



INSTRUCTIONS FOR APPLICANT:

QUALIFYING FOSTER CARE CHARITABLE ORGANIZATION CERTIFICATION

Arizona law provides for taxpayers to claim a tax credit for cash contributions made to Qualifying Foster Care Charitable Organizations (QFCO) that provide assistance to Arizona residents in meeting basic needs and if it meets additional criteria in serving qualified individuals in the foster care system. The Credit for Donations made to Qualifying Foster Care Charitable Organizations, formerly known as the “Working Poor Tax Credit”, has been expanded to include charities that serve a larger segment of the population.

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.

If you would like to virtually meet with the QCO/QFCO Program Manager, please click [here](#). You will be provided with the dates and time slots available. Please select the time and date that works best for you. Once you have selected the time slot, you will be prompted to insert your contact information. You will receive an email with the link to the virtual meeting on the date selected, please save the email to refer back to on the day of the meeting.

INSTRUCTIONS FOR QCFO APPLICANTS

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.**
 - Initial all fields and 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, submit a narrative/description of services 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 qualifying population you serve.
 - 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:
 - A Statement of Functional Expenses or Profit and Loss Report. *Please note: Federal tax forms (W-2, 990) **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**.

Email to: **QCO@azdor.gov**

Use subject: QFCO Application – [name of your organization]

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 two-week turnaround time, yet there are certain times of the year, (end of the year and beginning of the year) when the turnaround time make take longer.

IF THE ORGANIZATION QUALIFIES:

- The Organization will be notified via email that the organization meets the criteria to be considered as a Qualifying Foster Care Charitable Organization. The email will include the approval letter and certificate.

IF THE ORGANIZATION DOES NOT QUALIFY:

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

FOR QUESTIONS/CONCERNS

Contact the program administrators: QCO/QFCO Program Manager

Email: **QCO@azdor.gov**
Call: **(602) 716-6372 ext. 2**