



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 21-001

TO: School District Superintendents, Business Managers and County School Superintendents

FROM: Charlie Martin, Deputy Associate Superintendent of School Finance

DATE: July 1, 2020

SUBJECT: FY 2021 Cash Advance of State Aid

Per A.R.S. Section 15-973, Subsection C, school districts are eligible to receive an advance of basic state aid if sufficient appropriated funds are available and the school district can show that additional state monies are necessary for current expenses. Posted to ADE's web site is the FY 2021 [Cash Flow Analysis](#) form that must be completed and returned to the Arizona Department of Education to verify the school district's need of an advance payment of basic state aid. The completed form must be accompanied by a formal letter of request. The request must include the following statement:

"Under the provisions of A.R.S. § 15-973, Subsection C, and by resolution of the Governing Board, _____ District requests an advance of state aid in the amount of \$_____ in order to alleviate the projected cash deficit as shown on the attached Cash Flow Analysis. The district is need of an advance payment due to:

- Low ending fund balance from prior year.
- 3-Payroll month.
- Property Tax collections low leading up to November and March.
- State Aid Rollover in the amount of \$_____
- Other: _____

The clerk or president of the governing board must sign the request that includes the above statement summarizing why the district is need of an advance payment.

The signed letter must be scanned in with a copy of the minutes where the resolution was approved, and an Excel version of the Cash Flow Analysis emailed to the School Finance Payment Team at SFPaymentTeam@azed.gov Please include "Cash Advance Request" in the subject line.

Cash Advances must be approved by the Superintendent of Public Instruction, the State Treasurer and the Director of the Department of Administration prior to the release of payment. Please allow 3-5 weeks for this approval process. The last opportunity to receive a cash advance is in the March apportionment payment; therefore, final cash advance requests for the fiscal year must be received by February 1, 2021.

Please note, submitting this request will allow you to include an amount less than or equal to interest expense for registering warrants or net interest expense (interest expense minus interest income) on tax anticipation notes outside the FY2023 RCL.

If you need additional information please contact the School Finance payment team at (602) 542-8256 or SFPaymentTeam@azed.gov.