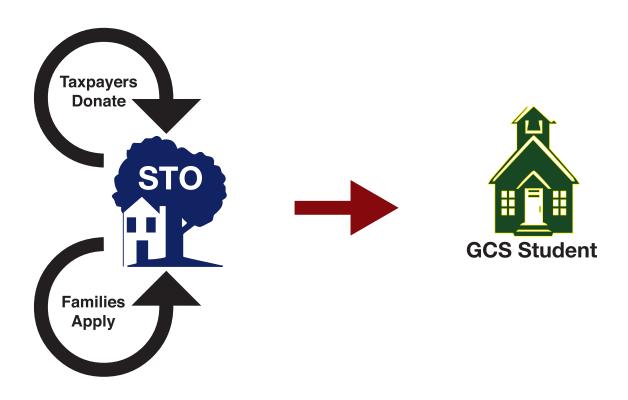


GILBERT CHRISTIAN SCHOOLS

INDIVIDUAL TAX CREDITS

The individual tax credit program allows Arizona taxpayers to donate money to qualified STOs and receive a tax credit of up to \$1,070 for married couples filing jointly or \$535 for single heads of a household. The STOs then distribute those funds in the form of scholarships to students through participating private schools. The individual tax credit can be recommended toward a specific student and/or a specific school.



SCHOOL TUITION ORGANIZATIONS (STOS)

There are more than 50 different STOs operating in Arizona and you are free to work with any you choose. A list of STOs the school is currently working with are on our website. Each STO has their own deadline dates for applications and dates to when they award scholarships.

DONORS

Donors participate by making a donation to a qualified STO and then claiming the appropriate tax credit when they file their Arizona state taxes. The tax credit is used to offset the donor's Arizona state tax liability and may be carried forward for up to five years. Many families work with family members, friends, neighbors and coworkers to receive donations recommending their children. Those who leverage this program the most successfully are those who spend time explaining the benefits of the program to others and asking them to participate.

RECIPIENTS

The funds available through the individual tax credit program are available to all students enrolled in private schools. There are no household income limits or other qualifications that must be met. You may receive awards totaling 100% of your tuition costs for the current school year. A student can receive multiple scholarships from one or more STO. If your student receives more scholarship funds than are needed for the current school year tuition costs, the STO will hold the excess scholarship and will disburse the scholarship to the school when the following school year begins.

Undesignated funds are also available. Although many donors make specific recommendations for a school or student, there are many donors who do not recommend anyone in particular. Therefore, the undesignated funds may be available to you and we encourage you to apply to a variety of STOs.

RECOMMENDATION GUIDELINES

You may recommend anyone who is not your child or dependent, but the selection committee retains complete discretion regarding all awards. There are no designations or guarantees.

Parents cannot plan to donate to each other's children; this is called swapping. 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."

INDIVIDUAL TAX CREDIT FREQUENTLY ASKED QUESTIONS

1. How do I apply for a tuition scholarship?

Complete and submit the scholarship application on the STO website. The list of STO websites is included in this packet. Financial information and a narrative are required; letters of recommendation are optional.

2. What factors are considered in making the scholarship awards?

The narrative provided by the parents, the financial circumstances of the family and recommendations for the student are all considered.

3. If my child has been recommended for a scholarship, do I still need to send in an application along with the financial information and narrative?

Yes, there must be a fully completed application for a student to be eligible for an award. This must be completed annually with all STOs you wish to participate in.

4. Are scholarship awards made to individual students or families?

Awards are given to individual students only and cannot be applied to families. An award cannot be transferred to a different child, even within the same family.

5. May a student receive awards from more than one STO?

Yes, you are able to receive awards from more than one STO.

6. How do I talk to people to encourage them to make a donation?

Sample letters, talking points and forms are included in this packet to help you get started in talking with potential donors.



GILBERT CHRISTIAN SCHOOLS OVERFLOW/PLUS (SWITCHER) TAX CREDITS

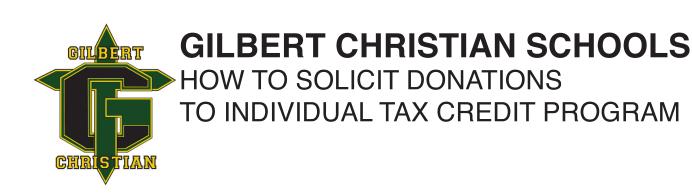
The new tax credit was signed by Governor Jan Brewer in February 2012 and became effective in August 2012. The overflow tax credit is in addition to the individual tax credit. A donor must first give the maximum toward the original tax credit, but then has the opportunity to give an additional \$1,064 if married filing jointly or \$532 for single filers.

STUDENT ELIGIBILITY REQUIREMENTS

The overflow amount can be designated toward a specific school, or recommended for a specific student.

The following students are eligible:

- 1. A student entering Kindergarten
- 2. A student is switching from public or charter (having attended for at least 90 days) to a private school
- 3. A student who is a dependent of armed forces stationed in Arizona pursuant to military orders
- 4. A student who has already received a scholarship from the corporate tax credit or Overflow/Plus tax credit program, and has continued in private school ever since



STEPS TO SOLICIT DONATIONS

1. First, start your conversation with the potential donor by explaining how the program works using the information provided in this packet.

Talking points:

- This program isn't about which education system is superior. It is about empowering parents
 to have choices regardless of income and finding the place where every student learns best,
 whether it be public, charter, or private.
- 2. Second, explain how they can benefit from the tax credits.

Talking points:

- If you are married filing jointly, you can direct up to \$1,070 of your tax dollars to support Christian education, a single tax payer \$535.
- This is money you already owe the state and must pay, so it is not additional money out of your pocket.
- You can provide financial support to families by allowing their choices in where their children can attend school.
- 3. Lastly, explain what they need to do to donate their money through an STO and how it can benefit Gilbert Christian Schools and your child(ren) directly.

Talking points:

- When you make a donation to a qualified STO, you simply recommend our child for a scholarship and name Gilbert Christian Schools as the school.
- Our family then applies to the designated STO for the scholarship.
- The STO will evaluate all applicants and award scholarships based on financial need, tuition requirements, and recommendations.
- When you file your taxes, you simply claim the private tuition tax credit. It is not a deduction. It is
 a dollar-for-dollar credit that reduces your tax liability. For more details on how to claim the credit,
 reference the sample tax forms included in this packet.

SAMPLE LETTER

Sample letter and communication are included to help you get started.

Sample Letter

Dear Friends and Family,

We have been very blessed that our daughter has been able to attend a wonderful private Christian school for the past two years. God led us to Gilbert Christian Schools two years ago through a friend and we have been overjoyed in watching her learn and grow, both academically and spiritually through the outstanding programs at this excellent school.

As you may know, the State of Arizona offers a credit to taxpayers for donations toward private school tuition. The State of Arizona offers this tax credit because they consider it a win for everyone involved. The State actually saves money, while you as a taxpayer receive a credit toward your tax liability.

Here's how it works:

- 1. You make a donation to a private School Tuition Organization (STO).
- 2. We apply to the STO for a scholarship for our kids.
- 3. The STO awards scholarships and the money is sent directly to Gilbert Christian Schools.
- 4. At tax time, you claim the private school tuition credit for the amount contributed.
- 5. The State of Arizona provides a credit against your state taxes for 100% of your contribution (up to \$535 if single; up to \$1,070 if married).
- 6. Due to the new Overflow Tax Credit, you can donate an additional \$1,064 if married, \$532 if single or up to your maximum state tax liability.

If you're interested in more details, the full text of the law is available at the following link: http://www.azleg.state.az.us/

This credit is one of several tax credits that are available to you as a taxpayer. By participating in this program, you have the ability to direct your tax dollars to programs that you choose to support. This is money you already owe to the State. The State simply offers you the opportunity to designate where those dollars are spent.

Enclosed is a brochure from [Name STO], a qualified tuition organization that awards the scholarship money. The back of the brochure is a donation form that you can use to make a contribution. You can also donate online at [Name STO website].

If you choose to participate, we would be grateful if you would recommend our daughter as the student and Gilbert Christian Schools as the school.

If you have any questions about how the tax credit works or about Gilbert Christian Schools, please don't hesitate to ask us. We'd love to tell you more about all God is doing at the school, in our lives, and in our daughter's life!

Thank you, The Doe Family



GILBERT CHRISTIAN SCHOOLS

CORPORATE TAX CREDITS

Arizona-based corporations make donations to Corporate STOs and have the option to specify a school, but not a specific student.











STO

GCS

- **CORPORATION**
- Donates to STO
- Can Recommend GCS
- Cannot Recommend a student
- Qualified families apply to the STO for a scholarship
- > STO Awards scholarships
- STO Sends money to GCS
- Scholarship is applied to named student's tuition

CORPORATE SCHOOL TUITION ORGANIZATIONS (STOS)

There are several STOs operating in Arizona that are qualified for the corporate tax credit program. We have provided a list of Corporate STOs we actively work with each year. It would be to your benefit to work with several as they have varying levels of corporate sponsorship and you may receive scholarships from more than one. A list of corporate STOs that GCS is currently working with is on our website.

DONORS/CORPORATIONS

Corporations participate in this program by making a donation to a qualified STO and then claiming the appropriate tax credit when they file their taxes. A key difference from the individual tax credit program is that corporations do not recommend a specific student when making their donation. They may recommend a specific school, but it is not required.

STUDENT ELIGIBILITY REQUIREMENTS

Students must remain enrolled on a full-time basis to continue to receive the scholarship. The following students are eligible for a corporate tax credit:

- 1. Student attended an Arizona public school as a full-time student for at least 90 days of the prior fiscal year or one full semester and then transferred from the public school to a private school; *OR*
- 2. Is enrolling in a private school kindergarten; OR
- 3. Is enrolling in a private preschool program for students with disabilities; OR
- 4. Is a dependent of a member of the armed forces of the United States who is stationed in Arizona pursuant to military orders; *OR*

5. Received for any year a scholarship under one of the above criteria OR from the original individual program or the switcher individual donation program also known as "overflow" if the child continued to attend a private school in subsequent years.

The family's income does not exceed 185% of the income limit required to qualify for reduced price lunches under the national school lunch and child nutrition acts. *See chart for all the above scenarios.

Household Size	Income Threshold (185% of free and reduced price lunch)*
1	\$39,942
2	\$53,837
3	\$67,732
4	\$81,628
5	\$95,523
6	\$109,418
7	\$123,314
8	\$137,209
Each Additional Person	\$13,895

^{*} For the 2014-2015 school year.

CORPORATE TAX CREDIT FREQUENTLY ASKED QUESTIONS

1. Can I apply to multiple STOs for corporate scholarships?

Yes. However, a student's total corporate scholarship amount cannot exceed \$6,400 for high school and \$5,100 for elementary/middle school from a single STO. A parent can, however receive the corporate max from multiple corporation STO's to cover the full tuition amount.

2. Can I receive an individual tax scholarship in addition to a corporate tax scholarship?

Yes. Receiving corporate tax scholarships does not prevent you from being eligible for individual tax scholarships.

3. Do I have to solicit donations from corporations in order to participate in this program?

No. An application is all that is necessary to qualify to receive funding.

4. What types of corporations can participate in this program?

Arizona "C" corporations and some "S" corporations are eligible for the credit. You can contact the STOs listed in this packet to inquire about eligibility for a specific corporation.

5. How much can a corporation donate?

Each individual corporation is able to donate up to 100% of their Arizona tax liability. There is a state-wide cap of about \$43 million that cannot be exceeded by all of the corporate donations combined.



GILBERT CHRISTIAN SCHOOLS

STEPS TO APPLY FOR ARIZONA TUITION TAX CREDITS

HOW TO APPLY

Once you have completed the enrollment process at Gilbert Christian Schools, we recommend you visit
the following School Tuition Organization (STO) websites to submit applications for your child(ren). Each
STO has specific policies, but generally you must submit a new application each year to remain eligible
to receive scholarship funds. Please refer to their individual websites for any applicable deadlines and
distribution dates.

INDIVIDUAL & CORPORATE STOS

Arizona Christian School Tuition Organization (ACSTO)

www.acsto.org

Arizona Tax Credit www.aztxcr.org

Arizona Private Education Scholarship Fund www.apesf.org

Arizona Education Scholarship Opportunity Program (AESOP) www.aesopkids.org

Arizona Leadership Foundation www.arizonaleader.org

Arizona Scholarship Fund www.azscholarships.org

Institute for Better Education www.ibescholarships.org

Arizona School Choice Trust (ASCT) www.asct.orgindex.asp

Higher Education STO www.higher-goals.org

School Choice Arizona www.schoolchoicearizona.org

Tops for Kids www.topsforkids.com

- 2. Invite family, friends and neighbors to participate in the unique school choice opportunity we have available in Arizona. If they already pay state income tax (taxes withheld from their paycheck), they can automatically re-direct up to \$2,134 of their tax withholding if filing married or \$1,067 if filing single head of household. They can make a donation directly to the STO and recommend your child(ren).
- 3. Utilize the sample letters, sample tax forms and specific tax credit details in this packet to inform and educate potential donors.