**Operating Policy No. 6101  
Management Support**

**FEDERAL CASH AND FINANCIAL MANAGEMENT**

Puget Sound Educational Service District’s (PSESD) financial management system and records will be sufficient for preparing required reports and for tracing expenditures to a level that establishes funds have been used according to federal statutes, regulations, and the terms and conditions of the federal award. This is in addition to maintaining a system of funds and accounts in accordance with state law and the accounting manual (Operating Policy No. 6020).

PSESD’s financial management system will:

* Identify all federal awards received and expended, including specific information pertaining to the award: federal program name; CFDA title and number; identification number and year; and name of federal and any pass-through agency.
* Provide for accurate, current, and complete disclosure of the results of each federal award in accordance with reporting requirements.
* Include records and supporting documentation that identify the source and application of funds for federally funded activities, including authorizations, obligations, unobligated balances, expenditures, assets, income and interest.
* Enable the ESD to maintain effective internal controls to ensure accountability and proper safeguarding and use of all funds, property and other assets (for example, adequate segregation of duties).
* Provide a comparison of expenditures with budget amounts for each federal award.

For PSESD to comply with federal regulations for grant recipients, the Superintendent will implement written procedures for 1) cash management; and 2) determining the allowability of costs in accordance with Cost Principles and the federal award terms and conditions.

Adopted: February 2019

Relevant PSESD Board Governance Policies: EL 8 Financial Management

EL 9 Asset Management

Cross References: 6020 – System of Funds and Accounts

6100 – Revenues from Local, State and Federal Sources

Legal References: Code of Federal Regulations (CFR), Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements,* Sections§200.302 and

§200.305 Cash Management Improvement Act of 1990