

## MGA 2022-2026

### Summary and Reasons for Changes

The 2022-2026 MGA has been updated and will be effective September 1, 2021 through August 31, 2026.

The new MGA includes the following changes including change the wording from “grant recipients” to “subrecipients.” The replacement of the word “will” or “required to” or “agrees to” changed to “shall.” Throughout parts of the document the word “department” (in reference to TxDOT) was changed to the word “State.” The word “agreement,” in reference to the MGA was changed to “MGA.”

Update	Reason for the Update
Entire document: updates to references – 2 CFR 200 and the Texas Administrative Code	<ul style="list-style-type: none"> <li>• 2 CFR 200 and the TAC were updated subsequent to the 2017-2021 MGA</li> <li>• Example, Article 16 now references 43 TAC, section 31.44(c)(1)</li> </ul>
Article 1. Definitions added (updated): <ul style="list-style-type: none"> <li>• Award</li> <li>• Program Income</li> <li>• Texas Grant Management Standards</li> </ul>	Three definitions added for clarification—Award, Program Income, Tx Grant Mgmt. Standards. (The definition of “Program Income” was previously included in the body of Article 9 but was moved to the definition sections for clarity.) <ul style="list-style-type: none"> <li>• The reference to the “Texas Uniform Grant Management Standards” was updated to reflect the new name, “Texas Grant Management Standards (TxGMS).”</li> </ul>
Article 2. MGA and PGA Time Period <ul style="list-style-type: none"> <li>• MGA expiration date: August 31, 2026</li> </ul>	<ul style="list-style-type: none"> <li>• The document needed to reflect the new expiration date.</li> </ul>
Article 4. Ethics <ul style="list-style-type: none"> <li>• Subrecipients must disclose, in writing, any potential conflict of interest</li> </ul>	<ul style="list-style-type: none"> <li>• Clarification in the form of written documentation and expectations for subrecipients.</li> </ul>

Update	Reason for the Update
<p>Article 6. Standards of Financial Administration</p> <ul style="list-style-type: none"> <li>• Reports: Fiscal control and accounting procedures of the subrecipient, as well as its subcontractors must be sufficient in preparation of reports</li> <li>• Tracing of Funds: Fiscal control and accounting procedures of the subrecipient and its subcontractors must be sufficient to trace funds</li> </ul>	<ul style="list-style-type: none"> <li>• The reference to subrecipients and subcontractors was documented in the opening paragraph but was moved to line items for Reports and Tracing of Funds</li> <li>• Line item for Reports specifies the subrecipient, as well as subcontractors</li> <li>• Line item for Tracing of Funds specifies the subrecipient, as well as subcontractors</li> </ul>
<p>Updated to this listing: Article 10. Action for Noncompliance and/or Nonperformance</p>	<ul style="list-style-type: none"> <li>• Section was consolidated</li> </ul>
<p>Article 11. Payments to Subrecipients</p> <ul style="list-style-type: none"> <li>• Indirect Cost—new section, provides expectation for subrecipients charging indirect costs to their grant(s)</li> </ul>	<ul style="list-style-type: none"> <li>• New indirect cost section covers information about cost allocation plans, de minimis rate up to 10%, Modified Total Direct Costs and indirect cost rate certificates and the application for extensions of current indirect cost rates, the time period for rate and approval by PTN. This update also aligns with changes to 2 CFR 200.</li> </ul>
<p>Article 12. Cost Sharing or Matching</p> <ul style="list-style-type: none"> <li>• New section, provides clarification on shared costs, matching funds, all contributions (cash and third-party in-kind contributions)</li> </ul>	<ul style="list-style-type: none"> <li>• A new section was needed to document and clarify shared costs, matching funds, and all other contributions.</li> </ul>
<p>Article 16. Subrecipient Subcontracts</p> <ul style="list-style-type: none"> <li>• Section C. Furnish State of Notice of Intent, financial threshold clarified (\$50,000 or \$25,000)</li> </ul>	<ul style="list-style-type: none"> <li>• \$50,000 threshold added to existing text.</li> </ul>

Update	Reason for the Update
	<ul style="list-style-type: none"> <li>If you're a subrecipient that falls under the government or local government code, your procurement threshold level is 50k; if you are not covered by those thresholds, your procurement threshold is 25k. Note, this is not new and has been in existence since 2001.</li> </ul>
<p>Article 17. Procurement Standards</p> <ul style="list-style-type: none"> <li>Federal Laws, Regulations, and Guidance – expanded section</li> <li>Subrecipient's Procurement Standards – revised section with new material <ul style="list-style-type: none"> <li>Never Contract with the Enemy</li> <li>Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>New text added to meet the requirements of 2 CFR 200.215 (Never Contract with the Enemy) and 2 CFR 200.216 (Prohibition on certain telecommunications...etc.)</li> </ul>
<p>Article 18. Property Management</p> <ul style="list-style-type: none"> <li>Flood Insurance on Real Property – <i>new</i></li> <li>Equipment or Real Property Transfer – <i>new wording "acquired"</i></li> </ul>	<ul style="list-style-type: none"> <li>Flood insurance – to document requirements of the Flood Disaster Protection Act of 1973 and the requirement of subrecipients to participate in the program if the insurable construction and acquisition is \$10,000 or more.</li> <li>Subrecipients with FTA funded buildings in identified flood specified areas must purchase flood insurance.</li> <li>Equipment or Real Property Transfer – new wording which documents equipment or property "acquired" with financial assistance from the state.</li> </ul>
<p>Article 25. Alcohol and Controlled Substance Testing</p> <ul style="list-style-type: none"> <li>D&amp;A Testing Program – includes "return-to-duty."</li> </ul>	<ul style="list-style-type: none"> <li>Return-to-duty is and has been part of the D&amp;A testing process. This was included in the updated list.</li> </ul>

Update	Reason for the Update
<p>Article 35. Real Property Acquisition, Construction, and Repair - <i>new section</i></p>	<p>Formerly listed as Article 34, Special Provisions for Construction and Repair Contracts. This section was added to align to existing regulations, Expanded requirements for:</p> <ul style="list-style-type: none"> <li>• Relocation and Real Estate Acquisition,</li> <li>• Construction,</li> <li>• Employee Protections, and</li> <li>• The Brooks Act</li> </ul> <p>Multiple regulations documented in this expanded article have been in existence and are not new. An example of this would be the 1931 Davis-Bacon Act.</p>
<p>Article 39. Notices</p> <ul style="list-style-type: none"> <li>• All notices will be communicated by the Public Transportation Coordinator.</li> <li>• Eliminated section pertaining to the subrecipient sending the signed MGA to TxDOT PTN via postal mail.</li> </ul>	<p>2022-2026 MGA is now signed electronically in eGrants.</p>
<p>Article 40: Delegation of Authority/Signature Authority (new)</p> <ol style="list-style-type: none"> <li>1. The governing body of a governmental entity may delegate its authority regarding an action authorized to a designated representative, committee, or other person. (Texas Government Code §2269.053)</li> <li>2. The governmental entity shall provide notice to of the delegation, the limits of the delegation, and the name or title of each person designated (Texas Government Code §2269.053)</li> <li>3. Subrecipients shall have a Signature Authority document</li> </ol>	<p>Signature Authority documents in eGrants should reflect delegation of authority in accordance with the Texas Government Code (TGC); Article 40 provides guidance and reference to specific language in the TGC.</p>

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<p>on file with the State. The authority must be delegated by the highest level in the Subrecipient's organization.</p>	
<p>Signatory Warranty</p> <ul style="list-style-type: none"> <li>The document will now be fully executed (signed by the subrecipient and PTN's Section Director) in eGrants.</li> </ul>	<p>2022-2026 MGA will be signed electronically in eGrants. The lines for wet signatures are no longer needed.</p>