



INSTRUCTIONS FOR APPLICANT:

QUALIFYING FOSTER CARE CHARITABLE ORGANIZATION CERTIFICATION

Arizona law allows taxpayers to claim a tax credit for cash contributions made to Qualifying Foster Care Charitable Organizations (QFCO) that offer assistance to Qualified Arizona residents in meeting basic needs.

Qualification as a QFCO is determined based upon an organization meeting **all** of the following criteria:

1. The organization is a nonprofit 501(c) (3) or is a designated community action agency that receives community services block grant program monies pursuant to 42 United States Code section 9901.
2. The organization spends over fifty percent of its budget to provide qualifying services to qualified individuals.
 - a. As defined in A.R.S. §43-1088.M.6, “services” means cash assistance, medical care, behavioral health services, childcare, food (including snacks at a youth event), clothing, job placement, and job training services, character education programs, workforce development programs, secondary education student retention programs, housing or financial literacy services, or any other reasonably necessary support to meet immediate basic needs or provide normalcy that is provided and used in this state.
 - b. The organization provides qualifying services to residents of Arizona who are a foster child as defined in section 8-501; a person who is participating in an independent living program as prescribed in section 8-521; a person who is participating in a transitional independent living program as prescribed by section 8-521.01; a person who is participating in an extended foster care program as prescribed in section 8-521.02; a person who is under twenty-seven years of age and whose reason for leaving foster care is either that they reached eighteen years of age, or adoption or legal guardianship after reaching the age of fifteen, or reunification after reaching the age of fourteen.
3. The organization provides qualified services to at least two hundred qualified individuals.
4. The organization provides a statement indicating plans to continue spending at least fifty percent of its budget on qualified services to qualified individuals.
5. The organization provides a statement indicating it does not offer, pay for or provide coverage for abortions, and does not financially support any other entity that provides, pays for or provides coverage of abortions.

Steps to Apply

1. Complete the application form by providing contact information and affirming that you meet all requirements as listed on the form. **You must meet all of the first eight requirements to be considered as a Qualifying Foster Care Charitable Organization under the law.** Sign the certification form by an officer of your organization. The signer should be able to represent the charity in official matters, e.g., the Chief Executive Officer, President, Secretary, Treasurer, Vice-President of Tax, Chief Financial Officer, Chief Operating Officer, Chief Tax Officer, or any other corporate officer who has the authority to bind the organization on matters related to state tax.
2. In the context of the law, provide a narrative that describes:
 - The qualifying services your organization provides.
 - “Services” cash assistance, medical care, behavioral health services, childcare, food (including snacks at a youth event), clothing, job placement, and job training services, character education programs, workforce development programs, secondary education student retention programs, housing or financial literacy services, or any other reasonably necessary support to meet immediate basic needs or provide normalcy.
 - The organization provides qualifying services to residents of Arizona who are a foster child as defined in section 8-501; a person who is participating in an independent living program as prescribed in section 8-521; a person who is participating in a transitional independent living program as prescribed by section 8-521.01; a person who is participating in an extended foster care program as prescribed in section 8-521.02; a person who is under twenty-seven years of age and whose reason for leaving foster care is either that they reached eighteen years of age, or adoption or legal guardianship after reaching the age of fifteen, or reunification after reaching the age of fourteen.
 - -Describe the count of qualified individuals served.
 - How your financial statements demonstrate that at least fifty percent of your operating budget is spent on the services and populations identified for this program.
3. Submit a copy of your financial statements for the prior operating year, indicating the amount spent on services and populations identified in your narrative. For example:
 - Budget, expense report, income statement, or statement of functional expenses, etc. Please note: Federal tax forms (W-2, 990) typically **do not** contain the level of detail necessary.
4. Submit a copy of your federal 501(c)(3) letter or a copy of your status as a community action agency that receives community services block grant program monies.
5. Application materials must be **submitted electronically** or mailed. -Email is the preferred method. Mailed applications may experience some delays.- All appointments must be scheduled in advance, no walk-in appointments.

Email to: QCO@azdor.gov
Use subject: *QCO Application – [name of your organization]*

OR

Mail to: Arizona Department of Revenue, OERA
Attn: QCO/QFCO Program Manager
P.O. Box 29099, Phoenix, AZ 85038

Evaluation Process and Follow Up

Applications are processed on a first come, first serve basis. Applications that are complete with the appropriate supplemental materials will take less time to process than those that are incomplete. Efforts are made to process applications within a few weeks turnaround time, yet there are certain times of the year, (October, November, December, and January) when the turnaround time ~~make-may~~ take longer. Typically, applications received in December are not reviewed until January of the following year due to the high number of applications received.

IF THE ORGANIZATION QUALIFIES:

- The ~~Organization-organization~~ will be notified in writing/via email that your organization meets the criteria to be considered as a Qualifying Foster Care Charitable Organization.
- The organization will be sent a Notice of Certification via email.

IF THE ORGANIZATION DOES NOT QUALIFY:

- The organization will be notified via email that your organization does not meet the criteria to be considered a Qualifying Foster Care Charitable Organization.
- The organization can reapply at a later date. Submit written certification that complies with the criteria of the law.
- The organization will be provided with information on how you can request an informal meeting to discuss the decision or how you can schedule a formal appeal.

FOR QUESTIONS/CONCERNS

Contact the program administrators

Email: QCO@azdor.gov
Call: (602) 716-6372 ext. 2
Mail: Arizona Department of Revenue, OERA
Attn: Program Manager
P.O. Box 29099
Phoenix, AZ 85038