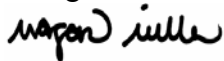


TEXAS WORKFORCE COMMISSION LETTER

ID/No:	WD 29-12
Date:	September 27, 2012
Keyword:	Financial Reporting
Effective:	Immediately

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



From: Reagan Miller, 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 (TWC) Grantees (Agency Grantees)¹ with information and guidance on requirements under the Federal Funding Accountability and Transparency Act (FFATA) of 2006.

BACKGROUND:

In July 2012, the federal government consolidated four systems, including the Central Contractor Registration (CCR) system, into the System for Award Management (SAM), which affects TWC's FFATA data collection efforts.

FFATA, signed into law on September 26, 2006, established FFATA reporting requirements. 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., TWC) 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 (subawards) funded by those awards (i.e., grant award contracts that TWC awards to Boards and Agency Grantees).

TWC must collect a limited amount of data from Boards and Agency Grantees to comply with FFATA reporting requirements for FFATA-covered grant funds.

¹ TWC'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."

Currently, the law does not require any data on lower-tier contracts (i.e., contracts awarded by Boards and Agency Grantees).

For purposes of this WD Letter, “FFATA-covered grant funds” and “FFATA-covered contracts” mean funds provided by grant award contracts from TWC:

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

PROCEDURES:

Boards and Agency Grantees must be aware of the following:

NLF

- TWC’s data collection efforts originally required Boards and some Agency Grantees to register in the CCR system. The system’s consolidation into SAM makes SAM the new system for recording and accessing data that Boards and some Agency Grantees were formerly required to record in the CCR system. Therefore, TWC’s data collection efforts now require Boards and some Agency Grantees to have an active SAM registration.
- SAM registration occurred automatically for Boards and Agency Grantees that were registered in CCR as of the July 2012 consolidation, but the staff of those entities who are responsible for renewing and revalidating the registration must create a SAM account to access the registration. As part of account creation, an individual who was a CCR user will migrate his or her CCR roles to SAM. Migrating CCR roles gives the individual the same access that he or she had in the CCR system. Instructions for creating a SAM account and migrating CCR roles to SAM are available at www.sam.gov.
- Agency Grantees that were not registered in CCR as of the July 2012 consolidation, or whose SAM registration expired must register with SAM if required by this WD Letter to have an active SAM registration. Registration requires Agency Grantee staff who are responsible for creating, renewing, and revalidating the registration to create a SAM account. Instructions for registering with SAM are available at www.sam.gov.
- SAM registration expires one year after registration unless renewed and revalidated prior to that time. Registered users receive e-mail notifications from SAM 60, 30, and 15 days prior to expiration of SAM registration.

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

NLF

- Data Universal Numbering System (D-U-N-S) number (if not already on file with TWC);
- 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 began 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 TWC’s Board Relations department at Board.Relations@twc.state.tx.us of the new number. (TWC uses the D-U-N-S number on file with Board Relations for FFATA reporting purposes.)

NLF

Boards must ensure that Board staff responsible for renewing and revalidating the Board’s SAM registration:

NLF

- creates a SAM account to access the Board’s SAM registration; and
- creates the account in sufficient time to permit renewal and revalidation of the Board’s SAM registration in accordance with the requirements of this WD Letter.

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

NLF

- Renew and revalidate SAM registration annually between July 1 and July 15, 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) in the corresponding SAM 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.

*Executive compensation attestations (and associated names, and compensation amounts, if any) in Boards’ CCR profiles automatically migrated to SAM during the July 2012 consolidation. Boards must be aware that the data does not have to be reentered into SAM. Boards must ensure that any necessary updates to the executive compensation data is made no later than the annual renewal and revalidation of the Board’s SAM registration.

NLF

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

NLF

To ensure SAM records are up to date, it is recommended that Boards revalidate SAM registration as changes occur. Doing so, however, does not relieve Boards of the responsibility to renew and revalidate annually between July 1 and July 15.

LF

Boards must take the following actions to provide TWC 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 TWC collects prior to contract execution, enables TWC 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 with SAM:

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 with SAM must take the following actions:

NLF

- Register with SAM within 30 days after the contract start date;
- Renew and revalidate SAM registration annually between July 1 and July 15, even if the registration is not scheduled to expire during that period;
- Provide executive compensation attestations (and name and compensation amounts, if applicable) by completing the corresponding SAM 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.

*For Agency Grantees that were registered in the CCR system as of the July 2012 consolidation, the executive compensation attestations (and associated names, and compensation amounts, if any) in the Agency Grantee’s CCR profile automatically migrated to SAM. Agency Grantees that maintained an active SAM registration after the migration are not required to reenter the data in SAM, but must make any necessary updates no later than the annual renewal and revalidation of the Agency Grantee’s SAM registration, if the Agency Grantee is required by this WD Letter to maintain an active registration.

NLF

FFATA-covered Agency Grantees must be aware that TWC:

NLF

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

To ensure SAM records are up to date, it is recommended that FFATA-covered Agency Grantees revalidate SAM registration as changes occur. Doing so, however, 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 Chris Nelson, Director of Financial Operations, at Fiscal.TA@twc.state.tx.us.

RESCISSIONS:

WD Letter 02-11, Change 1

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.”