waive the assessment of all or part of a fee assessed pursuant to this paragraph if it creates an economic hardship for a pupil. For the purposes of this paragraph, "extracurricular activity" means any optional, noncredit, educational or recreational activity that supplements the education program of the school, whether offered before, during or after regular school hours.

A.R.S. 15-719 Character education program instruction; fund

- A. Each common, high and unified school district and charter school may provide instruction to kindergarten programs through the twelfth grade on character development.
- B. Each district may develop its own course of study for each grade. At a minimum, the character education program must include:
 1. Instruction in the definition and application of at least six of the following character traits: truthfulness, responsibility, compassion, diligence, sincerity, trustworthiness, respect, attentiveness, obedience, orderliness, forgiveness, virtue, fairness, caring, citizenship and integrity.
 2. The use of activities, discussions and visual media and literacy presentations to illustrate and reinforce the application of the character traits.
 3. Presentations by teachers or mentors who demonstrate the character traits.
- C. At the request of the school district or charter school, the department of education may certify that the school district or charter school has a character development instruction program that meets all of the requirements in subsection B of this section.
- D. Parents may elect for their child not to participate in the program.
- E. The school district or charter school may accept donations or charge fees for the program if the program is not offered during regular school hours.

F. A character education special plate fund is established consisting of monies received pursuant to section 28-2421. The department of education shall administer the fund. Not more than ten per cent of monies deposited in the fund annually shall be used for the cost of administering the fund. Monies in the fund are continuously appropriated. Monies from the fund shall be annually distributed by the department by July 1.

G. The character education and development division at the department of education shall allocate monies through at least two but no more than four private character education foundations that are incorporated nonprofit corporations in this state and that are qualified under section 501(c)(3) of the United States internal revenue code for federal income tax purposes. The director of the character education and development division at the department of education shall select private character education foundations that provide character education programs that demonstrate proven and effective research based curriculum and training to receive monies from the character education special plate fund.

H. On notice from the department of education, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

I. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

Payment Process

- Any individual paying Arizona State income taxes may make a tax credit contribution for extracurricular activities at the school of their choice. You do not need to have a student in school nor do you have to live within the district boundaries.
- Tax credits can only be made to a specific school(s). Payments made to school PTO's or booster groups do not qualify as a tax credit.
- Tax credits that are received without any specified extracurricular program or activity will go into the schools general extracurricular activity account.
- Tax credit contributions can be made by mailing a check or money order to the school of your choice, mailing a check or money order to the district office, or by paying on line with a credit card. On line payments can be made at donate.susd.org
- Recurring payments can also be created on line allowing individuals to automatically make contributions on line biweekly, monthly, quarterly, or once a year. Recurring payments can be created at touchbase.susd.org
- A pre-numbered tax credit receipt will be issued to the contributor. The receipt can be printed if paying on line or will be sent to the contributor if payment is mailed to the school or district office. A copy of your receipt is also available by calling the school or district office.
- Credit-eligible fees paid and contributions made to a public school from January 1 through April 15 of a calendar year may be used as a tax credit to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.
- Tax credit contributions apply to individuals. Contributions from business or corporations cannot be accepted as tax credit contributions.
- **TAX CREDITS CANNOT BE REFUNDED!** If tax credits have been contributed for a student to participate in a specific activity and the student can no longer participate in this activity the school will work with the family to transfer funds to another tax credit eligible activity within the school. Tax credit money cannot be transferred to another school.
- Tax credits cannot be issued for tuition based classes where the student earns credit. This includes but is not limited to:
 - PANDA tuition – tuition that is part of a preschool
 - Dual enrollment courses
 - Summer School
 - Mandatory or Graded Field Trips
 - High School Courses
- To claim the tax credit, an individual must contribute to a school-sponsored tax credit activity for which the school district requires a fee. The Governing Board must approve the fees each year.

Internal Procedures for Revenue and Expenditures

Revenue – Cash, Check, or Money Order

1. Money is sent to the school or district office.
2. School office staff, bookstore manager, or district office staff issues a receipt to the individual through the district receipt program (In Touch).
3. School office staff, bookstore manager, or district office staff does an End of Period close out in the receipt program. An End of Period close out must be done at least weekly.
4. School office staff, bookstore manager, or district office staff verifies that money received matches End of Period close out.
5. If money received matches End of Period close out, school office staff, bookstore manager, or district office staff completes deposit slip and deposits money received.
6. Weekly armored car pickup will collect deposit and deliver to bank for deposit.
7. School office staff, bookstore manager, or district office staff will send receipt to the individual or give the student the receipt at time of payment.
8. School office staff, bookstore manager, or district office staff will send copy of deposit slip and End of Period statement to district office.
9. District office will verify deposit amount and enter deposit into district accounting system. Deposits entered into district accounting system will be deposited by each tax credit activity account code.
10. District office will reconcile monthly bank statement and transfer funds to the Maricopa County Treasurers Office. District office will also reconcile End of Period close outs to the bank statement to ensure all money collected is deposited into the District bank account.

Revenue – On line payments

1. Individual goes to the on line payment web site donate.susd.org
 2. Select the school and tax credit item from the dropdown box. You may enter a memo or student name in the memo field.
 3. Enter in the amount of the contribution and click Buy. You may select multiple schools or tax credit items.
 4. When you are finished, click on the Checkout button.
 5. Ensure your contribution looks correct and click the Pay button.
 6. Enter in your name, address, phone number, email and click the Pay button.
 7. Enter in your card information and click Submit Payment.
 8. You may either print out your receipt or e-mail the receipt to print at a later time.
- Schools may track tax credit payments through available reports from the In Touch receipt program. These reports will show payments made whether the payment is made at the school, the district office, or on line.
 - Schools may also track tax credit balances through the student activity reports in IVISIONS.

Expenditures

- Tax credit funds can be used in conjunction with other district funds. The school must submit appropriate paperwork reflecting the different account codes and amounts.
- To use tax credit funds for field trips, the field trip must be school sponsored, educational, and not graded or mandatory. Overnight, Out-of-State, and Foreign trips must be approved by the Governing Board. Please see the Field Trip Guidelines for more information regarding field trips. Payments for school sponsored trips cannot be made directly to the vendor. All payments for school sponsored trips must be made to the school.
- Purchases made from the general extracurricular tax credit account must have site council approval.
- Expenditures must follow school district procurement procedures. Contracted vendors, RFPs or quotes, purchase orders, etc.
- A purchase order must be in place prior to the activity or receiving any goods or services.
- The office staff/bookstore manager will enter in the requisition. The requisition must contain the entire amount of the activity, the date(s) of the activity, the authorized user/certified employee in charge of the activity, and the accounts used for the activity. Documentation and any required paperwork must be attached.
- The principal or designee must review and approve all requisitions.
- Once approved by the principal or designee the requisition will be sent to accounting to review and approve. Requisitions may also require approval from department managers depending on the type of purchase.
- Once the requisition has been approved by accounting, and any required department managers, the requisition will go to purchasing.
- If approved, the district purchasing department will issue the purchase order.

Activities Using Multiple Funds/Accounts

Types and Uses of Non-Tax Credit Accounts:

Student Club Accounts: Money raised by the efforts of students with the approval of the Governing Board. Money is deposited into individual student club accounts with the district. Student clubs are required to have a certified employee as their club sponsor. All fundraising efforts must be approved by the principal and student council on campus. All student club purchases must be authorized by the club and approved in club minutes with a "not to exceed" amount. Student clubs must obtain a purchase order prior to receiving any goods or services. Club minutes must be attached to all club purchase orders. Student clubs may not purchase items for district use or pay for substitute teachers. Student clubs may purchase supplies or equipment for the club or club activities; including items for students to keep, parties/banquets, required supplemental salaries for club activities (security or custodian for a club function).

Auxiliary or Non-Tax Credit Activities: Money collected from fees for participation in an activity that does not qualify for tax credit, business checks for tax credit activities and athletic gate receipts. Money is deposited into school auxiliary account for the activity.

PTO/Booster Groups: Money is raised by PTO/Booster Group activities and fees. Bank accounts are separate from the district. PTO/Booster Groups may donate items or money directly to the school. Donations made to a school are submitted through the district gift process.

- School sponsored activities and field trip can be paid through a variety of accounts. A field trip can be paid through tax credit, non-tax credit, student clubs and/or PTO/Booster funds. For tracking purposes, district policy is that all payments for a field trip be paid directly to the district, not to the vendor. If a PTO/Booster group is paying for a portion of the field trip the funds should be paid or gifted to a district account. The district will issue the purchase order for the entire trip and can then track the payments received to verify that all money necessary for the trip has been received.

What does House Bill 2425 mean for SUSD?

From August 27, 2019 to June 30, 2022 contributions made into the schools General Extracurricular account may be used to purchase the following items:

- **Capital Items** – defined in USFR including items listed in A.R.S. § Title 15-903, subsection C paragraphs 2 through 8
 2. Furniture, furnishings, athletic equipment and other equipment, including computer software.
 3. Pupil and nonpupil transportation vehicles and equipment, including all capital expenditures within a contract if the school district contracts for pupil transportation.
 4. Textbooks and related printed subject matter materials adopted by the governing board.
 5. Instructional aids.
 6. Library books.
 7. Payment of principal and interest on bonds.
 8. School district administration emergency needs that are directly related to pupils.

Note: Number 1 under §15-903 section C is excluded per A.R.S. § 43-1089.01

- **Community School Meal Programs (not NSLP or NSBP)** - school meal programs that take place before or after the regular school day and are on school property.
- **Student Consumable Health Care Supplies** – Includes tissues, hand wipes, bandages and other health care consumables that are generally non-durable supplies that cannot withstand repeated use and are usually disposable and used by children.
- **Playground Equipment and Shade Structures for Playground Equipment** - Generally defined as an outdoor or indoor area featuring equipment designed for recreation and play.

Frequently Asked Questions

What monies can be used to pay the extracurricular activity fee?

Extracurricular activity fees can be paid by a non-tax credit payment used for extracurricular fees, a tax credit donation, club fundraisers to pay the fee, PTO's or Booster payments for the fee or the principal may waive fees in case of economic hardship. This requires the parent or guardian to submit a Request for Financial Assistance Form and approval by the principal.

Who has the authority to expend monies generated out of extracurricular tax credit accounts?

- General extracurricular accounts must be approved by site council with principal approval.
- Athletic participation and general athletics accounts are approved by the athletic director and principal.
- Sport specific and program specific accounts are approved by the coach or sponsor related to the specific activity and principal.

Do intervention programs qualify for tax credit use?

Programs that are used strictly before school, after school, or during lunch and are used for tutoring purposes, may qualify for tax credit if they charge a fee to participate. Programs that are done in class or part of a pull out instruction do not qualify for tax credit use.

What are athletic participation fees used to pay for?

- A.I.A. officials
- Athletic workers – ticket takers, ticket sellers, custodial, security and police officers
- Coaching Stipends – if additional coaches are needed to meet adult to student ratios
- Field maintenance – paint, fertilizer, stabilizer
- Supplies for the athletic team
- Equipment and uniforms

What funds are used to pay for athletic camps?

If the camp is offered through our Community Schools program and available to students outside of the district the participation fee is paid to Community Schools and does not qualify as a tax credit.

If the camp is a school sponsored team camp and only offered to students enrolled in the school tax credit may be used. The specific team will generally charge an additional fee for the camp which is not part of the athletic participation fee.

Do programs offered through Community Schools qualify as tax credit?

No. Payments made directly to Community Schools do not qualify as a tax credit.

Can parents decide after they donate general tax credit monies to use that money for specific activity or field trip fees?

No, because the principal and site council could have obligated the funds to cover other needs.

Do schools charge ALL students a fee at the start of the year even if they don't know which students may take part in an extracurricular activity throughout the year?

No. Fees will be charged to participants for each activity at the onset of the activity. However, a donor may choose to make the maximum allowed tax credit donation at the beginning of the year and designate it for multiple activities.

If schools would like to access Tax Credit monies in the general fund do they need to charge a fee to every student?

No, so long as the monies will be spent on eligible extracurricular activities or field trips for which participating student have already been assessed a fee.

If tax credit is used to pay for character education activities, does a fee need to be charged?

No.

Can tax credit monies be refunded?

No, tax credit contributions or payments are not refundable.

Can tax credit money be transferred to another school?

If at the end of a fiscal year a public school has unspent contributions that were previously designated for a specific purpose or program and that purpose or program has been discontinued or had not been used for 2 consecutive years. The contributions are considered undesignated and the site council may move the fund to the extracurricular account or they may transfer the funds to any school within the same school district.

Can an individual contribute a tax credit under a student name to use at a later time in the event that the student might participate in a future tax credit activity?

No, tax credit contributions are contributed to a school and activity. We are unable to track all contributions by student. Once funds are contributed to a specific activity the sponsor or coach may obligate the funds to specific activities or purchases, in which case we would not be able to transfer funds to a different activity or program.

If an activity does not use Tax Credit money does the student still have to pay an extracurricular activity fee?

No, but some clubs may still opt to charge a fee to help with operating expenses. Any money collected from a club would be deposited into the student club account.

If students want to fundraise to cover their extracurricular activity fees or for donations to the school or charity, are they required to do so through a club?

Yes, a recognized student club is required for all student fundraisers.

Can the students fundraise with a PTO/Booster group?

Yes, a student club may fundraise with a PTO/Booster group, however the fundraiser must be done as a joint venture. The student club must receive a portion of the fundraising proceeds based off their level of effort. This must be decided upon before the fundraising activity and approved by the Principal.

What must a coach or sponsor do to establish and use a student activity account? How is a student club formed?

All new clubs must be approved by the Principal and Student Council. Each club must have a certified SUSD employee as the club sponsor. All clubs must have a constitution. Athletic clubs can only participate in athletic activities if the sport is a part of the A.I.A. Athletic clubs that are sports outside of the A.I.A. can form clubs and have club meetings, however they cannot participate as a club in sporting activities. Example: Rowing is not an A.I.A. sport. A site can have a rowing club, which can talk about rowing, have guest speakers, and fundraiser. The student club cannot participate in a rowing sporting event as the school club.

Where is the student fundraising money deposited and who is authorized to spend the money?

All money is deposited into a club account designated for the specific club. Expenditures must be approved by the club members and noted in the club minutes. Club minutes must be approved by a student member and the club sponsor. A purchase order is required and the invoice must be received and approved for payment by the school site.

What are the requirements for student fundraisers?

Student club fundraisers must have the club, Principal, and Student Council approval. Approval is done by submitting the Fundraiser Approval Form. Each year a request is given to the Governing Board authorizing Principals to approve fundraisers for the Governing Board.

PTO/Booster group fundraiser must have Principal and Student Council approval if the activity is happening on school campus or if students are involved in a joint venture. The PTO/Booster group must submit the Fundraiser Approval Form to the school for approval. If the fundraiser is a joint venture with a student club, the Joint Venture Form must be submitted and approved.

Can tax credit funds be used for Professional Development or Staff events?

No, tax credit can only be used for activities that include enrolled students.

What expenditures are PTO/Booster groups allowed to pay for from their fund?

- Meals before and after games
- Personalized uniforms or gear
- Goods or services that supplement a district-sponsored activity are not co-mingled with District Funds. Certain goods or services may require gift approval.

What type of expenditures require PTO/Booster groups to donate funds to the school for use?

- Additional employees paid by PTO/Booster groups. For equality reasons, the District approved a set number of coaches per athletic team at each site. We do not allow PTO/Booster groups to pay for additional coaches.
- Payment toward activities that use funds outside of the PTO/Booster group. Example: PTO/Booster group and Tax Credit funds used for a field trip.

Important Tax Credit Facts

- Credit-eligible fees paid and contributions made to a public school from January 1 through April 15 of a calendar year may be used as a tax credit to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.
- Married filing jointly can claim up to \$400.00
- Single can claim up to \$200.00
- Tax Credit can only be used for extracurricular activities that are
 1. Be sponsored by the district/school
 2. Be for enrolled students
 3. Be optional
 4. Be non-credit
 5. Supplement the district/school's educational program
 6. Involve a fee for participation
 7. Have its fee paid directly to the district/school
 8. Have its fee adopted by the Governing Board at a public meeting after notice to all parents of enrolled students
 9. Have its all or part of its fee waived, as authorized by the Governing Board, if it creates an economic hardship for a student
- Tax Credits are **NON REFUNDABLE!**
- Tax Credits program is only for Arizona residents; residents from other states cannot claim an Arizona Public School tax credit.
- Businesses, corporations, trusts, and estates do not qualify for a public school tax credit.



OFFICIAL USE ONLY	
Receipt #:	_____
\$Amount:	_____
Payment Method:	
CASH	_____
Check#	_____
Initialed:	_____

School Tax Credit Form

What is a tax credit?

A tax credit is **NOT** a donation! It **IS** a dollar-for-dollar reduction in the state income tax you pay. If your tax credit contribution is more than the amount of state tax you owe, the credit can be carried forward up to five years. Receiving this tax credit will allow you to reduce the amount you owe the state or increase your refund. When filing your income tax return for the State of Arizona, the amount you designate to your school will be the amount you may claim as a state tax credit. This payment is eligible for Arizona state income tax credit as allowed by A.R.S. §43-1089.01. Tax credit contributions are non-refundable.

Designate your Tax Dollars to help Students of Scottsdale Unified School District #48

It's a win-win situation for you and the school! Contributions received from January 1, 2019 thru April 15, 2020 can be claimed on your Arizona State tax return for either 2019 or 2020.

STEP 1 - Contributor's Information: ALL Information needs to be filled out

Print Name (one name only) _____ Date _____

Address _____ City _____ State _____ Zip _____

Phone _____ Email _____

Check One:

\$200 Maximum for Single, Widowed, Head of Household

\$400 Maximum for Married filing jointly

Other Dollar Amount - Every dollar collected makes a difference

Your designation does not have to be for the maximum allowable amount, but we do offer options to make automatic payments (online). Call the District Office for more information - 480-484-6100

STEP 2 - Select school(s) from the list below:

- | | | | |
|---|---|--|--------------------------------------|
| <input type="checkbox"/> Anasazi ES | <input type="checkbox"/> Coronado HS | <input type="checkbox"/> Ingleside MS | <input type="checkbox"/> Pueblo ES |
| <input type="checkbox"/> Arcadia HS | <input type="checkbox"/> Desert Canyon ES | <input type="checkbox"/> Kiva ES | <input type="checkbox"/> Redfield ES |
| <input type="checkbox"/> Chaparral HS | <input type="checkbox"/> Desert Canyon MS | <input type="checkbox"/> Laguna ES | <input type="checkbox"/> Saguaro HS |
| <input type="checkbox"/> Cherokee ES | <input type="checkbox"/> Desert Mtn. HS | <input type="checkbox"/> Mohave MS | <input type="checkbox"/> Sequoia ES |
| <input type="checkbox"/> Cheyenne K-8 | <input type="checkbox"/> Echo Canyon K-8 | <input type="checkbox"/> Mountainside MS | <input type="checkbox"/> Tavan ES |
| <input type="checkbox"/> Cochise ES | <input type="checkbox"/> Hohokam ES | <input type="checkbox"/> Navajo ES | <input type="checkbox"/> Tonalea K-8 |
| <input type="checkbox"/> Cocopah MS | <input type="checkbox"/> Hopi ES | <input type="checkbox"/> Pima ES | <input type="checkbox"/> Yavapai ES |
| <input type="checkbox"/> Copper Ridge K-8 | | | |

STEP 3 - Select Preference: ONLY Activities from approved list can be chosen.

No Preference Activity from Preference List Activity: _____

STEP 4 - Payment | Personal checks payable to SUSD #48 or Credit/Debit Cards Accepted Online

Return this form with your contribution to:

SUSD #48 – Tax Credit
 ATTN: Student Activities
 7575 East Main St.
 Scottsdale, AZ 85251

Phone: 480-484-6100
 Open: Mon-Fri 7:30am-4:00pm
 Forms available at <http://taxcredit.susd.org>



Request for Financial Assistance for Extracurricular Activities

Student Name: _____

School: _____

Home Address: _____

Phone #: _____

Parent/Guardian Name: _____

Extracurricular activity(s) you are requesting assistance for:

Please explain why the fee should be waived or reduced:

Parent/Guardian Signature: _____ **Date:** _____

TO BE COMPLETED BY SITE/DISTRICT ADMINISTRATION

Amount of fee(s): _____

Amount of fees(s) to be waived: _____

Amount paid: _____

Total Balance Due: _____

Site/District Approval: _____

Date: _____