



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 24-005

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

FROM: Tim McCain, Deputy Associate Superintendent of School Finance

DATE: June 12, 2023

SUBJECT: FY 2024 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. School Finance began collecting the requests for advances of state aid via a new user interface in connection with the new state aid payment systems. School districts now input the requested cash flow analysis data in the user interface to verify the school district's need of an advance payment of basic state aid. The completed input must be accompanied by a formal letter of request that 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 uploaded in the user interface with the cash flow analysis input, along with a copy of the minutes where the resolution was approved.

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 April apportionment payment; therefore, final cash advance requests for the fiscal year must be received by the first week of February 2024.

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 FY2025 RCL.

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