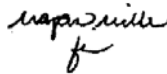


TEXAS WORKFORCE COMMISSION LETTER

ID/No:	WD 02-11, Change 1
Date:	June 27, 2011
Keyword:	Financial Reporting
Effective:	Immediately

To: Local Workforce Development Board Executive Directors
Agency Grantees
Commission Executive Offices
Integrated Service Area Managers



From: Laurence M. Jones, Director, Workforce Development Division

Subject: **Federal Funding Accountability and Transparency Act of 2006—
Update**

PURPOSE:

To provide Local Workforce Development Boards (Boards) and Texas Workforce Commission (Commission) Grantees (Agency Grantees)¹ with information and guidance on requirements under the Federal Funding Accountability and Transparency Act (FFATA) of 2006.

BACKGROUND:

FFATA, signed into law on September 26, 2006, established ongoing FFATA reporting requirements for current and future years. The statute requires the federal government to create a public “single searchable website” with data on numerous forms of federal assistance, including federal grants. The requirements make the prime recipient (i.e., the Commission) responsible for reporting data on:

- grants awarded by the federal government to the prime recipient on or after October 1, 2010; and
- certain first-tier grant award contracts (contracts) funded by those awards (i.e., contracts the Commission awards to Boards and Agency Grantees).

Beginning **July 2011**, the Commission must collect a limited amount of data from Boards and Agency Grantees to comply with FFATA reporting requirements. Currently, the law does not require any data on lower-tier contracts (i.e., contracts awarded by Boards and Agency Grantees).

¹ The Commission’s Integrity of the Texas Workforce System rule §802.2(1) defines *Agency Grantees* as “grantees that receive funding from the Agency, such as Skills Development Fund, Wagner-Peyser 7(b), and Workforce Investment Act (WIA) statewide, to provide workforce services.”

The Commission's first monthly FFATA report was due and submitted by November 30, 2010. The method of finance used in contracts, and the similarities between American Recovery and Reinvestment Act (ARRA) of 2009 §1512 and FFATA data elements, enable the Commission's Financial Reporting section to prepare initial FFATA reports without collecting additional data from Boards and Agency Grantees. However, as ARRA expires and use of FFATA-covered grant funds increases as a method of finance, the Commission must collect a limited amount of FFATA data from Boards and Agency Grantees.

For purposes of this WD Letter, "FFATA-covered grant funds" and "FFATA-covered contracts" mean funds provided by contracts from the Commission that:

- **have a contract start date of July 1, 2011, or later; and**
- **include \$25,000 or more in federal funds.**

CHANGES TO WD LETTER 02-11:

New information in this WD Letter is indicated by:

- A ~~strike through~~ of the original language, which indicates that language has been deleted; and
- **Bold** typeface, which indicates new or clarifying language.

PROCEDURES:

~~Boards and Agency Grantees must be aware that the Commission will notify them of the following for providing the above information:~~

NLF

- ~~• Affected contracts;~~
- ~~• The time frames for submitting the data; and~~
- ~~• The format for providing the data.~~

Boards and Agency Grantees receiving FFATA-covered contracts from the Commission must **comply with the instructions in this WD Letter** to provide the Commission with the following information:

NLF

- Data Universal Numbering System (D-U-N-S) number (if not already on file with the Commission);
- Executive compensation data:
 - Attestation as to whether, in the preceding year, the Board or Agency Grantee (including the parent organization, all branches, and all affiliates worldwide) received:
 - 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and cooperative agreements; and
 - \$25 million or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, and cooperative agreements;
 - Attestation as to whether the public has access to information about the compensation of the senior executives of the organization (including the

parent organization, all branches, and all affiliates worldwide) through reports filed under:

- §13(a) or §15(d) of the Securities Exchange Act of 1934 [[15 USC §§78m\(a\), 78o\(d\)](#)] **regarding organizations with registered securities**; or
- §6104 of the Internal Revenue Code of 1986 [[26 USC §6104](#)] **regarding certain tax-exempt organizations**; and
- Names and compensation of the organization’s top-five highly compensated officials, if the organization meets the two funding conditions, and the public does not already have access to information about the senior executives’ compensation through the reports specified above; and
- **Nine-digit ZIP code of the primary performance location for each contract. (If the work for a particular contract is performed in multiple locations, the nine-digit ZIP code of the primary performance location for each contract is defined as the ZIP code for the physical address of the location from which primary administration or oversight occurs for that contract, which may be different from the ZIP code that receives the most funds.)**

Boards and Agency Grantees must be aware that no FFATA reporting actions are required of them for contracts that begin prior to July 1, 2011.

NLF

Federal Funding Accountability and Transparency Act Reporting for Boards
Boards that change their D-U-N-S number must immediately inform the Commission’s Board Contract Management department of the new number. (The Commission uses the D-U-N-S number on file with Board Contract Management for FFATA reporting purposes.)

NLF

Boards must take the following actions to provide the Commission with the FFATA-required executive compensation attestations (and name and compensation amounts, if applicable):

NLF

- **Renew and validate the Central Contractor Registration (CCR) system registration annually between July 1 and July 15, beginning calendar year 2011, even if the Board’s registration is not scheduled to expire during that period;**
- **Provide executive compensation attestations (and name and compensation amounts, if applicable) by completing the corresponding CCR data fields; and**
- **Comply with these requirements for as long as FFATA requirements exist—i.e., until the financial contract closeout package for the last FFATA-covered contract is in “accepted” status.**

Boards must be aware that the Commission can place a hold on all of a Board’s contract funds if the Board fails to maintain an active CCR profile.

NLF

It is recommended that Boards validate CCR registration as needed to update CCR profile information. However, doing so does not relieve the Board of the responsibility to renew and validate annually between July 1 and July 15.

NLF

Boards must take the following actions to provide the Commission with FFATA-required ZIP codes:

NLF

- For contracts resulting from competitive solicitations, the Board's assigned contract manager will send the Board a Contract Information Form (CIF), which the Board must complete and return to the contract manager; and
- For other contracts, the Board's assigned contract manager will send the Board a spreadsheet that lists all contracts for which the Board must provide a ZIP code, which the Board must complete and return to the contract manager.

Federal Funding Accountability and Transparency Act Reporting for Agency Grantees

Agency Grantees must be aware that the following information, which the Commission collects prior to contract execution, enables the Commission to report FFATA-required data:

NLF

- D-U-N-S number and ZIP code provided on the CIF; and
- FFATA affidavit provided with the CIF.

Agency Grantees that indicate the following on the FFATA affidavit must register in CCR:

NLF

- In the preceding year, the Agency Grantee (including the parent organization, all branches, and all affiliates worldwide) received:
 - 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and cooperative agreements; and
 - \$25 million or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, and cooperative agreements.
- The public does not have access to information about the compensation of the senior executives of the organization (including the parent organization, all branches, and all affiliates worldwide) through reports filed under:
 - §13(a) or §15(d) of the Securities Exchange Act of 1934 [[15 USC §§78m\(a\), 78o\(d\)](#)]; or
 - §6104 of the Internal Revenue Code of 1986 [[26 USC §6104](#)].

Agency Grantees that must register in CCR must take the following actions:

NLF

- Register in CCR within 30 days after the contract start date;
- Renew and validate the CCR registration annually between July 1 and July 15, even if the registration is not scheduled to expire during that period;

- Provide data compensation attestations (and name and compensation amounts, if applicable) by completing the corresponding CCR data fields; and
- Comply with these requirements for as long as FFATA requirements exist—i.e., until the financial contract closeout package for the last FFATA-covered contract is in “accepted” status.

Agency Grantees must be aware that the Commission:

NLF

- will not make funds available for payment until after it has verified that the Agency Grantee has registered in CCR; and
- can place a hold on all of an Agency Grantee’s contract funds if the Agency Grantee fails to establish or maintain an active CCR profile.

It is recommended that Agency Grantees validate CCR registration as needed to update CCR profile information. However, doing so does not relieve the Agency Grantee of the responsibility to renew and validate annually between July 1 and July 15.

LF

INQUIRIES:

Direct inquiries regarding this WD Letter to Kimberly R. Emmerich, Director of Financial Operations, at Fiscal.TA@twc.state.tx.us.

RESCISSIONS:

WD Letter 02-11

REFERENCE:

Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282)
 Office of Management and Budget Memorandum for Senior Accountable Officials, issued August 27, 2010, and entitled “Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting”

FLEXIBILITY RATINGS:

No Local Flexibility (NLF): This rating indicates that Boards and Agency Grantees 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 and Agency Grantees 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.”