**Section 509.30 Fiscal Requirements/Management**

a) The Agency shall be managed in a manner consistent with sound fiscal standards. The Agency shall maintain written policies and procedures regarding its fiscal activities, including but not limited to payroll, purchasing, cash management, relevant fee schedules, contracts, and risk management. The Agency must demonstrate internal controls that are consistent with any generally accepted accounting principles (GAAP) or as may be appropriate and applicable for the type and size of the organization such as governmental accounting standards (GAS) issued by the Governmental Accounting Standards Board (GASB) for governmental organizations.

b) An Agency is required to provide evidence that the governing body has approved a budget at least annually. If the budget approved by the governing body indicates deficits for Department-funded programs and/or for the Agency as a whole, this should be documented in the minutes of the governing body meeting. The governing body is expected to fulfill its statutory responsibility.

c) If the Agency has the responsibility for the management of funds for the individuals it serves, such funds shall be accounted for on an individual basis in a separate account for each individual. Funds of an individual served by the Agency may not be converted for use by the Agency. The use of these funds is restricted to the direct needs and support of the individual. Additionally, the use of these funds is subject to the requirements set forth by other relevant State or federal departments or regulatory agencies including, but not limited to, the Illinois Department on Aging, Social Security Administration (SSA), and similar agencies. Fiscal and Administrative Reviews (FARs) may consider the results of SSA educational visits, payee reviews, annual reporting, and other such requirements for qualified organizations under the SSA Representative Payee program.

d) An Agency that assesses fees/co-payments to individuals for services shall maintain a written policy for billing and collection of fees, co-payments, or both. This policy will include a system for billing individual's, with appropriate financial assistance based on the ability of the individual or the individual's responsible relative to pay. The system shall also provide a record of charges and a method of collecting third party payments.

e) No Agency shall require an individual or family member to make cash or in-kind contributions, or to provide unpaid services to the Agency, beyond the fee schedule specified in subsection (d). No Agency shall suggest, imply, or give reason to believe that access to initial or continued service is contingent on, or in any way related to, voluntary contributions by an individual or family member. Provision of service in Department-funded programs shall not be denied on the basis of the individual's inability or ability to pay unless the Department requires fees co-payments, or both as part of the eligibility for services. Such required fees/co-payments must comply with subsection (d).

f) Program income means gross income received by the awardee directly generated by a supported activity, or earned only as a result of the federal award during the period of performance, except as provided in 2 CFR 200.307(f) or 44 Ill. Adm. Code 7000.120(c)(4), as applicable (see also the definition of period of performance in 44 Ill. Adm. Code 7000.30).

1) Program income includes, but is not limited to, income from:

A) Fees for services performed;

B) The use or rental of real or personal property acquired under State, federal or federal pass-through entity awards;

C) The sale of commodities or items fabricated under a State, federal or federal pass-through entity award;

D) License fees and royalties on patents or copyrights; and

E) Principal and interest on loans made with State, federal or federal pass-through entity award funds.

2) Program income does not include interest earned on advances of State, federal or federal pass-through entity award funds. Except as otherwise provided in State or federal statutes and regulations, or in the terms and conditions of a federal award, program income also does not include rebates, credits, discounts, or interest earned on any credits, rebates or discounts.

g) An Agency is permitted to establish and maintain reserve funds. However, the establishment of or addition to a reserve fund is not permitted from grant award funds.

(Source: Amended at 48 Ill. Reg. 14689, effective September 27, 2024)