

GOVERNMENT CODE

TITLE 7. INTERGOVERNMENTAL RELATIONS

CHAPTER 783. UNIFORM GRANT AND CONTRACT MANAGEMENT

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.001. SHORT TITLE. This chapter may be cited as the Uniform Grant and Contract Management Act.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.002. POLICY. It is the policy of the state to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and federal agencies.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.003. DEFINITIONS. In this chapter:

(1) "Assurance" means 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.

(2) "Financial management conditions" means generally applicable policies and procedures for the accounting, reporting, and management of funds that state agencies require local governments to follow in the administration of grants and contracts.

(3) "Local government" means a municipality, county, or other political subdivision of the state, but does not include a

school district or other special-purpose district.

(4) "State agency" means a state board, commission, or department, or office having statewide jurisdiction, but does not include a state college or university.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. 1500, 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.004. OFFICE OF THE COMPTROLLER. The office of the comptroller is the state agency for uniform grant and contract management.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 44.01, eff. September 28, 2011.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. 1500, 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.005. UNIFORM ASSURANCES. (a) The comptroller shall develop uniform and concise language for any assurances that a local government is required to make to a state agency.

(b) The comptroller may:

(1) categorize assurances according to the type of grant or contract;

(2) designate programs to which the assurances are applicable; and

(3) revise the assurances.

(c) The standards for assurances developed under this chapter may not affect methods of distribution or amounts of federal funds received by a state agency or a local government.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 44.02,

eff. September 28, 2011.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.006. STANDARD FINANCIAL MANAGEMENT CONDITIONS.

(a) The comptroller shall compile and distribute to each state agency an official compilation of standard financial management conditions.

(b) The comptroller shall develop the compilation from Federal Management Circular A-102 or from a revision of that circular and from other applicable statutes and regulations.

(c) The comptroller shall include in the compilation official commentary regarding administrative or judicial interpretations that affect the application of financial management standards.

(d) The comptroller may:

(1) categorize the financial management conditions according to the type of grant or contract;

(2) designate programs to which the conditions are applicable; and

(3) revise the conditions.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 44.03, eff. September 28, 2011.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.007. UNIFORM ASSURANCES AND STANDARD CONDITIONS REQUIRED; VARIATIONS. (a) A state agency shall use the uniform assurances developed under Section [783.005](#) and the standard financial management conditions developed under Section [783.006](#) applicable to a local government receiving financial assistance

from the agency unless a federal statute or regulation or a state statute requires or specifically authorizes a variation in the assurances or conditions.

(b) An agency may establish a variation from uniform assurances or standard conditions only by rule in accordance with Chapter [2001](#).

(c) The agency shall state a reason for the variation along with the proposed rule, and the reason must be based on the applicable federal statute or regulation or state statute.

(d) The agency shall file a notice of each proposed rule that establishes a variation from uniform assurances or standard conditions with the comptroller.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.95(50), eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 44.04, eff. September 28, 2011.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.008. AUDIT COORDINATION. (a) A local government receiving state-administered financial assistance may request by action of its governing body a single audit or coordinated audits by all state agencies from which it receives funds.

(b) On receipt of a request for a single audit or audit coordination, the comptroller in consultation with the state auditor shall not later than the 30th day after the date of the request designate a single state agency to coordinate state audits of the local government.

(c) The designated agency shall, to the extent practicable, assure single or coordinated state audits of the local government for as long as the designation remains in effect or until the local government by action of its governing body withdraws its request for audit coordination.

(d) This section does not apply to an audit performed by the comptroller or state auditor.

Added by Acts 1991, 72nd Leg., ch. 38, Sec. 1, eff. Sept. 1, 1991.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 44.05, eff. September 28, 2011.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.009. MATCHING FUND WAIVER FOR ECONOMICALLY DISADVANTAGED COUNTY OR CENSUS TRACT. (a) In this section, "economically disadvantaged county" means a county that has a per capita taxable property tax value that is less than one-half the average per capita taxable property value of counties in the state or, in comparison to other counties in the state, has:

- (1) below average per capita taxable property value;
- (2) below average per capita income; and
- (3) above average unemployment.

(b) In this section, "economically disadvantaged census tract" means a census tract delineated by the U.S. Bureau of the Census in the most recent decennial census in which the median family income is reported by the U.S. Bureau of the Census to be less than 80 percent of the area median family income.

(c) Except as provided by Subsection (d), a state agency may, for an economically disadvantaged county or economically disadvantaged census tract, adjust any matching funds requirement that is otherwise a condition for a county to receive a grant or other form of financial assistance from the agency.

(d) This section does not apply to the Texas Transportation Commission or to waivers or adjustments of matching funds requirements granted by the Texas Department of Transportation or governed by Section [222.053](#)(a), Transportation Code.

(e) Each agency shall include information about its use of waivers or adjustments to matching funds requirements in its annual report. The information shall include the disposition of each

instance where a waiver or adjustment is requested or considered.

(f) Each agency that adjusts a matching funds requirement under this section shall prepare and submit an annual report describing each adjustment made by the agency during the preceding state fiscal year and the effects of each adjustment on the agency's programs. The agency shall state the amount of each adjustment, the program under which the adjustment was made, and the name of each county or the location of each census tract, as appropriate, that benefited from the adjustment. The agency shall send a copy of the annual report to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, and to each member of the legislature who requests a copy. The agency may include the annual report in the annual financial report submitted under Section [2101.011](#).

Added by Acts 1999, 76th Leg., ch. 1486, Sec. 1, eff. June 19, 1999.  
Amended by Acts 2001, 77th Leg., ch. 101, Sec. 1, eff. Sept. 1, 2001.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1500](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 783.010. STATE AGENCY REPORTING AND AUDITING COORDINATION. (a) A state agency that requires reports of local governments shall, during the second year of each state biennium, conduct a zero-based review of reporting requirements imposed on local governments and shall simplify the reporting requirements and determine and eliminate unnecessary, duplicative, or overly burdensome reporting requirements.

(b) Based on the results of these reviews, the state agency shall recommend to the legislature statutory changes to minimize cost, duplication, and paperwork and to maximize the efficient and effective use of public funds.

(c) A state agency may not require local governments to submit reports on items not required by law, rule, or performance measures.

(d) To achieve greater efficiency in the use of governmental

funds expended on governmental audits, a state agency, except as shown necessary to further protect public funds, shall:

(1) accept, and not duplicate with state resources, an independent audit of a local government if it is performed by a certified public accountant in accordance with generally accepted governmental auditing standards and the standards of the Governmental Accounting Standards Board;

(2) at the time of approval of a contract with or a grant to a local government, specify any special or unique auditing requirements that must be performed by the local government's independent auditors; and

(3) as may be allowed by law or rule, provide in the contract or grant award for the payment of costs incurred by the local government in complying with any special or unique auditing requirements not required by generally accepted governmental auditing standards or the standards of the Governmental Accounting Standards Board.

(e) Nothing in this section shall be construed to limit the authority of a state agency to monitor or audit a local government's expenditure of state or federal funds received via contract or grant.

(f) The state auditor may audit for compliance with these provisions.

Added by Acts 2003, 78th Leg., ch. 723, Sec. 1, eff. June 20, 2003.