



State of Arizona  
Department of Education

Tom Horne  
Superintendent of  
Public Instruction

**MEMORANDUM**

April 7, 2003

TO: Arizona School Districts (excluding Pilot/ARP districts) and County School Superintendents Offices

FROM: Steven Race  
Chief Financial Officer  
Arizona Department of Education

SUBJECT: Policy change starting fiscal year 2004 for County School Superintendents claims

Arizona State law states that County School Superintendents (CSS) will handle the fiscal activities of districts (Title 15.304) including federal grant funds, unless the district has been approved for fiscal independence (R7-2-902). There are no additional federal appropriations to cover the CSS responsibilities of handling districts' federal projects. The County School Superintendents offices have historically submitted their county claims to the Arizona Department of Education (ADE) for the administration of federal grant project funds, and then the ADE has paid the claims on behalf of the districts.

Starting July 1, 2003, the County School Superintendents offices are no longer to submit their claims to the Arizona Department of Education. In order for the County School Superintendents office to receive payment(s) for the handling of their districts' federal grant funds, the claims will need to be submitted directly to the districts. The districts are to pay the County School Superintendents offices based off of the CSS approved indirect cost rate for that project year. The districts' will then include this administrative cost as a part of their indirect cost. Districts should exercise controls to ensure that the amount paid to the County School Superintendents offices for each federal project does not exceed the grants or the districts budgeted allowable indirect amount.

In addition, on the ADE Grants Management homepage (<http://www.ade.az.gov/GME/>) we have created a new link under Documents and Annual Required Forms that is labeled 'County School Superintendent's Claims'. When you click on the link it will take you to another page where we have posted online the county claims submitted to date for fiscal years 2002 and 2003. If you need assistance accessing these downloads you can contact the Grants Management office at 602.542.3452.

If you have any further questions regarding the policy change for County School Superintendents claims you can contact Nancy Johnson in the Audit Resolution office at 602.364.1980, Cassidy Jackson in the Grants Management office at 602.542.3421, or myself at 602.542.4218.

Thank you.

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