



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 25-008

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

FROM: Xin Liu, Deputy Associate Superintendent of School Finance

DATE: July 1, 2024

SUBJECT: FY 2025 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 March apportionment payment; therefore, final cash advance requests for the fiscal year must be received by the first week of February 2025.

Please note, eligibility for registered warrant or interest expense on tax anticipation notes outside of the RCL is dependent upon submitting an application for a Cash Advance one fiscal year prior to the current calendar year, per A.R.S. Section 15-910.M. Please indicate in the Cash Advance application on line 19 for the ramifications of a denied request language similar to "Registered warrants or net interest expense on tax anticipation notes". This language indicates that if a Cash Advance request is denied, then registered warrants will be required to maintain sufficient funding for the fiscal year. If a school district does not complete this step, then they will be denied budget capacity outside of the RCL for an amount less than or equal to registered warrants or net interest expense on tax anticipation notes in fiscal year 2027.

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