

TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 03-21, Change 1
Date:	October 15, 2021
Keyword:	All Programs; Fiscal Administration
Effective:	Immediately

To: Local Workforce Development Board Executive Directors
Adult Education and Literacy Grantees
Adult Education and Literacy Special Project Grantees
Other TWC Grantees
Commission Executive Offices
Integrated Service Area Managers



From: Courtney Arbour, Director, Workforce Development Division

Subject: **Changes Affecting the Uniform Guidance (2 CFR Part 200) and Texas Uniform Grant Management Standards—Update**

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) and all other Texas Workforce Commission (TWC) grantees with updated guidance on changes that affect the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), codified at 2 CFR Part 200, and the Texas Uniform Grant Management Standards (UGMS).

This guidance replaces “Performance.gov” references with “cfo.gov” as the federal website that provides resources related to the Uniform Guidance changes described in this WD Letter.

RESCISSIONS:

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BACKGROUND:

TWC issues grant awards that include provisions that require compliance with the Uniform Guidance, UGMS, or both, as well as the TWC Financial Manual for Grants and Contracts (FMGC).

The following changes occurred for the Uniform Guidance and UGMS during Calendar Year 2020:

- On August 13, 2020, OMB published numerous revisions to the Uniform Guidance as well as changes that affect 2 CFR Parts 25, 170, and 183.
- On October 26, 2020, the Texas Comptroller of Public Accounts Statewide Procurement Division published the Texas Grant Management Standards (TxGMS), which is the successor publication to UGMS. TxGMS includes numerous changes from UGMS.

TWC previously provided Boards and other TWC grantees with informal notice of the revisions to the Uniform Guidance. This WD Letter provides formal notice of those changes as well as notice about TxGMS.

The changes in the Uniform Guidance and TxGMS have different effective dates, as follows:

- OMB’s revisions to the Uniform Guidance state, “DATES: These revisions to the guidance are effective November 12, 2020, except for the amendments to §§200.216 and 200.340, which are effective on August 13, 2020” (85 FR 49506). The preamble adds, “The revisions to 2 CFR are not applicable to Federal financial assistance awards issued prior to the effective dates provided in the DATES section of this Notice of Final Guidance. . .” (85 FR 49521). A compilation of Frequently Asked Questions (FAQ) about the revision in 2 CFR §200.216 elaborates on the effective date and implementation of those changes.
- TxGMS states, “TxGMS applies to grants and contracts that begin on or after January 1, 2022. If a state awarding agency adds funds to a grant that existed before March 1, 2021, TxGMS will apply to it from that point forward, unless the state awarding agency specifically indicates that TxGMS will not apply. TxGMS may also be applied to grants and contracts by agreement between the parties.”

The Financial & Grant Information page of TWC’s website includes links to the Uniform Guidance revisions, TxGMS, and related resources. For example, related resources for the Uniform Guidance include “OMB Implementation Guidance for the 2020 Final Rule Revisions,” which links to the federal cfo.gov website. The cfo.gov website contains a redlined version of the changes as well as the aforementioned FAQ for 2 CFR §200.216. The TWC Financial & Grant Information page may be accessed at <https://www.twc.texas.gov/data-reports/agency-reports>.

TWC will update the FMGC to include changes consistent with their respective effective dates. If the revisions to the Uniform Guidance and the issuance of TxGMS become effective before the FMGC updates are complete, the applicable provisions from the Uniform Guidance, UGMS, or TxGMS will prevail pursuant to the terms and conditions of the respective TWC-issued grant award.

PROCEDURES:

No Local Flexibility (NLF): This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter

and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

Local Flexibility (LF): This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”

NLF: Boards and all other TWC grantees must implement the August 13, 2020, revisions to the Uniform Guidance and the October 26, 2020, publication of TxGMS in accordance with the effective dates and applicable guidance for those changes.

INQUIRIES:

Send inquiries regarding this WD Letter to fiscal.ta@twc.texas.gov.

ATTACHMENT:

Attachment: Revisions to WD Letter 03-21, Shown in Track Changes

REFERENCES:

Final Rule, Office of Management and Budget Guidance for Grants and Agreements, 2 CFR Parts 25, 170, 183, and 200, August 13, 2020, *Federal Register*, Volume 85, No. 157, p. 49506

Texas Grant Management Standards, Version 1.0