



**MEMORANDUM**

**TO:** Arizona Charter School Administrators  
Administrators of School Districts Sponsoring Charter Schools

**FROM:** Magdalene D. Haggerty, Office of the Auditor General  
Vicki G. Salazar, Arizona Department of Education (ADE)

**DATE:** June 22, 2007

**SUBJECT:** *Uniform System of Financial Records for Arizona Charter Schools (USFRCS) Manual*

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The USFRCS manual has been converted to Adobe Acrobat format. The manual has also been updated to incorporate the revised Chart of Accounts section issued in December 2006 (effective July 1, 2007), and changes to accounting requirements, legislation, and applicable Internal Revenue Service and ADE publications. Changes were also made for clarity and conciseness throughout.

Significant revisions to the manual include the following:

1. The **Calendar of Events** (§II) has been updated for changes to reporting requirements.
2. Fixed Assets (§VII-E) has been renamed **Capital Assets** and the capital assets thresholds have been increased from \$300 for equipment and \$3,000 for land, buildings and improvements, to \$5,000 for all assets. In addition, the requirement for schools to maintain a stewardship list for all assets costing between \$1,000 and \$5,000 was added. This change is not effective until July 1, 2007.
3. **Disbursements** (§VI-G) has been revised to incorporate new purchasing thresholds for those schools required to follow the School District Procurement Rules. In addition, the guidelines for purchases below the competitive sealed bid threshold have been updated, and policies have been added addressing due diligence procedures for purchases made through purchasing cooperatives and purchases made from school employees.
4. USFRCS Memorandum No. 61 has been incorporated into **Audit Requirements** (§VIII). The section has also been updated for additional changes to auditing standards.

If you have any questions, please call the Office of the Auditor General, Accounting Services Division, at (602) 553-0333, or the ADE School Finance Operations Unit at (602) 542-5695. Copies of the USFRCS may be downloaded from the Auditor General's Web site at [www.azauditor.gov/manuals\\_charter.htm](http://www.azauditor.gov/manuals_charter.htm). Additional paper copies of the USFRCS may be purchased from ADE, Central Distribution, by calling (602) 542-3088.

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Enclosures