SB2540

LRB10015500RJF30524b

100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2540

Introduced 2/6/2018, by Sen. Jason A. Barickman

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Officials and Employees Ethics Act. Provides that during the period beginning September 1 of the year of a general election and ending the day after the general election, the proper name or image of any executive branch constitutional officer or member of the General Assembly shall not be included in a public announcement on behalf of an executive branch constitutional officer, member of the General Assembly, or State agency related to any contract or grant awarded by a State agency. Amends the State Finance Act. Provides that appropriated funds may only be expended during the fiscal year for which they were appropriated. Provides that if any State agency receives a grant or contract from itself from appropriated funds, the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted. Amends the Illinois Grant Funds Recovery Act. Provides that the Governor's Office of Management and Budget shall convene a subcommittee of the Illinois Single Audit Commission to provide recommendations to the General Assembly regarding the adoption of legislation. Amends the Grant Accountability and Transparency Act. Sets forth provisions concerning the stop payment system. Modifies a Section concerning the adoption of supplemental rules by the Governor's Office of Management and Budget. Modifies a Section concerning the annual report submitted by the Governor's Office of Management and Budget. Provides requirements for awarded grants. Sets forth provisions concerning the travel costs incurred by the employees of the recipient or subrecipient of an awarded grant. Requires nonprofit organizations to maintain State grant funds in an account which is separate from non-grant funds. Makes conforming changes. Effective immediately.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning State government.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The State Officials and Employees Ethics Act is amended by changing Section 5-20 as follows:

(5 ILCS 430/5-20)

Sec. 5-20. Public service announcements; other promotional material.

(a) Beginning January 1, 2004, no public service announcement or advertisement that is on behalf of any State administered program and contains the proper name, image, or voice of any executive branch constitutional officer or member of the General Assembly shall be (i) broadcast or aired on radio or television, (ii) printed in a commercial newspaper or a commercial magazine, or (iii) displayed on a billboard or electronic message board at any time.

(b) The proper name or image of any executive branch constitutional officer or member of the General Assembly may not appear on any (i) bumper stickers, (ii) commercial billboards, (iii) lapel pins or buttons, (iv) magnets, (v) stickers, and (vi) other similar promotional items, that are not in furtherance of the person's official State duties or governmental and public service functions, if designed, paid

for, prepared, or distributed using public dollars. This subsection does not apply to stocks of items existing on the effective date of this amendatory Act of the 93rd General Assembly.

(b-5) During the period beginning September 1 of the year of a general election and ending the day after the general election, the proper name or image of any executive branch constitutional officer or member of the General Assembly shall not be included in a public announcement on behalf of an officer, member, or State agency related to any contract or grant awarded by a State agency. Nothing in this subsection (b-5) prohibits a State agency from issuing notification of the award or grant of a contract, provided the notification does not include the proper name or image of any executive branch constitutional officer or member of the General Assembly. This subsection (b-5) does not prohibit an executive branch constitutional officer or member of the General Assembly from attending any public or private event associated with the award or grant of contract or from being included on a list of attendees disseminated to the public.

(c) This Section does not apply to communications funded through expenditures required to be reported under Article 9 of the Election Code.

(Source: P.A. 97-13, eff. 6-16-11.)

Section 10. The State Comptroller Act is amended by adding

Section 28 as follows:

(15 ILCS 405/28 new)

Sec. 28. Stop payment system.

(a) In this Section, "recipient", "State grant-making agency", and "subrecipient" have the same definition as that in Section 15 of the Grant Accountability and Transparency Act.

(b) On or before July 1, 2019, the Office of the Comptroller shall, in conjunction with the Governor's Office of Management and Budget, adopt rules pertaining to the following:

(1) Factors to be considered in determining whether to issue a stop payment order;

(2) Factors to be considered in determining whether a stop payment order should be lifted; and

(3) Procedures for notification to the recipient or subrecipient of the issuance of a stop payment order, the lifting of a stop payment order, and any other related information.

(c) On or before July 1, 2020, the Office of the Comptroller shall have established a stop payment system that will cause the temporary or permanent cessation of payments to a recipient or subrecipient in specified circumstances. Such a temporary or permanent cessation of payments will occur pursuant to a stop payment order issued by a State grant-making agency and implemented by the Office of the Comptroller.

(d) The Office of the Comptroller shall maintain a file

pertaining to all stop payment orders which shall include, at a minimum:

(1) The notice to the recipient or subrecipient that a stop payment order has been issued. The notice shall include:

(A) The name of the grant.

(B) The grant number.

(C) The name of the State agency that issued the grant.

(D) The reason for the stop payment order.

(E) Notification that the stop payment order applies to all grants and contracts issued by the State.

(F) Any other relevant information.

(2) The order lifting the stop payment order, if applicable.

Section 15. The Governor's Office of Management and Budget Act is amended by adding Section 2.11 and 2.12 as follows:

(20 ILCS 3005/2.11 new)

Sec. 2.11. Stop payment orders.

(a) In this Section, "recipient", "State grant-making agency", and "subrecipient" have the same definition as that in Section 15 of the Grant Accountability and Transparency Act.

(b) Pursuant to the Grant Accountability and Transparency

Act, the Governor's Office of Management and Budget shall adopt rules pertaining to the issuance of stop payment orders that will cause the temporary or permanent cessation of payments to a recipient or subrecipient in specified circumstances. Stop payment orders shall be issued by a State grant-making agency and implemented by the Office of the Comptroller.

(20 ILCS 3005/2.12 new)

Sec. 2.12. Subcommittee recommendations.

Pursuant to Section 15.5 of the Grant Funds Recovery Act, the Governor's Office of Management and Budget, in conjunction with the Illinois Single Audit Commission, shall convene a subcommittee of the Commission to research and provide recommendations to the General Assembly regarding the adoption of legislation, in accordance with the federal Improper Payments Elimination and Recovery Improvement Act of 2012. The subcommittee's recommendations shall be included in the Annual Report of the Commission to be submitted to the General Assembly on January 1, 2019.

Section 20. The State Finance Act is amended by changing Sections 25 and 35 as follows:

(30 ILCS 105/25) (from Ch. 127, par. 161)

Sec. 25. Fiscal year limitations.

(a) All appropriations shall be available for expenditure

for the fiscal year or for a lesser period if the Act making that appropriation so specifies. A deficiency or emergency appropriation shall be available for expenditure only through June 30 of the year when the Act making that appropriation is enacted unless that Act otherwise provides.Except as otherwise provided in this Section, appropriated funds may only be expended during the fiscal year for which they were appropriated (including any applicable lapse period), regardless of whether those funds are subject to interfund transfers or are deposited for use in a non-appropriated fund, including those made through the use of vouchers or drafts, or warrants ordered by the State Comptroller and paid by the Treasurer. For purposes of this Section, "interfund transfer" means the transfer of monies from one fund listed in the State Treasury to another fund. An "interfund transfer" shall not be considered an expenditure for purposes of this Section.

(b) Outstanding liabilities as of June 30, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 2-month period ending at the close of business on August 31. Any service involving professional or artistic skills or any personal services by an employee whose compensation is subject to income tax withholding must be performed as of June 30 of the fiscal year in order to be considered an "outstanding liability as of June 30" that is thereby eligible for payment out of the expiring appropriation.

(b-1) However, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code may be made by the State Board of Education from its appropriations for those respective purposes for any fiscal year, even though the claims reimbursed by the payment may be claims attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education from the fund from which the appropriation is made without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code as of June 30, payable from appropriations that have otherwise expired, may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-2) All outstanding liabilities as of June 30, 2010, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2010, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2010, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2010.

(b-2.5) All outstanding liabilities as of June 30, 2011, payable from appropriations that would otherwise expire at the

conclusion of the lapse period for fiscal year 2011, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2011, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2011.

(b-2.6) All outstanding liabilities as of June 30, 2012, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2012, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2012, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2012.

(b-2.6a) All outstanding liabilities as of June 30, 2017, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2017, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2017, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than September 30, 2017.

(b-2.7) For fiscal years 2012, 2013, and 2014, interest

penalties payable under the State Prompt Payment Act associated with a voucher for which payment is issued after June 30 may be paid out of the next fiscal year's appropriation. The future year appropriation must be for the same purpose and from the same fund as the original payment. An interest penalty voucher submitted against a future year appropriation must be submitted within 60 days after the issuance of the associated voucher, and the Comptroller must issue the interest payment within 60 days after acceptance of the interest voucher.

(b-3) Medical payments may be made by the Department of Veterans' Affairs from its appropriations for those purposes for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-4) Medical payments and child care payments may be made by the Department of Human Services (as successor to the Department of Public Aid) from appropriations for those purposes for any fiscal year, without regard to the fact that the medical or child care services being compensated for by such payment may have been rendered in a prior fiscal year; and payments may be made at the direction of the Department of

Healthcare and Family Services (or successor agency) from the Health Insurance Reserve Fund without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical and child care payments made by the Department of Human Services and payments made at the discretion of the Department of Healthcare and Family Services (or successor agency) from the Health Insurance Reserve Fund and payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-5) Medical payments may be made by the Department of Human Services from its appropriations relating to substance abuse treatment services for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the Department of Human Services relating to substance abuse treatment services payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-6) Additionally, payments may be made by the Department of Human Services from its appropriations, or any other State agency from its appropriations with the approval of the Department of Human Services, from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986, without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by the Department of Human Services from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986 payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-7) Payments may be made in accordance with a plan authorized by paragraph (11) or (12) of Section 405-105 of the Department of Central Management Services Law from appropriations for those payments without regard to fiscal year limitations.

(b-8) Reimbursements to eligible airport sponsors for the construction or upgrading of Automated Weather Observation Systems may be made by the Department of Transportation from appropriations for those purposes for any fiscal year, without regard to the fact that the qualification or obligation may have occurred in a prior fiscal year, provided that at the time the expenditure was made the project had been approved by the

Department of Transportation prior to June 1, 2012 and, as a result of recent changes in federal funding formulas, can no longer receive federal reimbursement.

(b-9) Medical payments not exceeding $150,000,000 may be made by the Department on Aging from its appropriations relating to the Community Care Program for fiscal year 2014, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services, except as required by subsection (j) of this Section.

(c) Further, payments may be made by the Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) from their respective appropriations for grants for medical care to or on behalf of premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program, for any fiscal year without regard to the fact that the services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by the Department of Public Health

and the Department of Human Services from their respective appropriations for grants for medical care to or on behalf of premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program payable from appropriations that have otherwise expired may be paid out of the expiring appropriations during the 4-month period ending at the close of business on October 31.

(d) The Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(e) The Department of Healthcare and Family Services, the Department of Human Services (acting as successor to the Department of Public Aid), and the Department of Human Services making fee-for-service payments relating to substance abuse treatment services provided during a previous fiscal year shall

each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(g) In addition, each annual report required to be submitted by the Department of Healthcare and Family Services under subsection (e) shall include the following information with respect to the State's Medicaid program:

(1) Explanations of the exact causes of the variance between the previous year's estimated and actual

liabilities.

(2) Factors affecting the Department of Healthcare and Family Services' liabilities, including but not limited to numbers of aid recipients, levels of medical service utilization by aid recipients, and inflation in the cost of medical services.

(3) The results of the Department's efforts to combat fraud and abuse.

(h) As provided in Section 4 of the General Assembly Compensation Act, any utility bill for service provided to a General Assembly member's district office for a period including portions of 2 consecutive fiscal years may be paid from funds appropriated for such expenditure in either fiscal year.

(i) An agency which administers a fund classified by the Comptroller as an internal service fund may issue rules for:

(1) billing user agencies in advance for payments or authorized inter-fund transfers based on estimated charges for goods or services;

(2) issuing credits, refunding through inter-fund transfers, or reducing future inter-fund transfers during the subsequent fiscal year for all user agency payments or authorized inter-fund transfers received during the prior fiscal year which were in excess of the final amounts owed by the user agency for that period; and

(3) issuing catch-up billings to user agencies during

the subsequent fiscal year for amounts remaining due when payments or authorized inter-fund transfers received from the user agency during the prior fiscal year were less than the total amount owed for that period.

User agencies are authorized to reimburse internal service funds for catch-up billings by vouchers drawn against their respective appropriations for the fiscal year in which the catch-up billing was issued or by increasing an authorized inter-fund transfer during the current fiscal year. For the purposes of this Act, "inter-fund transfers" means transfers without the use of the voucher-warrant process, as authorized by Section 9.01 of the State Comptroller Act.

(i-1) Beginning on July 1, 2021, all outstanding liabilities, not payable during the 4-month lapse period as described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, that are made from appropriations for that purpose for any fiscal year, without regard to the fact that the services being compensated for by those payments may have been rendered in a prior fiscal year, are limited to only those claims that have been incurred but for which a proper bill or invoice as defined by the State Prompt Payment Act has not been received by September 30th following the end of the fiscal year in which the service was rendered.

(j) Notwithstanding any other provision of this Act, the aggregate amount of payments to be made without regard for fiscal year limitations as contained in subsections (b-1),

(b-3), (b-4), (b-5), (b-6), and (c) of this Section, and determined by using Generally Accepted Accounting Principles, shall not exceed the following amounts:

(1) $6,000,000,000 for outstanding liabilities related to fiscal year 2012;

(2) $5,300,000,000 for outstanding liabilities related to fiscal year 2013;

(3) $4,600,000,000 for outstanding liabilities related to fiscal year 2014;

(4) $4,000,000,000 for outstanding liabilities related to fiscal year 2015;

(5) $3,300,000,000 for outstanding liabilities related to fiscal year 2016;

(6) $2,600,000,000 for outstanding liabilities related to fiscal year 2017;

(7) $2,000,000,000 for outstanding liabilities related to fiscal year 2018;

(8) $1,300,000,000 for outstanding liabilities related to fiscal year 2019;

(9) $600,000,000 for outstanding liabilities related to fiscal year 2020; and

(10) $0 for outstanding liabilities related to fiscal year 2021 and fiscal years thereafter.

(k) Department of Healthcare and Family Services Medical Assistance Payments.

(1) Definition of Medical Assistance.

For purposes of this subsection, the term "Medical Assistance" shall include, but not necessarily be limited to, medical programs and services authorized under Titles XIX and XXI of the Social Security Act, the Illinois Public Aid Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, the Long Term Acute Care Hospital Quality Improvement Transfer Program Act, and medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, and victims of sexual assault.

(2) Limitations on Medical Assistance payments that may be paid from future fiscal year appropriations.

(A) The maximum amounts of annual unpaid Medical Assistance bills received and recorded by the Department of Healthcare and Family Services on or before June 30th of a particular fiscal year attributable in aggregate to the General Revenue Fund, Healthcare Provider Relief Fund, Tobacco Settlement Recovery Fund, Long-Term Care Provider Fund, and the Drug Rebate Fund that may be paid in total by the Department from future fiscal year Medical Assistance appropriations to those funds are: $700,000,000 for fiscal year 2013 and $100,000,000 for fiscal year 2014 and each fiscal year thereafter.

(B) Bills for Medical Assistance services rendered

in a particular fiscal year, but received and recorded by the Department of Healthcare and Family Services after June 30th of that fiscal year, may be paid from either appropriations for that fiscal year or future fiscal year appropriations for Medical Assistance. Such payments shall not be subject to the requirements of subparagraph (A).

(C) Medical Assistance bills received by the Department of Healthcare and Family Services in a particular fiscal year, but subject to payment amount adjustments in a future fiscal year may be paid from a future fiscal year's appropriation for Medical Assistance. Such payments shall not be subject to the requirements of subparagraph (A).

(D) Medical Assistance payments made by the Department of Healthcare and Family Services from funds other than those specifically referenced in subparagraph (A) may be made from appropriations for those purposes for any fiscal year without regard to the fact that the Medical Assistance services being compensated for by such payment may have been rendered in a prior fiscal year. Such payments shall not be subject to the requirements of subparagraph (A).

(3) Extended lapse period for Department of Healthcare and Family Services Medical Assistance payments. Notwithstanding any other State law to the contrary,

outstanding Department of Healthcare and Family Services Medical Assistance liabilities, as of June 30th, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 6-month period ending at the close of business on December 31st.

(l) The changes to this Section made by Public Act 97-691 shall be effective for payment of Medical Assistance bills incurred in fiscal year 2013 and future fiscal years. The changes to this Section made by Public Act 97-691 shall not be applied to Medical Assistance bills incurred in fiscal year 2012 or prior fiscal years.

(m) The Comptroller must issue payments against outstanding liabilities that were received prior to the lapse period deadlines set forth in this Section as soon thereafter as practical, but no payment may be issued after the 4 months following the lapse period deadline without the signed authorization of the Comptroller and the Governor.

(Source: P.A. 100-23, eff. 7-6-17.)

(30 ILCS 105/35) (from Ch. 127, par. 167.03)

Sec. 35. As used in this Section, "state agency" is defined as provided in the Illinois State Auditing Act, except that this Section does not apply to state colleges and universities, the Illinois Mathematics and Science Academy, and their respective governing boards.

When any State agency receives a grant or contract from

itself or another State agency from appropriated funds the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted and to the terms and conditions under which such other agency received the appropriation, and to the terms, conditions and limitations of the appropriations to the other agency. For purposes of this Section, "interfund transfer" means the transfer of monies from one fund listed in the State Treasury to another fund. An "interfund transfer" shall not be considered an expenditure for purposes of this Section. No State agency may accept or expend funds under a grant or contract for any purpose, program or activity not within the scope of the agency's powers and duties under Illinois law.
(Source: P.A. 88-9.)

Section 25. The Illinois Grant Funds Recovery Act is amended by adding Section 15.5 as follows:

(30 ILCS 705/15.5 new)

Sec. 15.5. Recommendations of the Illinois Single Audit Commission regarding the elimination and recovery of improper payments. The Illinois Single Audit Commission, in conjunction with the Governor's Office of Management and Budget, shall convene a subcommittee of the Commission to research and provide recommendations to the General Assembly regarding the adoption of legislation in accordance with the federal Improper

Payments Elimination and Recovery Improvement Act of 2012. The subcommittee's recommendations shall be included in the Annual Report of the Commission to be submitted to the General Assembly on January 1, 2019.

Section 30. The Grant Accountability and Transparency Act is amended by changing Sections 15, 25, 50, 55, and 95 and by adding Sections 105, 110, 115, 120, 125, 130, and 520 as follows:

(30 ILCS 708/15)

(Section scheduled to be repealed on July 16, 2020)

Sec. 15. Definitions. As used in this Act:

"Allowable cost" means a cost allowable to a project if:

(1) the costs are reasonable and necessary for the performance of the award;

(2) the costs are allocable to the specific project;

(3) the costs are treated consistently in like circumstances to both federally-financed and other activities of the non-federal entity;

(4) the costs conform to any limitations of the cost principles or the sponsored agreement;

(5) the costs are accorded consistent treatment; a cost may not be assigned to a State or federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an

indirect cost;

(6) the costs are determined to be in accordance with generally accepted accounting principles;

(7) the costs are not included as a cost or used to meet federal cost-sharing or matching requirements of any other program in either the current or prior period;

(8) the costs of one State or federal grant are not used to meet the match requirements of another State or federal grant; and

(9) the costs are adequately documented.

"Auditee" means any non-federal entity that expends State or federal awards that must be audited.

"Auditor" means an auditor who is a public accountant or a federal, State, or local government audit organization that meets the general standards specified in generally-accepted government auditing standards. "Auditor" does not include internal auditors of nonprofit organizations.

"Auditor General" means the Auditor General of the State of Illinois.

"Award" means financial assistance that provides support or stimulation to accomplish a public purpose. "Awards" include grants and other agreements in the form of money, or property in lieu of money, by the State or federal government to an eligible recipient. "Award" does not include: technical assistance that provides services instead of money; other assistance in the form of loans, loan guarantees, interest

subsidies, or insurance; direct payments of any kind to individuals; or contracts that must be entered into and administered under State or federal procurement laws and regulations.

"Budget" means the financial plan for the project or program that the awarding agency or pass-through entity approves during the award process or in subsequent amendments to the award. It may include the State or federal and non-federal share or only the State or federal share, as determined by the awarding agency or pass-through entity.

"Catalog of Federal Domestic Assistance" or "CFDA" means a database that helps the federal government track all programs it has domestically funded.

"Catalog of Federal Domestic Assistance number" or "CFDA number" means the number assigned to a federal program in the CFDA.

"Catalog of State Financial Assistance" means the single, authoritative, statewide, comprehensive source document of State financial assistance program information maintained by the Governor's Office of Management and Budget.

"Catalog of State Financial Assistance Number" means the number assigned to a State program in the Catalog of State Financial Assistance. The first 3 digits represent the State agency number and the last 4 digits represent the program.

"Cluster of programs" means a grouping of closely related programs that share common compliance requirements. The types

of clusters of programs are research and development, student financial aid, and other clusters. A "cluster of programs" shall be considered as one program for determining major programs and, with the exception of research and development, whether a program-specific audit may be elected.

"Cognizant agency for audit" means the federal agency designated to carry out the responsibilities described in 2 CFR 200.513(a).

"Contract" means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under an award. "Contract" does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of an award or subaward.

"Contractor" means an entity that receives a contract.

"Cooperative agreement" means a legal instrument of financial assistance between an awarding agency or pass-through entity and a non-federal entity that:

(1) is used to enter into a relationship with the principal purpose of transferring anything of value from the awarding agency or pass-through entity to the non-federal entity to carry out a public purpose authorized by law, but is not used to acquire property or services for the awarding agency's or pass-through entity's direct benefit or use; and

(2) is distinguished from a grant in that it provides

for substantial involvement between the awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the award.

"Cooperative agreement" does not include a cooperative research and development agreement, nor an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee, or insurance.

"Corrective action" means action taken by the auditee that (i) corrects identified deficiencies, (ii) produces recommended improvements, or (iii) demonstrates that audit findings are either invalid or do not warrant auditee action.

"Cost objective" means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data is desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, and capital projects. A "cost objective" may be a major function of the non-federal entity, a particular service or project, an award, or an indirect cost activity.

"Cost sharing" means the portion of project costs not paid by State or federal funds, unless otherwise authorized by statute.

"Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

"Data Universal Numbering System number" means the 9-digit

number established and assigned by Dun and Bradstreet, Inc. to uniquely identify entities and, under federal law, is required for non-federal entities to apply for, receive, and report on a federal award.

"Direct costs" means costs that can be identified specifically with a particular final cost objective, such as a State or federal or federal pass-through award or a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

"Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or $5,000.

"Executive branch" means that branch of State government that is under the jurisdiction of the Governor.

"Federal agency" has the meaning provided for "agency" under 5 U.S.C. 551(1) together with the meaning provided for "agency" by 5 U.S.C. 552(f).

"Federal award" means:

(1) the federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity;

(2) the cost-reimbursement contract under the Federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity; or

(3) the instrument setting forth the terms and conditions when the instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 20 CFR 200.40, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

"Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal government owned, contractor-operated facilities.

"Federal awarding agency" means the federal agency that provides a federal award directly to a non-federal entity.

"Federal interest" means, for purposes of 2 CFR 200.329 or when used in connection with the acquisition or improvement of real property, equipment, or supplies under a federal award, the dollar amount that is the product of the federal share of total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

"Federal program" means any of the following:

(1) All federal awards which are assigned a single

number in the CFDA.

(2) When no CFDA number is assigned, all federal awards to non-federal entities from the same agency made for the same purpose should be combined and considered one program.

(3) Notwithstanding paragraphs (1) and (2) of this definition, a cluster of programs. The types of clusters of programs are:

(A) research and development;

(B) student financial aid; and

(C) "other clusters", as described in the definition of "cluster of programs".

"Federal share" means the portion of the total project costs that are paid by federal funds.

"Final cost objective" means a cost objective which has allocated to it both direct and indirect costs and, in the non-federal entity's accumulation system, is one of the final accumulation points, such as a particular award, internal project, or other direct activity of a non-federal entity.

"Financial assistance" means the following:

(1) For grants and cooperative agreements, "financial assistance" means assistance that non-federal entities receive or administer in the form of:

(A) grants;

(B) cooperative agreements;

(C) non-cash contributions or donations of property, including donated surplus property;

(D) direct appropriations;

(E) food commodities; and

(F) other financial assistance, except assistance listed in paragraph (2) of this definition.

(2) "Financial assistance" includes assistance that non-federal entities receive or administer in the form of loans, loan guarantees, interest subsidies, and insurance.

(3) "Financial assistance" does not include amounts received as reimbursement for services rendered to individuals.

"Fixed amount awards" means a type of grant agreement under which the awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the award. "Fixed amount awards" reduce some of the administrative burden and record-keeping requirements for both the non-federal entity and awarding agency or pass-through entity. Accountability is based primarily on performance and results.

"Foreign public entity" means:

(1) a foreign government or foreign governmental entity;

(2) a public international organization that is entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288-288f);

(3) an entity owned, in whole or in part, or controlled

by a foreign government; or

(4) any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

"Foreign organization" means an entity that is:

(1) a public or private organization located in a country other than the United States and its territories that are subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;

(2) a private nongovernmental organization located in a country other than the United States that solicits and receives cash contributions from the general public;

(3) a charitable organization located in a country other than the United States that is nonprofit and tax exempt under the laws of its country of domicile and operation, but is not a university, college, accredited degree-granting institution of education, private foundation, hospital, organization engaged exclusively in research or scientific activities, church, synagogue, mosque, or other similar entity organized primarily for religious purposes; or

(4) an organization located in a country other than the United States not recognized as a Foreign Public Entity.

"Generally Accepted Accounting Principles" has the meaning provided in accounting standards issued by the Government

Accounting Standards Board and the Financial Accounting Standards Board.

"Generally Accepted Government Auditing Standards" means generally accepted government auditing standards issued by the Comptroller General of the United States that are applicable to financial audits.

"Grant agreement" means a legal instrument of financial assistance between an awarding agency or pass-through entity and a non-federal entity that:

(1) is used to enter into a relationship, the principal purpose of which is to transfer anything of value from the awarding agency or pass-through entity to the non-federal entity to carry out a public purpose authorized by law and not to acquire property or services for the awarding agency or pass-through entity's direct benefit or use; and

(2) is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the award.

"Grant agreement" does not include an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee, or insurance.

"Grant application" means a specified form that is completed by a non-federal entity in connection with a request for a specific funding opportunity or a request for financial

support of a project or activity.

"Hospital" means a facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

"Illinois Debarred and Suspended List" means the list maintained by the Governor's Office of Management and Budget that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, from receiving an award of grant funds from the State.

~~"Indian tribe" (or "federally recognized Indian tribe") means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the federal Alaska Native Claims Settlement Act (43 U.S.C. 1601, et seq.) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians under 25 U.S.C. 450b(e), as set forth in the annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.~~

"Indirect cost" means those costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved.

"Inspector General" means the Office of the Executive

Inspector General for Executive branch agencies.

"Loan" means a State or federal loan or loan guarantee received or administered by a non-federal entity. "Loan" does not include a "program income" as defined in 2 CFR 200.80.

"Loan guarantee" means any State or federal government guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-federal borrower to a non-federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

"Local government" has the meaning provided for the term "units of local government" under Section 1 of Article VII of the Illinois Constitution and includes school districts.

"Major program" means a federal program determined by the auditor to be a major program in accordance with 2 CFR 200.518 or a program identified as a major program by a federal awarding agency or pass-through entity in accordance with 2 CFR 200.503(e).

"Non-federal entity" means a state, local government, Indian tribe, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a State or federal award as a recipient or subrecipient.

"Nonprofit organization" means any corporation, trust, association, cooperative, or other organization, not including institutions of higher education, that:

(1) is operated primarily for scientific, educational,

service, charitable, or similar purposes in the public interest;

(2) is not organized primarily for profit; and

(3) uses net proceeds to maintain, improve, or expand the operations of the organization.

"Obligations", when used in connection with a non-federal entity's utilization of funds under an award, means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-federal entity during the same or a future period.

"Office of Management and Budget" means the Office of Management and Budget of the Executive Office of the President.

"Other clusters" has the meaning provided by the federal Office of Management and Budget in the compliance supplement or has the meaning as it is designated by a state for federal awards the state provides to its subrecipients that meet the definition of a cluster of programs. When designating an "other cluster", a state must identify the federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster.

"Oversight agency for audit" means the federal awarding agency that provides the predominant amount of funding directly to a non-federal entity not assigned a cognizant agency for audit. When there is no direct funding, the awarding agency that is the predominant source of pass-through funding must

assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in 2 CFR 200.513(b).

"Pass-through entity" means a non-federal entity that provides a subaward to a subrecipient to carry out part of a program.

"Private award" means an award from a person or entity other than a State or federal entity. Private awards are not subject to the provisions of this Act.

"Property" means real property or personal property.

"Project cost" means total allowable costs incurred under an award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

"Public institutions of higher education" has the meaning provided in Section 1 of the Board of Higher Education Act.

"Recipient" means a non-federal entity that receives an award directly from an awarding agency to carry out an activity under a program. "Recipient" does not include subrecipients.

"Research and Development" means all research activities, both basic and applied, and all development activities that are performed by non-federal entities.

"Single Audit Act" means the federal Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507).

"State agency" means an Executive branch agency. For purposes of this Act, "State agency" does not include public institutions of higher education.

"State award" means the financial assistance that a non-federal entity receives from the State and that is funded with either State funds or federal funds; in the latter case, the State is acting as a pass-through entity.

"State awarding agency" means a State agency that provides an award to a non-federal entity.

"State grant-making agency" has the same meaning as "State awarding agency".

"State interest" means the acquisition or improvement of real property, equipment, or supplies under a State award, the dollar amount that is the product of the State share of the total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

"State program" means any of the following:

(1) All State awards which are assigned a single number in the Catalog of State Financial Assistance.

(2) When no Catalog of State Financial Assistance number is assigned, all State awards to non-federal entities from the same agency made for the same purpose are considered one program.

(3) A cluster of programs as defined in this Section.

"State share" means the portion of the total project costs that are paid by State funds.

"Stop payment order" means a communication from a State

grant-making agency to the Office of the Comptroller requesting the cessation of payments to a recipient or subrecipient as a result of the recipient's or subrecipient's failure to comply with one or more terms of the grant or subaward.

"Stop payment system" means the system maintained by the Office of the Comptroller which effects stop payment orders and the lifting of stop payment orders upon the direction of a State grant-making agency.

"Student Financial Aid" means federal awards under those programs of general student assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended (20 U.S.C. 1070-1099d), that are administered by the United States Department of Education and similar programs provided by other federal agencies. "Student Financial Aid" does not include federal awards under programs that provide fellowships or similar federal awards to students on a competitive basis or for specified studies or research.

"Subaward" means a State or federal award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. "Subaward" does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A "subaward" may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

"Subrecipient" means a non-federal entity that receives a

State or federal subaward from a pass-through entity to carry out part of a federal program. "Subrecipient" does not include an individual that is a beneficiary of such program. A "subrecipient" may also be a recipient of other State or federal awards directly from a State or federal awarding agency.

"Suspension" means a post-award action by the State or federal agency or pass-through entity that temporarily withdraws the State or federal agency's or pass-through entity's financial assistance sponsorship under an award, pending corrective action by the recipient or subrecipient or pending a decision to terminate the award.

"Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards" means those rules applicable to grants contained in 2 CFR 200.

"Voluntary committed cost sharing" means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the award on the part of the non-federal entity and that becomes a binding requirement of the award.

(Source: P.A. 98-706, eff. 7-16-14.)

(30 ILCS 708/25)

(Section scheduled to be repealed on July 16, 2020)

Sec. 25. Supplemental rules. On or before July 1, 2017, the Governor's Office of Management and Budget, with the advice and technical assistance of the Illinois Single Audit Commission,

shall adopt supplemental rules pertaining to the following:

(1) Criteria to define mandatory formula-based grants and discretionary grants.

(2) The award of one-year grants for new applicants.

(3) The award of competitive grants in 3-year terms (one-year initial terms with the option to renew for up to 2 additional years) to coincide with the federal award.

(4) The issuance of grants, including:

(A) public notice of announcements of funding opportunities;

(B) the development of uniform grant applications;

(C) State agency review of merit of proposals and risk posed by applicants;

(D) specific conditions for individual recipients (requiring the use of a fiscal agent and additional corrective conditions);

(E) certifications and representations;

(F) pre-award costs;

(G) performance measures and statewide prioritized goals under Section 50-25 of the State Budget Law of the Civil Administrative Code of Illinois, commonly referred to as "Budgeting for Results"; and

(H) for mandatory formula grants, the merit of the proposal and the risk posed should result in additional reporting, monitoring, or measures such as reimbursement-basis only.

(5) The development of uniform budget requirements, which shall include:

(A) mandatory submission of budgets as part of the grant application process;

(B) mandatory requirements regarding contents of the budget including, at a minimum, common detail line items specified under guidelines issued by the Governor's Office of Management and Budget;

(C) a requirement that the budget allow flexibility to add lines describing costs that are common for the services provided as outlined in the grant application;

(D) a requirement that the budget include information necessary for analyzing cost and performance for use in Budgeting for Results; and

(E) caps on the amount of salaries that may be charged to grants based on the limitations imposed by federal agencies.

(6) The development of pre-qualification requirements for applicants, including the fiscal condition of the organization and the provision of the following information:

(A) organization name;

(B) Federal Employee Identification Number;

(C) Data Universal Numbering System (DUNS) number;

(D) fiscal condition;

(E) whether the applicant is in good standing with the Secretary of State;

(F) past performance in administering grants;

(G) whether the applicant is ~~or has ever been~~ on the Debarred and Suspended List maintained by the Governor's Office of Management and Budget;

(H) whether the applicant is ~~or has ever been~~ on the federal Excluded Parties List; and

(I) whether the applicant is ~~or has ever been~~ on the Sanctioned Party List maintained by the Illinois Department of Healthcare and Family Services.

Nothing in this Act affects the provisions of the Fiscal Control and Internal Auditing Act nor the requirement that the management of each State agency is responsible for maintaining effective internal controls under that Act.

For public institutions of higher education, the provisions of this Section apply only to awards funded by State appropriations and federal pass-through awards from a State agency to public institutions of higher education.

(Source: P.A. 98-706, eff. 7-16-14; 99-523, eff. 6-30-16.)

(30 ILCS 708/50)

(Section scheduled to be repealed on July 16, 2020)

Sec. 50. State grant-making agency responsibilities.

(a) The specific requirements and responsibilities of State grant-making agencies and non-federal entities are set

forth in this Act. State agencies making State awards to non-federal entities must adopt by rule the language in 2 CFR 200, Subpart C through Subpart F unless different provisions are required by law.

(b) Each State grant-making agency shall appoint a Chief Accountability Officer who shall serve as a liaison to the Grant Accountability and Transparency Unit and who shall be responsible for the State agency's implementation of and compliance with the rules.

(c) In order to effectively measure the performance of its recipients and subrecipients, each State grant-making agency shall:

(1) require its recipients and subrecipients to relate financial data to performance accomplishments of the award and, when applicable, must require recipients and subrecipients to provide cost information to demonstrate cost-effective practices. The recipient's and subrecipient's performance should be measured in a way that will help the State agency to improve program outcomes, share lessons learned, and spread the adoption of promising practices; and

(2) provide recipients and subrecipients with clear performance goals, indicators, and milestones and must establish performance reporting frequency and content to not only allow the State agency to understand the recipient's progress, but also to facilitate

identification of promising practices among recipients and subrecipients and build the evidence upon which the State agency's program and performance decisions are made.

(c-5) Each State grant-making agency shall evaluate the compliance of its recipients and subrecipients within the terms of the grant or subaward and, where appropriate, shall request that the Office of the Comptroller issue a stop payment order in accordance with Section 105 of this Act.

(d) The Governor's Office of Management and Budget shall provide such advice and technical assistance to the State grant-making agencies as is necessary or indicated in order to ensure compliance with this Act.

(Source: P.A. 98-706, eff. 7-16-14.)

(30 ILCS 708/55)

(Section scheduled to be repealed on July 16, 2020)

Sec. 55. The Governor's Office of Management and Budget responsibilities.

(a) The Governor's Office of Management and Budget shall:

(1) provide technical assistance and interpretations of policy requirements in order to ensure effective and efficient implementation of this Act by State grant-making agencies; and

(2) have authority to approve any exceptions to the requirements of this Act and shall adopt rules governing the criteria to be considered when an exception is

requested; exceptions shall only be made in particular cases where adequate justification is presented.

(b) The Governor's Office of Management and Budget shall, on or before July 1, 2016, establish a centralized unit within the Governor's Office of Management and Budget. The centralized unit shall be known as the Grant Accountability and Transparency Unit and shall be funded with a portion of the administrative funds provided under existing and future State and federal pass-through grants. The amounts charged will be allocated based on the actual cost of the services provided to State grant-making agencies and public institutions of higher education in accordance with the applicable federal cost principles contained in 2 CFR 200 and this Act will not cause the reduction in the amount of any State or federal grant awards that have been or will be directed towards State agencies or public institutions of higher education.

(c) The Governor's Office of Management and Budget, in conjunction with the Illinois Single Audit Commission, shall convene a subcommittee of the Commission to research and provide recommendations to the General Assembly regarding the adoption of legislation in accordance with the federal Improper Payments Elimination and Recovery Improvement Act of 2012. The subcommittee's recommendations shall be included in the Annual Report of the Commission to be submitted to the General Assembly on January 1, 2019.

(Source: P.A. 98-706, eff. 7-16-14; 99-523, eff. 6-30-16.)

(30 ILCS 708/95)

(Section scheduled to be repealed on July 16, 2020)

Sec. 95. Annual report. Effective January 1, 2016 and each January 1 thereafter, the Governor's Office of Management and Budget, in conjunction with the Illinois Single Audit Commission, shall submit to the Governor and the General Assembly a report that demonstrates the efficiencies, cost savings, and reductions in fraud, waste, and abuse as a result of the implementation of this Act and the rules adopted by the Governor's Office of Management and Budget in accordance with the provisions of this Act. The report shall include, but not be limited to:

(1) the number of entities placed on the Illinois Debarred and Suspended List;

(2) any savings realized as a result of the implementation of this Act;

(3) any reduction in the number of duplicative <u>audit report reviews</u> ~~audits~~;

(4) the number of persons trained to assist grantees and subrecipients; and

(5) the number of grantees and subrecipients to whom a fiscal agent was assigned.

(Source: P.A. 98-706, eff. 7-16-14.)

(30 ILCS 708/105 new)

Sec. 105. Stop payment system.

(a) On or before July 1, 2019, the Governor's Office of Management and Budget shall adopt rules pertaining to the following:

(1) Factors to be considered in determining whether to issue a stop payment order;

(2) Factors to be considered in determining whether a stop payment order should be lifted; and

(3) Procedures for notification to the recipient or subrecipient of the issuance of a stop payment order, the lifting of a stop payment order, and any other related information.

(b) On or before December 31, 2019, the Governor's Office of Management and Budget shall, in conjunction with State grant-making agencies, adopt rules pertaining to the following:

(1) Policies regarding the issuance of stop payment orders;

(2) Policies regarding the lifting of stop payment orders;

(3) Policies regarding corrective actions required of recipients and subrecipients in the event a stop payment order is issued; and

(4) Policies regarding the coordination of communications between the Office of the Comptroller and State grant-making agencies regarding the issuance of stop

payment orders and the lifting of such orders.

(c) On or before July 1, 2020, the Office of the Comptroller shall have established a stop payment system that shall cause the temporary or permanent cessation of payments to a recipient or subrecipient in specified circumstances. Such a temporary or permanent cessation of payments will occur pursuant to a stop payment order issued by a State grant-making agency and implemented by the Office of the Comptroller.

(d) The State grant-making agency shall maintain a file pertaining to all stop payment orders which shall include, at a minimum:

(1) The notice to the recipient or subrecipient that a stop payment order has been issued. The notice shall include:

(A) The name of the grant.

(B) The grant number.

(C) The name of the State agency that issued the grant.

(D) The reason(s) for the stop payment order.

(E) Notification that the stop payment order applies to all grants and contracts issued by the State.

(F) Any other relevant information.

(2) The order lifting the stop payment order, if applicable.

(30 ILCS 708/110 new)

Sec. 110. Documentation of award decisions. Each award that is granted pursuant to an application process must include documentation to support the award.

(a) For each State or federal pass-through award that is granted following an application process, the State grant-making agency shall create a grant award file. The grant award file shall contain, at a minimum:

(1) A description of the grant.

(2) The Notice of Opportunity.

(3) All applications received in response to the Notice of Opportunity.

(4) Copies of any written communications between an applicant and the State grant-making agency.

(5) The criteria used to evaluate the applications.

(6) The scores assigned to each applicant according to the criteria.

(7) A written determination, signed by an authorized representative of the State grant-making agency, setting forth the reason for the grant award decision.

(8) The Notice of Award.

(9) Any other pre-award documents.

(10) The grant agreement and any renewals, if applicable;

(11) All post-award, administration, and close-out documents relating to the grant.

(12) Any other information relevant to the grant award.

(b) The grant file shall not include trade secrets or other competitively sensitive, confidential, or proprietary information.

(c) Each grant file shall be maintained by the State grant-making agency and, subject to the provisions of the Freedom of Information Act, shall be available for public inspection and copying within 7 calendar days following award of the grant.

(30 ILCS 708/115 new)

Sec. 115. Certifications and representations. Unless prohibited by State or federal statute, regulation, or administrative rule, each State awarding agency or pass-through entity is authorized to require the recipient or subrecipient to submit certifications and representations required by State or federal statute, regulation, or administrative rule.

(30 ILCS 708/120 new)

Sec. 120. Required certifications. To assure that expenditures are proper and in accordance with the terms and conditions of the grant award and approved project budgets, all periodic and final financial reports, and all payment requests under the grant agreement, must include a certification, signed by an official who is authorized to legally bind the grantee or

subrecipient, that reads as follows:

"By signing this report and/or payment request, I certify to the best of my knowledge and belief that this report is true, complete, and accurate; that the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the State or federal pass-through award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any item or expenditure described herein shall be considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (18 U.S.C. §1001; 31 U.S.C. §§3729-3730 and §§3801-3812; 30 ILCS 708/120.)"

(30 ILCS 708/125 new)

Sec. 125. Expenditures prior to grant execution; reporting requirements.

(a) In the event that a recipient or subrecipient incurs expenses related to the grant award prior to the execution of the grant agreement but within the term of the grant, and the

grant agreement is executed more than 30 days after the effective date of the grant, the recipient or subrecipient must submit to the State grant-making agency a report that accounts for eligible grant expenditures and project activities from the effective date of the grant up to and including the date of execution of the grant agreement.

(b) The recipient or subrecipient must submit the report to the State grant-making agency within 30 days of execution of the grant agreement.

(c) Only those expenses that are reasonable, allowable, and in furtherance of the purpose of the grant award shall be reimbursed.

(d) The State grant-making agency must approve the report prior to issuing any payment to the recipient or subrecipient.

(30 ILCS 708/130 new)

Sec. 130. Travel costs.

(a) General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by the employees of the recipient or subrecipient who are in travel status on official business of the recipient or subrecipient. Such costs may only be charged to a State or federal pass-through grant on a per diem or mileage basis in accordance with the rules of the Governor's Travel Control Board.

(b) Lodging and subsistence. Costs incurred for travel,

including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the rules of the Governor's Travel Control Board. In addition, if these costs are charged directly to the State or federal pass-through award documentation must justify that:

(1) Participation of the individual is necessary to the State or federal pass-through award; and

(2) The costs are reasonable and consistent with the rules of the Governor's Travel Control Board.

(c) Commercial air travel.

(1) Airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

(i) Require circuitous routing;

(ii) Require travel during unreasonable hours;

(iii) Excessively prolong travel;

(iv) Result in additional costs that would offset the transportation savings; or

(v) Offer accommodations not reasonably adequate for the traveler's medical needs.

(30 ILCS 708/520 new)

Sec. 520. Separate accounts for State grant funds.

Notwithstanding any provision of law to the contrary, all grants made and any grant agreement entered into, renewed, or extended on or after the effective date of this amendatory Act of the 100th General Assembly, between a State grant-making agency and a nonprofit organization, shall require the nonprofit organization receiving grant funds to maintain those funds in an account which is separate and distinct from any account holding non-grant funds. Except as otherwise provided in an agreement between a State grant-making agency and a nonprofit organization, the grant funds held in a separate account by a nonprofit organization shall not be used for non-grant-related activities, and any unused grant funds shall be returned to the State grant-making agency.

Section 99. Effective date. This Act takes effect upon becoming law.

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15 ILCS 405/28 new
20 ILCS 3005/2.11 new
20 ILCS 3005/2.12 new
30 ILCS 105/25 from Ch. 127, par. 161
30 ILCS 105/35 from Ch. 127, par. 167.03
30 ILCS 705/15.5 new
30 ILCS 708/15
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