**Section 3035.140 Grants, Expenditures, and Audits**

a) The Illinois State Library staff shall review grant applications. Additional qualified reviewers may be selected by the Director of the Illinois State Library as needed. If a grant reviewer has an application in competition or a conflict of interest during a review cycle, that grant reviewer shall not serve on the related review committee during that cycle. The decision of the State Librarian is final.

b) The Illinois State Library will notify the submitting agency when the application is approved for contractual purposes. As stipulated by the grant agreement, the following reports will be completed and transmitted to the Illinois State Library:

1) Quarterly narrative and financial reports showing expenditures made from grant funds by line item.

2) Final narrative and financial reports evaluating the degree to which the grantee achieved the goals and objectives of the project.

c) Changes in the project budget of over 10 percent of the grant award shall have prior approval in writing from the Illinois State Library. Recipients of the Public Library Per Capita and Equalization Aid Grants, the School District Library Grant, and Public Library Construction Grant shall follow the requirements in Sections 3035.115, 3035.120, 3035.450(b)(2)(H) and 3035.540(h), respectively.

d) Failure to spend funds in accordance with the application or approved amendment and the reporting procedures stipulated in this Part shall result in ineligibility for future grants for a period of one year.

e) Pursuant to 75 ILCS 10/3, failure to maintain and abide by the American Library Association's Library Bill of Rights that indicates materials should not be proscribed or removed because of partisan or doctrinal disapproval or the applicant's/grantee's written policy or procedure declaring the inherent authority of the applicant to include a prohibition of the practice of banning specific books or resources, will result in revocation of the grant award pursuant to the Grant Funds Recovery Act [30 ILCS 705].

f) All grantees receiving grants under Subparts A, B, D, E, F and G with a combined cumulative total of $175,000 or more in these grant awards in the same fiscal year shall submit an agencywide audit upon completion of the grant activity.

1) All governmental unit audits shall comply with Government Auditing Standards (also known as "GAGAS" or the "Yellow Book") (2018 Revision), published by the Comptroller General of the United States, Government Accountability Office, 441 G. Street, NW, Washington DC 20548 (http://www.gao.gov/yellowbook). No later amendments to these standards are incorporated in this Section.

2) All not-for-profit agency audits will comply with “2023 Not-for-Profit Entities Audit and Accounting Guide”, published by the American Institute of Certified Public Accountants, 1345 Avenue of the Americas, 27th Floor, New York NY 10105 (AICPA & CIMA (aicpa-cima.com)). No later amendments to these standards are incorporated in this Section.

g) The Illinois State Library may request additional information and data from any governmental unit, not-for-profit agency, public corporation, or other entity submitting a grant application.

(Source: Amended at 48 Ill. Reg. 948, effective January 1, 2024)