**Section 130.152 Sources of Local Funds**

a) Local funds constitute 25% (10% for family planning services) share of expenditures when the funds are provided for in either of two ways:

1) Transferred Funds or In-kind Contributions – Contributing non‑federal agencies or individuals make cash transfers of funds directly to the service provider for subsequent expenditure on services or qualifying non-cash contributions. These funds/contributions must be placed in separate accounts, or otherwise separately identified along with the State's share of the funds identified in the Donated Funds Initiative agreement.

2) Certification of Expended Funds – Public agencies may certify that their expenditures were for Title XX eligible services to eligible individuals.

b) In subsection (a)(1), the funds/contributions are donated by or to the provider and are under the provider's administrative control prior to billing the Department. The value of third-party, in-kind goods and services must be verifiable in the service provider’s records and directly benefit, and be specifically identifiable to, the project or program. In subsection (a)(2), no transfer takes place; rather, the contributing public agency retains the administrative control and certifies to the State that 100% of the costs reported to the Department were incurred for Title XX eligible services. In turn, the State reimburses the agency for 75% (90% for family planning services) of the service costs.

c) Local public agencies whose co-payment share (or certified expenditures) are derived from sources in addition to their own tax generated monies must segregate private sources from public sources of funds, and all funds must be unencumbered at the time of utilization in the program and meet all federal l and State restrictions. Otherwise, funds from private vendors must be regarded as private funds and are not subject to certification.

(Source: Amended at 27 Ill. Reg. 9452, effective June 9, 2003)