

ARIZONA DEPARTMENT OF EDUCATION

Lisa Graham Keegan
Superintendent of
Public Instruction



STATE OF ARIZONA

School Finance
1535 West Jefferson
Phoenix, Arizona 85007
(602)-542-5695
(602)-542-3099 fax

SCHOOL FINANCE MEMORANDUM 99-019

TO: School District Superintendents, Administrators & Head Teachers

FROM: Lyle Friesen, Director of School Finance

DATE: September 22, 1999

SUBJECT: Reconciliation of School District Accounting Records and Cash Balances

Laws 1998, Chapter 63, Section 2 eliminated the requirement of school districts to "furnish through the appropriate county school superintendent" an annual financial report to the superintendent of public instruction. A.R.S. §15-904(A), as amended, now requires school districts to provide both the county school superintendent and the superintendent of public instruction with a copy of the annual financial report. Districts participating in the Accounting Responsibility Program are not required to submit a copy to the county school superintendent (A.R.S. §15-914.01).

Although Laws 1998, Chapter 63, Section 2 eliminated the requirement of school districts to furnish an annual financial report through the appropriate county school superintendent to the Arizona Department of Education, school districts are still required to reconcile their financial records with the county school superintendent's office under the Uniform System of Financial Records (USFR). Specifically, the USFR requires that school districts reconcile their records of cash balances by fund monthly, and their records of revenues, expenditures and cash balances by fund, program, function and object code at least at fiscal year-end, to the county school superintendent's records. It further states that the county school superintendent's office should reconcile the district's accounting records to those of the county treasurer (USFR, page VI-B-8). Districts participating in the Accounting Responsibility Program must reconcile to the county treasurer (A.R.S. §15-914.01).

In order to document the accuracy of data included in the Annual Report of the Superintendent of Public Instruction (A.R.S. §15-255), county school superintendents or treasurers will be asked to verify that districts have reconciled the cash balances, revenues, expenditures, as required in the USFR. County school superintendents and treasurers will be asked to provide for each applicable district in the county, the date of the most recent reconciliation, the period reconciled, and if the Annual Financial Report contains unreconciled items of a material nature. Exceptions may also be listed by either county office.

Please work with your county offices to ensure the accuracy of your district's annual financial report. The reconciliation status reported by your county office will be forwarded to the Office of the Auditor General. Districts submitting an annual financial report containing unreconciled items of a material nature may be found out of compliance with USFR.

Please call George Chlupsa at (602)-542-8241 (e-mail: gchlups@mail1.ade.state.az.us) or me at (602)-542-4351 (e-mail: lfriese@mail1.ade.state.az.us) if you have questions or require further assistance.

CC. County School Superintendent
County Treasurer