



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

April 21, 2006

MEMORANDUM

TO: Arizona School Districts and County School Superintendents

FROM: Steven Race Chief Financial Officer

CC: Vicki Salazar Associate Superintendent, Business and Finance

RE: Indirect

Arizona Revised Statute (Title 15 – Chapter 3 Article 1) states that County School Superintendents (CSS) will handle the fiscal activities of districts including federal grant funds, unless the district has been approved for fiscal independence. (R7-2-902)

For the past three years, the counties have submitted their claims to the districts and the districts were to pay the claims out of their approved indirect budget. A request by the counties to allow the counties and the districts to combine their rates has been approved by the United States Department of Education so long as the combined totals by all recipients of the funds do not exceed the amount allowable under the program legislation/regulations. As an example, if a district has a rate of 3.89% and the county has a rate of 0.25 the combined amount would be 4.14%. Again, so long as this amount does not exceed the amount allowable by program legislation/regulations. A worksheet for the calculations will be provided on the ADE web-site.

As has been in the past, counties are to submit their claims directly to the districts and districts, please be sure to budget for these claims.

If you have any further questions regarding this policy, please feel free to contact me at 602.542.4218.