

TXGMS, ESBD & Texas SmartBuy

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**Statewide Procurement Division
Texas Comptroller of Public Accounts**

2/5/25



TEXAS GRANT MANAGEMENT STANDARDS

STATEWIDE PROCUREMENT DIVISION | Version 2.0





Objectives

- **To provide an overview of the Texas Grant Management Standards (TxGMS)**
- **To review updates to TxGMS effective 10/1/2024**

Agenda

Background

Roles of the Statewide Procurement Division and state agencies

Grants vs. Procurement Contracts

Review of the Texas Grant Management Standards (TxGMS)

Best Practices

Version 2.0 Updates

Advertising Grant Opportunities and Frequently Asked Questions

Resources

Background

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- The Comptroller of Public Accounts Statewide Procurement Division (SPD) publishes the Texas Grant Management Standards (TxGMS) under the authority of Chapter 783 of the Texas Government Code.
- The Comptroller's standards apply whenever the state issues grants to local governments. State agencies also often apply the standards to other grants.

The Texas Grant Management Standards - Defined

Established to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and federal agencies.

As required in Chapter 783 of the Texas Government Code, the TxGMS includes:

1. Uniform and concise language for any assurances that a local government is required to make to a state agency, and;
2. A compilation of standard financial management conditions

Role of Statewide Procurement Division (SPD)

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The Comptroller is responsible for state grant management standards.

The Texas Grant Management Standards (TxGMS), version 1.0 was published in January 2020, replacing the Uniform Grant Management Standards (UGMS). It was then updated in December 2021 (version 1.1) and October 2024 (version 2.0).

The current TxGMS incorporates federal rules when a state grant program is governed by existing federal rules. (In cases where the state still has a higher standard, agencies may still need to comply with additional state requirements).

Role of State Agencies

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Each grantor agency should establish its own requirements for grants. Where the TxGMS apply, state agencies generally need to follow it, but can add to and interpret it.

To award grants/resources there must be:

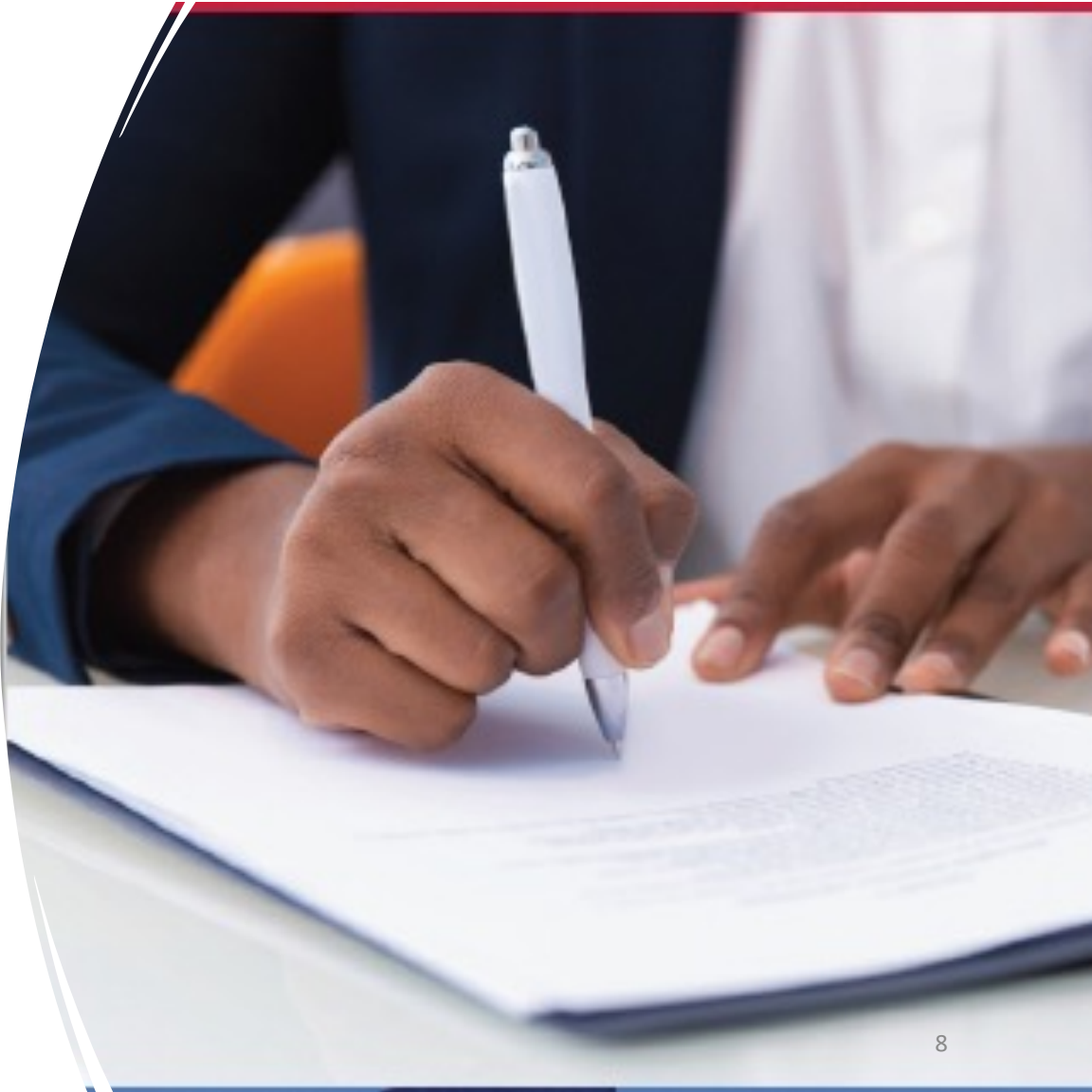
- A clear public benefit;
- Controls to ensure the public purpose is carried out; and
- Permission from the Legislature (i.e., a statute or appropriation)

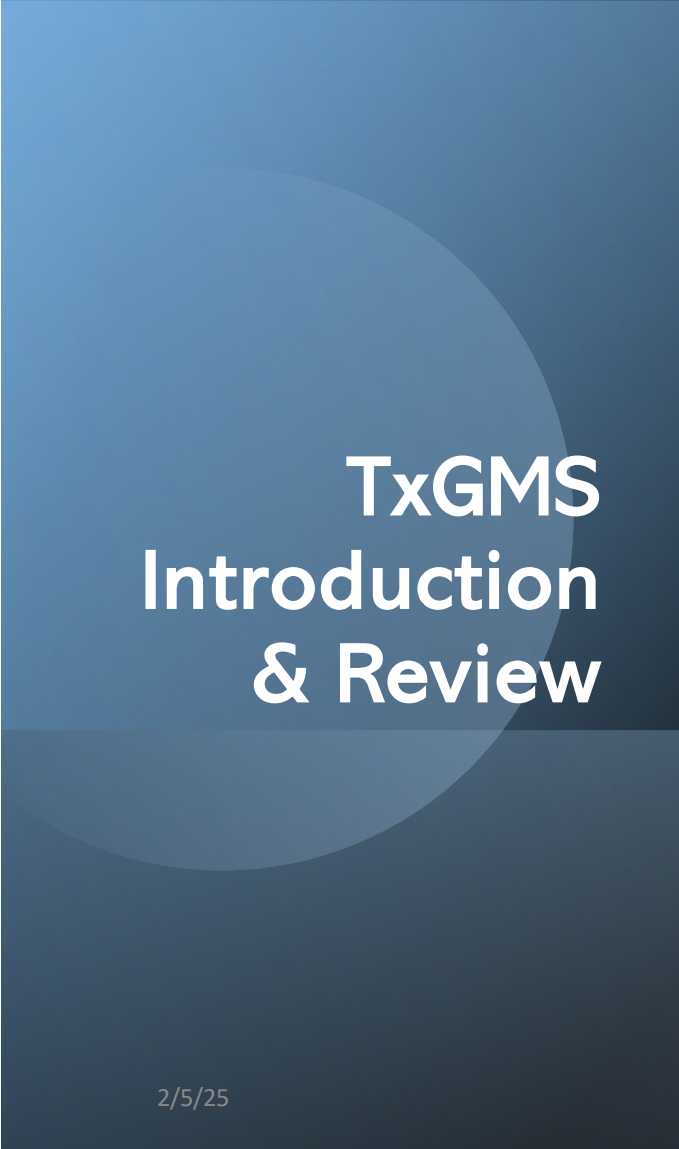
Grants vs. Procurement Contracts

- **Procurement Contract:** A purchase of goods or services for the state.
- **Grant:** An award of funds to support the recipient's activity.

A grant is typically outside of the scope of most procurement and contract management rules.

TxGMS *does not* apply to procurement contracts.



The slide features a dark blue background with a large, lighter blue circular graphic on the left side. The text 'TxGMS Introduction & Review' is centered in white.

TxGMS Introduction & Review

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- Uniform Assurances
- Standard Financial Management Conditions
 - Federal Grant vs. State Grant Programs
 - State Grant Programs
 - Grant Award to Local Government
 - Standards for Financial and Program Management
 - Grantee Subawards and Contracts
 - Property Standards
 - Performance and Financial Monitoring and Reporting
 - Retention Records and Access
 - Remedies for Noncompliance
 - Closeout and Post-Closeout Responsibilities
 - Collection of Amounts Due
 - Cost Principles
 - Audits

Uniform Assurances

Assurance: A statement of compliance with federal or state law that is required of a local government as a condition for the receipt of grant or contract funds.

TxGMS includes “uniform and concise language for any assurances that a local government is required to make to a state agency.”

List of assurances: TxGMS Appendix 6

Standard Financial Management Conditions

Financial Management Conditions:

- Accounting
- Reporting
- Management of funds

Standard Financial Management Conditions vary depending on funding source and type of transaction.

Federal Grant Programs

Federally funded grant programs administered by the State

State Grant Programs

Grant programs wholly funded by the State

State Grant Programs

Must comply with the following Standard Financial Management Conditions:

Standard Financial Management Conditions	TxGMS Page #
Grant Award to Local Government	12
Standards for Financial and Program Management	12
Grantee Subawards and Contracts	17
Property Standards	25
Performance and Financial Monitoring and Reporting	27
Records Retention and Access	28
Remedies for Noncompliance	28
Closeout	30
Post-Closeout Adjustments and Continuing Responsibilities	30
Collection of Amounts Due	31
Cost Principles	31
Audits	38

Grant Award to Local Government

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- Written grant agreement with the state agency grantor
- Terms and conditions must address, as applicable:
 - Uniform Assurances
 - Program legislation
 - Program specific requirements
 - Relevant public policy requirements and
 - Specific conditions tailored to the local government

Reviewing the Grant Award – Grant Recipients

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Grant recipients should carefully review the terms and conditions of their award (and any other agency documents incorporated into the award)

Statement of
Work

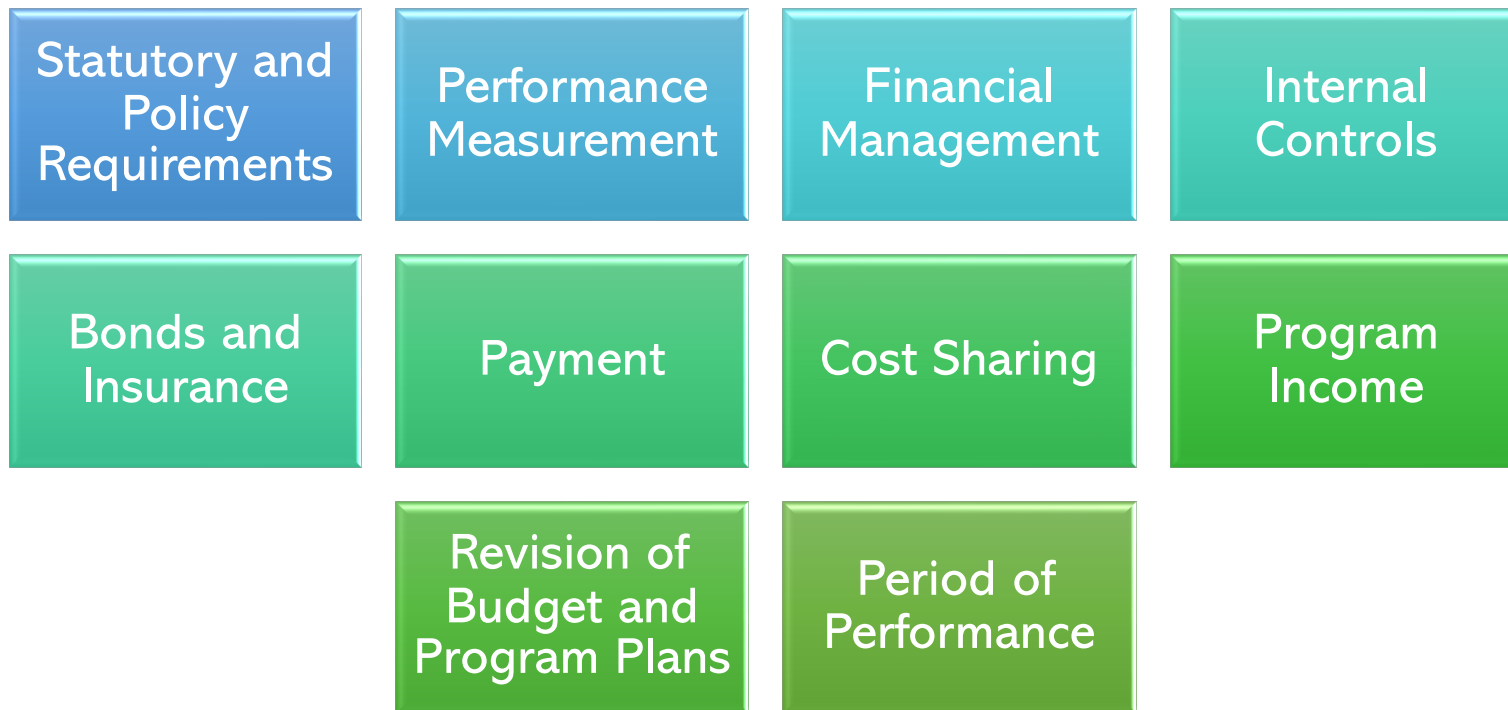
Monitoring
and
Reporting
Requirements

Performance
Standards

Payment
Provisions

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Standards for Financial and Program Management



Grantee Subawards and Contracts

- **Sub-grantee and Contractor Determination:** Based on the relationship between the two entities
 - *Sub-recipient:* A sub-grant supports a program carried out by a sub-recipient.
 - *Subcontractor:* A subcontract is a commercial relationship in which an agency purchases goods or services for a program.
- **Procurement Contracts:** Follow the same documented policies and procedures that the local government uses for non-grant funded procurements, as well as comply with TxGMS and applicable law
- **Subaward Procedures:** Must be clearly identified and the subaward complies with the terms and conditions of the state award and TxGMS.

State Grant Program

Sub-grantee/Subrecipient and Contractor Determination

Sub-grantee/Subrecipient	Contractor
<p>Characteristics which support the classification of the entity as a sub-grantee include when the entity:</p> <ol style="list-style-type: none">(1) Determines who is eligible to receive what financial assistance;(2) Has its performance measured in relation to whether objectives of a grant program were met;(3) Has responsibility for programmatic decision making;(4) Is responsible for adherence to applicable grant program requirements specified in the state award; and(5) In accordance with its agreement, uses the state funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the local government. <p>2/5/25</p>	<p>Characteristics indicative of a procurement relationship between the local government and a contractor are when the contractor:</p> <ol style="list-style-type: none">(1) Provides the goods and services within normal business operations;(2) Provides similar goods or services to many different purchasers;(3) Normally operates in a competitive environment;(4) Provides goods or services that are ancillary to the operation of the grant program; and(5) Is not subject to compliance requirements of the grant program as a result of the agreement, though similar requirements may apply for other reasons. <p>17</p>

Property Standards

- Insurance Coverage
- Real Property
- State-owned Property
- Equipment
- Supplies
- Intangible Property
- Property Trust Relationship



Performance and Financial Monitoring and Reporting



FINANCIAL REPORTING



MONITORING AND REPORTING
PROGRAM PERFORMANCE



REPORTING ON REAL
PROPERTY

Records Retention and Access

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Records pertinent to the state award include:



FINANCIAL
RECORDS



PERFORMANCE
RECORDS



OTHER SUPPORTING
DOCUMENTS

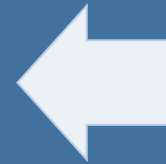
These records must be maintained and retained by the local government (unless otherwise directed by the state agency)

The state awarding agency and State Auditor's Office (SAO) must have right of access to any documents pertinent to the award.

Remedies for Noncompliance

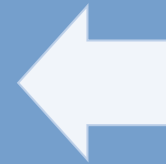
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Additional Specific
Conditions and
Enforcement



Termination

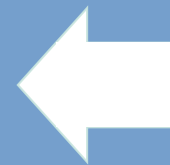
- Notification of Termination Requirement



Opportunities to
Object, Hearings, and
Appeals



Effects of Suspension
and Termination



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Closeout

Closeout occurs when the state awarding agency determines that all applicable administrative actions and required work of the state award have been completed by the local government.

Closeout activities (by the local government entity) include:

- Submission of all reports
- Liquidation of all obligations
- Financial obligations finalized (final payments, refunds, etc.)

Post-Closeout Adjustments and Continuing Responsibilities

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Closeout of a state award does NOT affect:

- The right of the state awarding agency to disallow costs and recover funds
- The obligation of the local government to return any funds as a result of refunds, corrections, or final indirect cost rate adjustments
- Audit requirements of the TxGMS
- Property management and disposition requirements
- Records retention requirements

Collection of Amounts Due

Any overages paid to the local government under the state award is considered a debt to the State of Texas.

Repayment is due within 90 calendar days after written demand.

The state awarding agency may charge interest on an overdue debt (unless otherwise provided by state law).

Cost Principles – Fundamentals

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The local government entity is responsible or assumes responsibility for:

- Efficient and effective administration of the state award
- Administering state funds consistent with underlying agreements, program objectives, and terms and conditions of the state award
- Employing sound organization and management techniques to properly administer the state award
- Consistent internal accounting policies and practices
- Not profiting from state financial assistance (unless explicitly authorized)

Indirect Cost Rate

Indirect costs are:

- Items that are shared by more than one program and;
- Are difficult to split up

Indirect costs are paid to the grantee as a percentage of the direct costs.

Indirect cost rate is figured based on the total annual budget of the organization; typically determined between the grantor and grantee.



Audits

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Audit Requirements:

- A local government that expends more than \$1 million during its fiscal year in state awards must have either a Financial Audit or Program-specific Audit for that year

Auditee Responsibilities:

- Arrange for the audit
- Prepare appropriate financial statements
- Take prompt corrective actions on audit findings
- Provide the auditor with required access

State Awarding Agency Responsibilities:

- Ensure audits are completed in a timely manner (including associated reports)
- Provide technical advice and counsel to auditees
- Follow up on audit findings to ensure local governments are taking prompt and appropriate corrective actions

Best Practices

Working with a Subrecipient	Identify Risk Draft an Agreement Monitor
Selecting a Subcontractor	Balance effective administration Encourage ethical practices and competition in procurement Maintain oversight
Keep Records	Financial Records Internal Controls Audit Requirements

TxGMS 2.0 Updates

2/5/25



LANGUAGE UPDATES



**EQUIPMENT AND SUPPLY-
RELATED THRESHOLDS**



***DE MINIMIS* INDIRECT
COST RATE**



**FIXED AMOUNT
SUBAWARDS**



**CYBERSECURITY INTERNAL
CONTROLS**



AUDIT REQUIREMENTS



**NEW ASSURANCE
RELATED TO FIREARM
SUPPRESSOR
LEGISLATION**



**GRANT
OPPORTUNITY
POSTINGS**

TxGMS 2.0 Updates



Language Changes

- Alignment with 2 CFR 200



Equipment and Supply-Related Thresholds

- . The acquisition value thresholds for the definitions of “equipment” and “supply” have increased from \$5,000 to \$10,000.



De Minimis Indirect Cost Rate

- . The rate has increased from 10 percent to 15 percent of modified total direct costs.

TxGMS 2.0 Updates



Fixed Amount Subawards

- The amount of fixed amount subawards that a recipient may provide with prior written approval from the awarding agency has increased from \$250,000 to \$500,000.



Cybersecurity Internal Controls

- Cybersecurity internal control requirements for local governments have been added, but no specific framework is mandated.



Audit Requirements

- The minimum total state awards expenditure for major program determination has increased from \$750,000 to \$1 million.

TxGMS 2.0 Updates



New Assurance

- Appendix 6 includes a new assurance related to firearm suppressor regulation from the 87th Legislature.



Grant Opportunity Postings

- In late 2024, the ESBD replaced the Texas.gov eGrants website as the centralized statewide location for grant opportunities offered by state agencies.

Texas SmartBuy: Membership and Purchasing

- TxSmartBuy.gov is the state online marketplace for purchasing from non-IT goods and services.
- The site hosts competitively bid term contracts and cooperative contracts (TXMAS) established by SPD, plus set aside contracts with WorkQuest and TCI.
- About 1,900 local governments and other eligible entities pay the \$100 annual membership fee to access SPD's contracts.

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The screenshot shows the Texas SmartBuy website interface. At the top, there is a navigation bar with links for CONTRACTS, **VENDOR**, GOVERNMENT, TRANSPARENCY, and HELP. A search bar is located on the right. Below the navigation bar, there is a large banner image of the Texas State Capitol dome. To the left of the banner, there is a dropdown menu for the VENDOR section, which includes links to ESBID Grant Opportunities, ESBID Bid Opportunities, TXMAS, CMBL, HUB, and NIGP Codebook. Below the banner, there are four tiles: "Doing Business With Texas", "Application Help Guides", "Purchaser Quick Links", and "Upcoming Events". Below these tiles, there is a search section with fields for Keyword, Vendor ID, and NIGP Code, and buttons for Clear Filters and Export Results. Below the search section, there is a table of contracts.

Description	Contract Type	Contract Category	Start Date	End Date	NIGP(s)	Items
Animal Supplies - TCI	Term	TxSmartBuy	5/1/2002	12/31/2099	040	Items
Live Pullets	Term	Managed	2/26/2024	12/31/2025	040	
Live Freshwater Fish	Term	Managed	9/1/2021	8/31/2025	040	
Household Kitchen Equipment	Term	TxSmartBuy	3/22/2021	8/31/2025	045; 962	Items
Art Equipment And Supplies - WorkQuest	Term	TxSmartBuy	11/16/2021	11/30/2026	050; 785	Items 33
Art Objects - WorkQuest	Term	TxSmartBuy	11/17/2021	11/30/2026	052	Items

ESBD: Advertising Procurement & Grant Opportunities

- The Electronic State Business Daily on TxSmartBuy.gov is the state portal for advertising procurement opportunities.
- In November 2024, new functionality to advertise grant opportunities was released. (Replaced Texas.gov's eGrants, but not the Governor's office eGrants.)
- State agencies are required to use the ESBD for competitive procurements, and are recommended to post grants.

The screenshot displays the Texas SmartBuy website interface. At the top, the header includes the name 'Gerrit Hegar' and the title 'Comptroller of Public Accounts'. A search bar with the placeholder 'Keyword Search for products' and a 'Search' button is present. Below the header, a navigation menu shows 'CONTRACTS', 'VENDOR', 'GOVERNMENT', 'TRANSPARENCY', and 'HELP'. The 'VENDOR' menu is expanded, showing options like 'ESBD Grant Opportunities', 'ESBD Bid Opportunities', 'TXMAS', 'CMBL', 'HUB', 'VIGP Codebook', and 'R'. A welcome message 'Welcome Gerard MacCrossan' and a 'My Saved Car' link are visible on the right.

The main content area features a large image of the Texas State Capitol dome. Below this image are four tiles: 'Doing Business With Texas', 'Application Help Guides', 'Purchaser Quick Links', and 'Upcoming Events'. Below these tiles is another search bar with the placeholder 'Keyword Search for products' and a 'Search' button. The 'GOVERNMENT' menu is expanded, showing 'TRANSPARENCY' and 'HELP'. A welcome message 'Welcome Gerard MacCrossan' and a 'My Saved Cards' link are visible on the right.

The main content area is titled 'Electronic State Business Daily Search' and 'Statewide Procurement Division (SPD)'. It includes a note: 'View any award by selecting or entering a field below. Sign in is NOT required.' Below this, there are four tabs: 'Solicitations', 'Awards No Solicitation', 'Pre-Solicitations', and 'Grant Opportunities'. The 'Grant Opportunities' tab is selected. The search form includes fields for 'Keyword Search', 'Grant Opportunity Type', 'Agency Name', 'Eligibility Category', 'Funding Activity Category', and 'Show Expired Postings' (Yes/No). The 'Eligibility Category' dropdown is open, showing options like 'Business - For Profit Business Other Than S...', 'Charter School', 'Consortia', 'Council of Governments (COG)', and 'Government - All'. The 'Funding Activity Category' dropdown is also open, showing options like 'Agriculture', 'Arts & Culture', 'Business & Commerce', 'Community Development', and 'Construction'. Below the search form are buttons for 'Search', 'Clear Filters', and 'Export to CSV'. The page footer shows 'Page 1 of 2 Pages' and a pagination control with '1', '2', and '>>' buttons. The current page is 'Grant Opportunities' and the search results are 'Public Safety Equipment - RFA 2024-2nd round'.

Procurement Posting

- The ESBD allows attachments for full procurements or links to other sites. Minimum statutory posting dates and Emergency Posting options available.
- Addenda can be added and posting dates extended. Awards can be posted close out the process.

Keyword Search for products

Search

GOVERNMENT - TRANSPARENCY - HELP

Home > Grant Opportunities

Electronic State Business Daily Search

Statewide Procurement Division (SPD)

View any award by selecting or entering a field below. Sign in is NOT required.

Solicitations

Awards No Solicitation

Pre-Solicitations

Grant Opportunities

Keyword Search

Grant Opportunity Type

Agency Name

Eligibility Category

Funding Activity Category

Search

Clear Filters

Export to CSV

Show Expired Postings

Yes No

Funding Activity Category

Agriculture

Arts & Culture

Business & Commerce

Community Development

Construction

Page 1 of 2 Pages

Public Safety Equipment - RFA 2024-2nd round

Application Posting Date: 2/4/2025

Application Deadline: 11/22/2024

Application Deadline Time: 1:00 PM

Application Deadline Notes: Please modify modifications to the application deadline in the order that they are expended before the deadline to one year

Modified: 2/5/2025 8:02 am

Class/Item Code: 90607-Architect Services, Professional, (Not Otherwise Classified), Including Consulting; 90610-Buildings ;

Addendum: See attached question on pricing 2/5/2025

Use Due Time: 11/19/2024 10:02 am

TX/Texas SmartBuy Member Number: R1140

Posting Requirement: 21+ Days for Solicitation Notice

Postings

1738699259963_RFQ for Architect FINAL.pdf

1738699296227_Attachment B - Roster of Board of

954_1738699259963_RFQ for Architect FINAL.pdf

1738699296227_Attachment B - Roster of Board of

Final RFQ Document

Roster of Board of Trustees

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My Account > Grant Opportunities > Create Solicitation

My Account

- OVERVIEW
- PURCHASES
- SETTINGS
- ADDRESS BOOK
- CART MANAGEMENT
- MY APPLICATIONS

Vendor Performance Reporting

ESBD

Grant Opportunities

Grants Approval

Procurement Oversight & Delegation

TPPD

HUB Report

Mentor Protege

Address/Contacts

Grant Opportunities

Statewide Procurement Division (SPD)

General Information

1. General Information / 2. Grant Details / 3. File Upload / 4. Confirmation

Agency Name

Comptroller Of Public Accounts - 304

Agency Contact Name ⓘ

Gerard MacCrossan

Agency Contact Email ⓘ

gerard.maccrossan@cpa.texas.gov

Agency Contact Phone Number ⓘ

(512) 463-4468

Agency URL (include http:// or https:// prefix)

https://comptroller.texas.gov/

Address

111 E 17th Street

Address 2

City

Grant Opportunities Postings — ESBD workflow

- A new workflow has been built merging features for the Texas.gov eGrants module and current ESBD functionality.
- New ESBD record type allow grant posting and searches independent of procurements
- ESBD features will include:
 - Attachments to postings
 - Expiring notice reminders to agency grant developer
 - Addenda and extensions at any time

New ESBD functionality for Grant Opportunities

- Posted grants can be downloaded as PDFs from Texas SmartBuy for grant files.
- Approver actions will generate an email to the grant developer when approving or rejecting a grant opportunity posting.
- Grant Opportunities Postings and Requests for Information notices can be posted.

2/5/25

The screenshot displays the Texas SmartBuy web application. At the top, a PDF viewer shows the document 'Public Safety Equipment - RFA 2024-2nd round'. The main content area is titled 'Grant Opportunities' and lists the following details:

- Public Safety Equipment - RFA 2024-2nd round** (Last Modified By: -System- 10/18/2024 10:02 am)
- Agency Information:**
 - Agency Name: Comptroller Of Public Accounts - 304
 - Status: Posted
 - Grant Number: 304-3330-23-1014
 - Agency Contact Name: Gerard MacCrossan
 - Agency Contact Email: gerard.maccrossan@cpa.texas.gov
 - Agency Phone: (512) 463-4468
 - Agency URL: https://comptroller.texas.gov/
 - Agency Address Line 1: 111 E 17th Street
 - Agency Address Line 2:

The bottom section of the interface includes a navigation bar with links to Home, My Account, Grant Opportunities, and 304-3330-23-1014. The 'My Account' section on the left lists various user options. The main content area below the grant details shows a 'Download PDF' button and a status message: 'This grant has been approved.' Below this, there are buttons for 'Modify' and 'Cancel' next to the grant title. The 'Eligibility Details' section on the right lists various government categories.

Eligibility Details:

- Government - All
- Government - City
- Government - County
- Government - Native American
- Government - State Agency
- Judicial Districts
- Law Enforcement

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Create User

User Type

- ✓ Single Purchaser
- Agency View Only
- Agency Purchaser
- Non Purchaser

Mentor Protege ☐

Agency Address ☐

ESBD Procurement Posting ☐

ESBD Grants Posting - Approval Required ☐

ESBD Grants - Approver Only ☐

ESBD Grants Posting - No Approval Required ☐

Procurement Oversight & Delegation ☐

POD Approver ☐

PO Restriction

No Restrictions ▼

First Name *

Last Name *

Login Email *

Contact Email *

Phone *

Submit

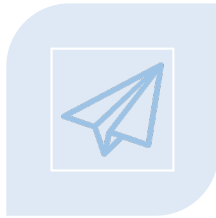
ESBD — User Setup

- Agency superusers will assign Texas SmartBuy access to Purchasers and Grants Developers
- Roles will be available for Posting with Approval, Posting with no Approval needed, and Approver only.
- Unless the Grant Developer also has a purchasing role, the Non Purchaser user type will be selected.
- ESBD Grant Posting and ESBD Procurement Posting are separate permissions so roles can be assigned appropriately.
- Superusers receive a monthly report to review and make sure that appropriate permissions are maintained and access removed when roles change or

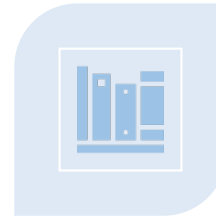
Resources & Contact Information



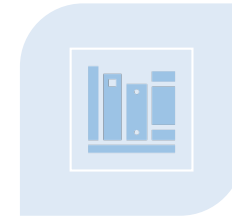
COMPTROLLER.TEXAS.GOV
TXSMARTBUY.GOV



TXGMS@CPA.TEXAS.GOV



[TEXAS GRANT
MANAGEMENT STANDARDS
\(TXGMS\)](#)



[TEXAS PROCUREMENT AND
CONTRACT MANAGEMENT
GUIDE](#)