

FDCM Letter



2023 Fraud Deterrence and Compliance Monitoring (FDCM) Letter

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TO: Local Workforce Development Board Executive Directors
Fraud Deterrence and Compliance Monitoring Directors
Workforce Development Division Directors
Child Care and Early Learning Directors
Vocational Rehabilitation Division Directors
Local Workforce Development Board Finance Directors
Office of General Counsel
TWC Internal Audit

FROM: Chuck Ross, Division Director of Fraud Deterrence and Compliance Monitoring

DATE: March 1, 2023

SUBJECT: Agency Board Agreement Policy and Procedure Uploads

PURPOSE

To provide information to Local Workforce Development Boards (Boards) regarding uploading policies and procedures pursuant to the Agency-Board Agreement (ABA) for an Integrated Workforce System and to fulfill the Texas Workforce Commission's (TWC) monitoring obligations as stipulated in Commission rules at 40 Texas Administrative Code (TAC) § 802.62 *et seq.*

BACKGROUND

The 2023 ABA requires Boards to provide copies of all policies and procedures to the Subrecipient Monitoring (SRM) department. This new requirement is detailed in Attachment A, Part 16, of the ABA, which states:

Within sixty (60) calendar days of the commencement of each state fiscal year, the Board will provide copies of all of its Policies and Procedures to the Agency. Updates and amendments to the Board's Policies and Procedures made during the fiscal year, but after the initial submission, shall be submitted within thirty (30) calendar days of the updates or amendments. Submission of the Board's Policies and Procedures, including updates and amendments, shall be submitted via SharePoint to the Agency's Subrecipient Monitoring Department. Submission of the Board's Policies and Procedures shall not constitute tacit approval by the Agency of the Board's Policies and Procedures.

Compliance with this requirement will allow TWC staff who have a business need to access the Board's policies and procedures without delay which is the intent of this new section of the ABA.

40 TAC Chapter 802, Subchapter D provides for TWC monitoring of Boards and their workforce service providers. Section 802.62(c) speaks to TWC audit and review of all relevant records or a sample of those records. The policies and procedures upload provisions described in this letter directly support this regulatory requirement. This will streamline annual monitoring and improve the technical assistance process. If fully compliant with this requirement, Boards will no longer be required to submit policies and procedures for monitoring or technical assistance.

PROCEDURES

DEADLINES TO SUBMIT INFORMATION

Initial Upload

No later than **sixty (60) calendar days after issuance of this letter**, Boards must complete their initial upload of policies and procedures to the Subrecipient Monitoring (SRM) [External Entities SharePoint Library](#). This is the same SharePoint library that is used during an SRM monitoring review. These folders and documents are only accessible to their assigned Board and TWC staff, i.e., Boards cannot access other Boards' documents.

Annual Uploads

Beginning September 1, 2023, Boards will be required to upload policies and procedures by October 30th of each year.

Subsequent Updates and Amendments

Updates and amendments to the Board's Policies and Procedures made during the fiscal year, but after the initial submission, shall be submitted within **thirty (30) calendar days** of the updates or amendments.

Notification

After the Board has completed its annual upload or upon uploading updates and amendments, it must email ABAPolicyUpload@twc.texas.gov informing TWC that its annual upload is complete or that an updated or amended policy or procedure has been uploaded. This notification email will serve as the Board's self-attestation of compliance.

HOW TO SUBMIT INFORMATION

Each fiscal year, designated staff must upload copies of the Board's policies and procedures information to:

- **Subrecipient Monitoring (SRM) [External Entities SharePoint Library](#)**

Board staff who already maintain access to the SRM SharePoint site have been designated as the points of contact for uploads pursuant to the ABA requirement.

Within each Board's numbered folder, there is a folder named "Annual Policy and Procedure Upload (ABA)." Policies and procedures for this requirement should always be uploaded to this folder in the respective fiscal year subfolder. To be clear, when submitting policies and procedures for the annual upload, the Board staff will click on the folder named "Annual Policy and Procedure Upload (ABA)"

and then click on the fiscal year subfolder named for the current fiscal year. This is the SharePoint location for the annual upload.

Updates or amendments to the policies or procedures must also be uploaded to the same folder. *Any* update or amendment to a policy or procedure, no matter the degree of change, necessitates a new upload.

WHAT INFORMATION TO SUBMIT

The ABA requires *all* Board policies and procedures to be uploaded. Additionally, to allow for this annual upload to alleviate the Board requirement to submit policies and procedures for annual monitoring and technical assistance, relevant policies and procedures for the Board's fiscal agent (if applicable) and subrecipients must be provided. Policies and procedures that must be uploaded include but may not be limited to:

Board (and its fiscal agent where applicable)

- Accounting
- Bank Reconciliation
- Cash and Cash Equivalents (including Gas Cards)
- Cash Management
- Child Care Attendance
- Child Care Billing
- Child Care Eligibility
- Child Care Parent Share of Costs
- Choices (Work Activities and Noncooperation)
- Cost Classifications
- Cybersecurity
- Equal Opportunity
- Financial Reporting
- Fiscal Integrity
- Fraud, Waste, and Abuse
- Monitoring and Oversight
- MOUs and IFAs
- Noncustodial Parent Choices Program (if current grant agreement)
- Personally Identifiable Information (PII)
- Personnel Manual(s)
- Procurement
- Property
- Record Retention
- Recoupment
- RESEA
- SNAP E&T
- Support Services
- Trade Adjustment Assistance (if current grant agreement)
- Travel

- TWC System Access (TWIST, WIT, etc.)
- WIOA Adult, Youth, and Dislocated Worker (including eligibility)

Child Care Subrecipient

- Accounting
- Attendance
- Billing
- Client Eligibility
- Cybersecurity
- Fraud
- Oversight of Vendors and Contractors
- Parent Share of Costs
- Personally Identifiable Information
- Priority of Service
- Procurement
- Property
- Record Retention
- Recoupment
- Travel
- TWC System Access (TWIST, WIT, etc.)

Service Provider Subrecipient

- Accounting
- Cash and Cash Equivalents (including Gas Cards)
- Choices (Work Activities and Noncooperation)
- Cybersecurity
- Fraud
- Noncustodial Parent Choices Program (NCP) (if current grant agreement)
- Personally Identifiable Information (include controls for securing physical and electronic data)
- Property
- Record Retention
- SNAP E&T
- Support Services (including Needs Related Payments, if applicable)
- Trade Adjustment Assistance (TAA) (if current grant agreement)
- Travel
- TWC System Access (TWIST, WIT, etc.)
- WIOA Adult, Youth, and Dislocated Worker (including eligibility)

ACTION REQUIRED

All TWC staff, Local Workforce Development Board staff, supervisors, and managers should be aware of the information in this letter.

Local Workforce Development Boards must comply with the ABA requirement addressed in this letter.

INQUIRIES

Staff should direct any questions to ABAPolicyUpload@twc.texas.gov.

Keywords: Board Procedures, Agency Board Agreement

Rescissions: None	Expiration: Until Rescinded
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