



ARIZONA DEPARTMENT OF EDUCATION

TO: School District Superintendents & Charter School Administrators

CC: Grants Management Enterprise users holding LEA Business Manager, LEA Authorized Representative, LEA Contracted Update roles

FROM: Grants Management

DATE: June 3, 2026

SUBJECT: Requirements for Contracted Staff for School Districts and Charter Schools for Grants

School district and charter schools that receive grant funding passed through the Arizona Department of Education (ADE) are required to maintain fiscal and operational authority for the organization. If a school district or charter school hires a third-party contractor to assist with business and operations, those third-party contractors (including Charter Management Organizations (CMOs)) have role requirements within the Grants Management Enterprise (GME) system. Third-party contractors may **not** hold the following roles in GME:

- LEA Business Manager;
- LEA Authorized Representative; or
- LEA Entity Authorized Signer

Therefore, these three GME roles may only be held by employees¹ of the entity for which they are signing, approving, or submitting.

ADE recognizes that many entities rely on contracted services to accomplish the work required to accept and manage funding. To accommodate the various entities who do contract with individuals or other organizations for this type of work, ADE has created a user role within GME called the **LEA Contracted Update** role. This role allows for the same actions as the LEA Business Manager except for the final submission or approval of a grant. The final submission or approval of a grant or fiscal action must be completed by one of the three authorized roles held by school district or charter school staff only.

Additionally, in April of 2026, the Arizona Auditor General issued the Arizona Department of Education a single audit finding for disbursing funding to charter school local educational agencies during fiscal year 2024 without performing certain monitoring procedures required by the U.S. Department of Education. This requires ADE to identify charter schools who have relationships with CMOs and to assess overall risks related to conflicts of interest, related-party transactions, and insufficient segregation of duties for grant recipients. Therefore, ADE is required to identify and monitor organizations with relationships with CMOs and assess any additional risks. To ensure ADE addresses part of the agency's audit finding, ADE shall require an annual questionnaire and assurances from charter schools using CMOs.

¹ [IRS worker classification](#) as it relates to employees working for a school district or organization that holds the charter as defined under A.R.S. § 15-101(3)

Tom Horne, Superintendent of Public Instruction
1535 West Jefferson Street • Phoenix Arizona 85007 • www.azed.gov

"We are a service organization committed to raising academic outcomes and empowering parents."