



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

MEMORANDUM

DATE: 6/27/2003

TO: Federal assistance grant subrecipients and grants management personnel

FROM: Arizona Department of Education (ADE), Accounting
Steven Race, Chief Financial Officer

SUBJECT: Cash Management changes effective July 1, 2003

Dear Subrecipient,

As a fiduciary agency, the Arizona Department of Education must abide by, as well as assure that sub-recipients conform to the Cash Management requirements outlined below. Initially, the Arizona Department of Education (ADE) has allowed subrecipients to accumulate up to 4.0% cash on hand, otherwise known as the allowable adjusted cash balance. Effective July 1, 2003 the allowable adjusted cash balance will be 0.0% for all federal projects. In order to accomplish this, grant sub-recipients are required to request only 30 days of your cash needs. All other Cash Management guidelines will remain the same.

- ✓ Cash Management Improvement Act Agreement Between The State of Arizona and The Secretary of the Treasury, United States Department of the Treasury (FY01 CMIA US TSA) 6.2.12 Technique: Pre-issuance Funding
- ✓ OMB Circular A-133 Compliance Supplement Provisional 6/97 under "Cash Management"
- ✓ Circular A-102 (Revised 10/7/94, As Further Amended 8/29/97) 2.a. (Post-Award, cash management policies)
- ✓ 34 CFR §80.20(b)(7): Standards for Financial Management Systems
- ✓ Circular A-110 (Revised 11/19/93, As Further Amended 9/30/99) SUBPART C - Post-Award Requirements
- ✓ 31 CFR part 205: Title 31--Money and Finance: Treasury, Sec. 205.6 Funding techniques and Sec. 205.7 Requesting and transferring funds

Remember, Cash Management reports are due every month between the 1st and 18th beginning in the first month of disbursement or whenever local carryover is indicated in the project, whichever comes first.

The reports are to be submitted online through the Grants Management website (www.ade.az.gov/GME), which can be found through the ADE Internet at www.ade.az.gov. From the ADE Internet homepage, click on the **Searches & Quick Links** on the left hand side and then click on Grants Management.

The Glossary (cash management terms and definitions) and FAQ pages will be updated prior to July 1, 2003 stating the correct allowable adjusted cash balance, but system changes to the Cash Management module will not be in effect until July 1, 2003. Additionally, Grants Management workshops will be held in the upcoming months to assist in this transition. Workshop notifications will be posted on the Grants Management website in the 'Newsworthy Trends'. Or, you can also contact your local Regional Training Center (RTC), or visit their websites at www.ade.az.gov/rtc. If you have any further questions, please contact Cassidy Jackson, Grants Management Information Technology Specialist at 602-542-3421 or Mary Dallman, Program Project Specialist I at 602-542-3470 or myself at 602-542-4218.