

Financial Management System Requirements

Rules and regulations around financial management systems, including those for Head Start programs, are set in the [Code of Federal Regulations \(CFR\)](#). Requirements include:

- Accurate, current, and complete disclosure of the financial results of each federally sponsored project or program
- Records that document the source of federal funds and how the funds were used
- Effective control over and accountability for all funds and assets
- Comparison of expenditures with budget projections
- Written cash management procedures that minimize the duration and amount of cash on hand
- Written procedures for determining that costs comply with cost principles
- Accounting records that are supported by documentation

Adapted from 45 CFR 74.21 and 45 CFR 92.20