INTRODUCTION

Questions frequently arise concerning the propriety or limitations of certain expenditures when the funding source is the Federal Government or some other contributor—by gift or grant—to the State of Arizona. This section of SAAM clarifies the nature of funds provided by sources external to the State of Arizona and the policies related to their expenditure.

POLICY

1. Title 35, Chapter 2 of the Arizona Revised Statutes requires that any money due the State, whatever its source, be deposited with the State and that any money deposited with the State is “public money.”

2. All public money is subject to Arizona statutes, laws, rules, rates and policies governing the expenditure of such money.

   Example 1: An agency receives a private donation to sponsor a luncheon. The State’s reimbursement rate for lunch limits what may be spent for each participant’s lunch.

   Example 2: An agency receives Federal grant money that allows for the reimbursement of mileage to State employees using a personally owned vehicle in carrying out activities related to the grant. An employee is to be reimbursed at the State’s, not the Federal Government’s, mileage rate.

3. The expenditure or obligation of public money, irrespective of the provenance of such money, must be for a valid public purpose, must be consistent with an agency’s enabling statutes, and must be supported by available funds and spending authority.