



Sen. Michael W. Halpin

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1 AMENDMENT TO SENATE BILL 3696

2 AMENDMENT NO. _____. Amend Senate Bill 3696 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. This Act may be referred to as the Community
5 Partner Fair Contracting Act.

6 Section 5. The State Comptroller Act is amended by
7 changing Sections 9 and 9.03 as follows:

8 (15 ILCS 405/9) (from Ch. 15, par. 209)

9 Sec. 9. Warrants; vouchers; preaudit.

10 (a) No payment may be made from public funds held by the
11 State Treasurer in or outside of the State treasury, except by
12 warrant drawn by the Comptroller and presented by him to the
13 treasurer to be countersigned except for payments made
14 pursuant to Section 9.03 or 9.05 of this Act.

15 (b) No warrant for the payment of money by the State

1 Treasurer may be drawn by the Comptroller without the
2 presentation of itemized vouchers indicating that the
3 obligation or expenditure is pursuant to law and authorized,
4 and authorizing the Comptroller to order payment.

5 (b-1) An itemized voucher ~~for under \$5~~ that is presented
6 to the Comptroller for payment may be paid through electronic
7 funds transfer unless the recipient is unable to receive an
8 electronic funds transfer or requests another form of payment.

9 This subsection (b-1) does not apply to (i) vouchers presented
10 by the legislative branch of State government, (ii) vouchers
11 presented by the State Treasurer's Office for the payment of
12 unclaimed property claims authorized under the Revised Uniform
13 Unclaimed Property Act, or (iii) vouchers presented by the
14 Department of Revenue for the payment of refunds of taxes
15 administered by the Department.

16 (c) The Comptroller shall examine each voucher required by
17 law to be filed with him and determine whether unencumbered
18 appropriations or unencumbered obligational or expenditure
19 authority other than by appropriation are legally available to
20 incur the obligation or to make the expenditure of public
21 funds. If he determines that unencumbered appropriations or
22 other obligational or expenditure authority are not available
23 from which to incur the obligation or make the expenditure,
24 the Comptroller shall refuse to draw a warrant.

25 (d) The Comptroller shall examine each voucher and all
26 other documentation required to accompany the voucher, and

1 shall ascertain whether the voucher and documentation meet all
2 requirements established by or pursuant to law. If the
3 Comptroller determines that the voucher and documentation do
4 not meet applicable requirements established by or pursuant to
5 law, he shall refuse to draw a warrant. As used in this
6 Section, "requirements established by or pursuant to law"
7 includes statutory enactments and requirements established by
8 rules and regulations adopted pursuant to this Act.

9 (e) Prior to drawing a warrant, the Comptroller may review
10 the voucher, any documentation accompanying the voucher, and
11 any other documentation related to the transaction on file
12 with him, and determine if the transaction is in accordance
13 with the law. If based on his review the Comptroller has reason
14 to believe that such transaction is not in accordance with the
15 law, he shall refuse to draw a warrant.

16 (f) Where the Comptroller refuses to draw a warrant
17 pursuant to this Section, he shall maintain separate records
18 of such transactions.

19 (g) State agencies shall have the principal responsibility
20 for the preaudit of their encumbrances, expenditures, and
21 other transactions as otherwise required by law.

22 (Source: P.A. 103-266, eff. 1-1-24.)

23 (15 ILCS 405/9.03) (from Ch. 15, par. 209.03)

24 Sec. 9.03. Direct deposit of State payments.

25 (a) The Comptroller, with the approval of the State

1 Treasurer, shall ~~may~~ provide by rule or regulation for the
2 direct deposit of any payment lawfully payable from the State
3 Treasury and in accordance with federal banking regulations
4 ~~including but not limited to payments to (i) persons paid from~~
5 ~~personal services, (ii) persons receiving benefit payments~~
6 ~~from the Comptroller under the State pension systems, (iii)~~
7 ~~individuals who receive assistance under Articles III, IV, and~~
8 ~~VI of the Illinois Public Aid Code, (iv) providers of services~~
9 ~~under the Mental Health and Developmental Disabilities~~
10 ~~Administrative Act, (v) providers of community-based mental~~
11 ~~health services, and (vi) providers of services under programs~~
12 ~~administered by the State Board of Education, in the accounts~~
13 ~~of those persons or entities maintained at a bank, savings and~~
14 ~~loan association, or credit union, where authorized by the~~
15 ~~payee.~~ The Comptroller also may deposit public aid payments
16 for individuals who receive assistance under Articles III, IV,
17 VI, and X of the Illinois Public Aid Code directly into an
18 electronic benefits transfer account in a financial
19 institution approved by the State Treasurer as prescribed by
20 the Illinois Department of Human Services and in accordance
21 with the rules and regulations of that Department and the
22 rules and regulations adopted by the Comptroller and the State
23 Treasurer. The Comptroller, with the approval of the State
24 Treasurer, shall ~~may~~ provide by rule for the electronic direct
25 deposit of payments to public agencies and any other payee of
26 the State. The electronic direct deposits may be made to the

1 designated account in those financial institutions specified
2 in this Section for the direct deposit of payments. Within 6
3 months after the effective date of this amendatory Act of
4 1994, the Comptroller shall establish a pilot program for the
5 electronic direct deposit of payments to local school
6 districts, municipalities, and units of local government. The
7 payments may be made without the use of the voucher-warrant
8 system, provided that documentation of approval by the
9 Treasurer of each group of payments made by direct deposit
10 shall be retained by the Comptroller. The form and method of
11 the Treasurer's approval shall be established by the rules or
12 regulations adopted by the Comptroller under this Section.

13 (b) Except as provided in subsection (b-5), all State
14 payments for an employee's payroll or an employee's expense
15 reimbursement must be made through direct deposit. It is the
16 responsibility of the paying State agency to ensure compliance
17 with this mandate. If a State agency pays an employee's
18 payroll or an employee's expense reimbursement without using
19 direct deposit, the Comptroller may charge that employee a
20 processing fee of \$2.50 per paper warrant. The processing fee
21 may be withheld from the employee's payment or reimbursement.
22 The amount collected from the fee shall be deposited into the
23 Comptroller's Administrative Fund.

24 (b-5) If an employee wants his or her payments deposited
25 into a secure check account, the employee must submit a direct
26 deposit form to the paying State agency for his or her payroll

1 or to the Comptroller for his or her expense reimbursements.
2 Upon acceptance of the direct deposit form, the Comptroller
3 shall disburse those funds to the secure check account. For
4 the purposes of this Section, "secure check account" means an
5 account established with a financial institution for the
6 employee that allows the dispensing of the funds in the
7 account through a third party who dispenses to the employee a
8 paper check.

9 (c) All State payments to a vendor that exceed the
10 allowable limit of paper warrants in a fiscal year, by the same
11 agency, must be made through direct deposit. It is the
12 responsibility of the paying State agency to ensure compliance
13 with this mandate. If a State agency pays a vendor more times
14 than the allowable limit in a single fiscal year without using
15 direct deposit, the Comptroller may charge the vendor a
16 processing fee of \$2.50 per paper warrant. The processing fee
17 may be withheld from the vendor's payment. The amount
18 collected from the processing fee shall be deposited into the
19 Comptroller's Administrative Fund. The Office of the
20 Comptroller shall define "allowable limit" in the
21 Comptroller's Statewide Accounting Management System (SAMS)
22 manual, except that the allowable limit shall not be less than
23 30 paper warrants. The Office of the Comptroller shall also
24 provide reasonable notice to all State agencies of the
25 allowable limit of paper warrants.

26 (c-1) All State payments to an entity from a payroll or

1 retirement voluntary deduction must be made through direct
2 deposit. If an entity receives a payment from a payroll or
3 retirement voluntary deduction without using direct deposit,
4 the Comptroller may charge the entity a processing fee of
5 \$2.50 per paper warrant. The processing fee may be withheld
6 from the entity's payment or billed to the entity at a later
7 date. The amount collected from the processing fee shall be
8 deposited into the Comptroller's Administrative Fund. The
9 Comptroller shall provide reasonable notice to all entities
10 impacted by this requirement. Any new entities that receive a
11 payroll or retirement voluntary deduction must sign up for
12 direct deposit during the application process.

13 (c-2) The detail information, such as names, identifiers,
14 and amounts, associated with a State payment to an entity from
15 a payroll or retirement voluntary deduction must be retrieved
16 by the entity from the Comptroller's designated Internet
17 website or an electronic alternative approved by the
18 Comptroller. If the entity requires the Comptroller to mail
19 the detail information, the Comptroller may charge the entity
20 a processing fee up to \$25.00 per mailing. Any processing fee
21 will be billed to the entity at a later date. The amount
22 collected from the processing fee shall be deposited into the
23 Comptroller's Administrative Fund. The Comptroller shall
24 provide reasonable notice to all entities impacted by this
25 requirement.

26 (d) State employees covered by provisions in collective

1 bargaining agreements that do not require direct deposit of
2 paychecks are exempt from this mandate. No later than 60 days
3 after the effective date of this amendatory Act of the 97th
4 General Assembly, all State agencies must provide to the
5 Office of the Comptroller a list of employees that are exempt
6 under this subsection (d) from the direct deposit mandate. In
7 addition, a State employee or vendor may file a hardship
8 petition with the Office of the Comptroller requesting an
9 exemption from the direct deposit mandate under this Section.
10 A hardship petition shall be made available for download on
11 the Comptroller's official Internet website.

12 (e) Notwithstanding any provision of law to the contrary,
13 the direct deposit of State payments under this Section for an
14 employee's payroll, an employee's expense reimbursement, or a
15 State vendor's payment does not authorize the State to
16 automatically withdraw funds from those accounts.

17 (f) For the purposes of this Section, "vendor" means a
18 non-governmental entity with a taxpayer identification number
19 issued by the Social Security Administration or Internal
20 Revenue Service that receives payments through the
21 Comptroller's commercial system. The term does not include
22 State agencies.

23 (g) The requirements of this Section do not apply to the
24 legislative or judicial branches of State government.

25 (Source: P.A. 97-348, eff. 8-12-11; 97-993, eff. 9-16-12;
26 98-463, eff. 8-16-13; 98-1043, eff. 8-25-14.)

1 Section 10. The State Finance Act is amended by changing
2 Section 25 as follows:

3 (30 ILCS 105/25) (from Ch. 127, par. 161)

4 Sec. 25. Fiscal year limitations.

5 (a) All appropriations shall be available for expenditure
6 for the fiscal year or for a lesser period if the Act making
7 that appropriation so specifies. A deficiency or emergency
8 appropriation shall be available for expenditure only through
9 June 30 of the year when the Act making that appropriation is
10 enacted unless that Act otherwise provides.

11 (b) Outstanding liabilities as of June 30, payable from
12 appropriations which have otherwise expired, may be paid out
13 of the expiring appropriations during the 3-month ~~2-month~~
14 period ending at the close of business on September 30 ~~August~~
15 ~~31~~. Any service involving professional or artistic skills or
16 any personal services by an employee whose compensation is
17 subject to income tax withholding must be performed as of June
18 30 of the fiscal year in order to be considered an "outstanding
19 liability as of June 30" that is thereby eligible for payment
20 out of the expiring appropriation.

21 (b-1) However, payment of tuition reimbursement claims
22 under Section 14-7.03 or 18-3 of the School Code may be made by
23 the State Board of Education from its appropriations for those
24 respective purposes for any fiscal year, even though the

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

12 (b-2) (Blank).

13 (b-2.5) (Blank).

14 (b-2.6) (Blank).

15 (b-2.6a) (Blank).

16 (b-2.6b) (Blank).

17 (b-2.6c) (Blank).

18 (b-2.6d) All outstanding liabilities as of June 30, 2020,
19 payable from appropriations that would otherwise expire at the
20 conclusion of the lapse period for fiscal year 2020, and
21 interest penalties payable on those liabilities under the
22 State Prompt Payment Act, may be paid out of the expiring
23 appropriations until December 31, 2020, without regard to the
24 fiscal year in which the payment is made, as long as vouchers
25 for the liabilities are received by the Comptroller no later
26 than September 30, 2020.

1 (b-2.6e) All outstanding liabilities as of June 30, 2021,
2 payable from appropriations that would otherwise expire at the
3 conclusion of the lapse period for fiscal year 2021, and
4 interest penalties payable on those liabilities under the
5 State Prompt Payment Act, may be paid out of the expiring
6 appropriations until September 30, 2021, without regard to the
7 fiscal year in which the payment is made.

8 (b-2.7) For fiscal years 2012, 2013, 2014, 2018, and each
9 fiscal year thereafter, interest penalties payable under the
10 State Prompt Payment Act associated with a voucher for which
11 payment is issued after June 30 may be paid out of the next
12 fiscal year's appropriation. The future year appropriation
13 must be for the same purpose and from the same fund as the
14 original payment. An interest penalty voucher submitted
15 against a future year appropriation must be submitted within
16 60 days after the issuance of the associated voucher, except
17 that, for fiscal year 2018 only, an interest penalty voucher
18 submitted against a future year appropriation must be
19 submitted within 60 days of June 5, 2019 (the effective date of
20 Public Act 101-10). The Comptroller must issue the interest
21 payment within 60 days after acceptance of the interest
22 voucher.

23 (b-3) Medical payments may be made by the Department of
24 Veterans' Affairs from its appropriations for those purposes
25 for any fiscal year, without regard to the fact that the
26 medical services being compensated for by such payment may

1 have been rendered in a prior fiscal year, except as required
2 by subsection (j) of this Section. Beginning on June 30, 2021,
3 medical payments payable from appropriations that have
4 otherwise expired may be paid out of the expiring
5 appropriation during the 4-month period ending at the close of
6 business on October 31.

7 (b-4) Medical payments and child care payments may be made
8 by the Department of Human Services (as successor to the
9 Department of Public Aid) from appropriations for those
10 purposes for any fiscal year, without regard to the fact that
11 the medical or child care services being compensated for by
12 such payment may have been rendered in a prior fiscal year; and
13 payments may be made at the direction of the Department of
14 Healthcare and Family Services (or successor agency) from the
15 Health Insurance Reserve Fund without regard to any fiscal
16 year limitations, except as required by subsection (j) of this
17 Section. Beginning on June 30, 2021, medical and child care
18 payments made by the Department of Human Services and payments
19 made at the discretion of the Department of Healthcare and
20 Family Services (or successor agency) from the Health
21 Insurance Reserve Fund and payable from appropriations that
22 have otherwise expired may be paid out of the expiring
23 appropriation during the 4-month period ending at the close of
24 business on October 31.

25 (b-5) Medical payments may be made by the Department of
26 Human Services from its appropriations relating to substance

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

14 (b-6) (Blank).

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

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

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

4 (b-9) (Blank).

5 (c) Further, payments may be made by the Department of
6 Public Health and the Department of Human Services (acting as
7 successor to the Department of Public Health under the
8 Department of Human Services Act) from their respective
9 appropriations for grants for medical care to or on behalf of
10 premature and high-mortality risk infants and their mothers
11 and for grants for supplemental food supplies provided under
12 the United States Department of Agriculture Women, Infants and
13 Children Nutrition Program, for any fiscal year without regard
14 to the fact that the services being compensated for by such
15 payment may have been rendered in a prior fiscal year, except
16 as required by subsection (j) of this Section. Beginning on
17 June 30, 2021, payments made by the Department of Public
18 Health and the Department of Human Services from their
19 respective appropriations for grants for medical care to or on
20 behalf of premature and high-mortality risk infants and their
21 mothers and for grants for supplemental food supplies provided
22 under the United States Department of Agriculture Women,
23 Infants and Children Nutrition Program payable from
24 appropriations that have otherwise expired may be paid out of
25 the expiring appropriations during the 4-month period ending
26 at the close of business on October 31.

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

14 (e) The Department of Healthcare and Family Services, the
15 Department of Human Services (acting as successor to the
16 Department of Public Aid), and the Department of Human
17 Services making fee-for-service payments relating to substance
18 abuse treatment services provided during a previous fiscal
19 year shall each annually submit to the State Comptroller,
20 Senate President, Senate Minority Leader, Speaker of the
21 House, House Minority Leader, the respective Chairmen and
22 Minority Spokesmen of the Appropriations Committees of the
23 Senate and the House, on or before November 30, a report that
24 shall document by program or service category those
25 expenditures from the most recently completed fiscal year used
26 to pay for (i) services provided in prior fiscal years and (ii)

1 services for which claims were received in prior fiscal years.

2 (f) The Department of Human Services (as successor to the
3 Department of Public Aid) shall annually submit to the State
4 Comptroller, Senate President, Senate Minority Leader, Speaker
5 of the House, House Minority Leader, and the respective
6 Chairmen and Minority Spokesmen of the Appropriations
7 Committees of the Senate and the House, on or before December
8 31, a report of fiscal year funds used to pay for services
9 (other than medical care) provided in any prior fiscal year.
10 This report shall document by program or service category
11 those expenditures from the most recently completed fiscal
12 year used to pay for services provided in prior fiscal years.

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

17 (1) Explanations of the exact causes of the variance
18 between the previous year's estimated and actual
19 liabilities.

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

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

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

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

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

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

18 (3) issuing catch-up billings to user agencies during
19 the subsequent fiscal year for amounts remaining due when
20 payments or authorized inter-fund transfers received from
21 the user agency during the prior fiscal year were less
22 than the total amount owed for that period.

23 User agencies are authorized to reimburse internal service
24 funds for catch-up billings by vouchers drawn against their
25 respective appropriations for the fiscal year in which the
26 catch-up billing was issued or by increasing an authorized

1 inter-fund transfer during the current fiscal year. For the
2 purposes of this Act, "inter-fund transfers" means transfers
3 without the use of the voucher-warrant process, as authorized
4 by Section 9.01 of the State Comptroller Act.

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

16 (j) Notwithstanding any other provision of this Act, the
17 aggregate amount of payments to be made without regard for
18 fiscal year limitations as contained in subsections (b-1),
19 (b-3), (b-4), (b-5), and (c) of this Section, and determined
20 by using Generally Accepted Accounting Principles, shall not
21 exceed the following amounts:

22 (1) \$6,000,000,000 for outstanding liabilities related
23 to fiscal year 2012;

24 (2) \$5,300,000,000 for outstanding liabilities related
25 to fiscal year 2013;

26 (3) \$4,600,000,000 for outstanding liabilities related

1 to fiscal year 2014;

2 (4) \$4,000,000,000 for outstanding liabilities related
3 to fiscal year 2015;

4 (5) \$3,300,000,000 for outstanding liabilities related
5 to fiscal year 2016;

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

8 (7) \$2,000,000,000 for outstanding liabilities related
9 to fiscal year 2018;

10 (8) \$1,300,000,000 for outstanding liabilities related
11 to fiscal year 2019;

12 (9) \$600,000,000 for outstanding liabilities related
13 to fiscal year 2020; and

14 (10) \$0 for outstanding liabilities related to fiscal
15 year 2021 and fiscal years thereafter.

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

18 (1) Definition of Medical Assistance.

19 For purposes of this subsection, the term "Medical
20 Assistance" shall include, but not necessarily be
21 limited to, medical programs and services authorized
22 under Titles XIX and XXI of the Social Security Act,
23 the Illinois Public Aid Code, the Children's Health
24 Insurance Program Act, the Covering ALL KIDS Health
25 Insurance Act, the Long Term Acute Care Hospital
26 Quality Improvement Transfer Program Act, and medical

1 care to or on behalf of persons suffering from chronic
2 renal disease, persons suffering from hemophilia, and
3 victims of sexual assault.

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

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

18 (B) Bills for Medical Assistance services rendered
19 in a particular fiscal year, but received and recorded
20 by the Department of Healthcare and Family Services
21 after June 30th of that fiscal year, may be paid from
22 either appropriations for that fiscal year or future
23 fiscal year appropriations for Medical Assistance.
24 Such payments shall not be subject to the requirements
25 of subparagraph (A).

26 (C) Medical Assistance bills received by the

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

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

16 (3) Extended lapse period for Department of Healthcare
17 and Family Services Medical Assistance payments.
18 Notwithstanding any other State law to the contrary,
19 outstanding Department of Healthcare and Family Services
20 Medical Assistance liabilities, as of June 30th, payable
21 from appropriations which have otherwise expired, may be
22 paid out of the expiring appropriations during the 4-month
23 period ending at the close of business on October 31st.

24 (1) The changes to this Section made by Public Act 97-691
25 shall be effective for payment of Medical Assistance bills
26 incurred in fiscal year 2013 and future fiscal years. The

1 changes to this Section made by Public Act 97-691 shall not be
2 applied to Medical Assistance bills incurred in fiscal year
3 2012 or prior fiscal years.

4 (m) The Comptroller must issue payments against
5 outstanding liabilities that were received prior to the lapse
6 period deadlines set forth in this Section as soon thereafter
7 as practical, but no payment may be issued after the 4 months
8 following the lapse period deadline without the signed
9 authorization of the Comptroller and the Governor or as
10 provided by Section 18 of the Court of Claims Act.

11 (Source: P.A. 102-16, eff. 6-17-21; 102-291, eff. 8-6-21;
12 102-699, eff. 4-19-22; 102-813, eff. 5-13-22; 103-8, eff.
13 6-7-23.)

14 Section 15. The State Prompt Payment Act is amended by
15 changing Sections 1, 3-2, 3-3, 3-6, 5, and 7 as follows:

16 (30 ILCS 540/1) (from Ch. 127, par. 132.401)

17 Sec. 1. This Act applies to any State official or agency
18 authorized to provide for payment from State funds, by virtue
19 of any appropriation of the General Assembly, for goods or
20 services furnished to the State.

21 For purposes of this Act, "goods or services furnished to
22 the State" include but are not limited to (i) covered health
23 care provided to eligible members and their covered dependents
24 in accordance with the State Employees Group Insurance Act of

1 1971, including coverage through a physician-owned health
2 maintenance organization under Section 6.1 of that Act, (ii)
3 ~~prevention, intervention, or treatment~~ services and supports
4 ~~for persons with developmental disabilities, mental health~~
5 ~~services, alcohol and substance abuse services, rehabilitation~~
6 ~~services, and early intervention services~~ provided by a
7 vendor, and (iii) ~~prevention, intervention, or treatment~~
8 services and supports ~~for youth~~ provided by a vendor by virtue
9 of a contractual grant agreement. For the purposes of items
10 (ii) and (iii), a vendor includes but is not limited to sellers
11 of goods and services, including community-based organizations
12 ~~that are licensed to provide prevention, intervention, or~~
13 ~~treatment services and supports for persons with developmental~~
14 ~~disabilities, mental illness, and substance abuse problems, or~~
15 ~~that provides prevention, intervention, or treatment services~~
16 ~~and supports for youth.~~

17 For the purposes of this Act, "appropriate State official
18 or agency" is defined as the Director or Chief Executive or his
19 designee of that State agency or department or facility of
20 such agency or department. With respect to covered health care
21 provided to eligible members and their dependents in
22 accordance with the State Employees Group Insurance Act of
23 1971, "appropriate State official or agency" also includes an
24 administrator of a program of health benefits under that Act.

25 As used in this Act, "eligible member" means a member who
26 is eligible for health benefits under the State Employees

1 Group Insurance Act of 1971, and "member" and "dependent" have
2 the meanings ascribed to those terms in that Act.

3 As used in this Act, "a proper bill or invoice" means a
4 bill or invoice, including, but not limited to, an invoice
5 issued under a contractual grant agreement, that includes the
6 information necessary for processing the payment as may be
7 specified by a State agency and in rules adopted in accordance
8 with this Act. Beginning on and after July 1, 2021, "a proper
9 bill or invoice" shall also include the names of all
10 subcontractors or subconsultants to be paid from the bill or
11 invoice and the amounts due to each of them, if any.

12 (Source: P.A. 100-549, eff. 1-1-18; 101-524, eff. 1-1-20.)

13 (30 ILCS 540/3-2)

14 Sec. 3-2. Beginning July 1, 1993, in any instance where a
15 State official or agency is late in payment of a vendor's bill
16 or invoice for goods or services furnished to the State, as
17 defined in Section 1, properly approved in accordance with
18 rules promulgated under Section 3-3, the State official or
19 agency shall pay interest to the vendor in accordance with the
20 following:

21 (1) (Blank). ~~Any bill, except a bill submitted under~~
22 ~~Article V of the Illinois Public Aid Code and except as~~
23 ~~provided under paragraph (1.05) of this Section, approved~~
24 ~~for payment under this Section must be paid or the payment~~
25 ~~issued to the payee within 60 days of receipt of a proper~~

1 ~~bill or invoice. If payment is not issued to the payee~~
2 ~~within this 60 day period, an interest penalty of 1.0% of~~
3 ~~any amount approved and unpaid shall be added for each~~
4 ~~month or fraction thereof after the end of this 60 day~~
5 ~~period, until final payment is made. Any bill, except a~~
6 ~~bill for pharmacy or nursing facility services or goods,~~
7 ~~and except as provided under paragraph (1.05) of this~~
8 ~~Section, submitted under Article V of the Illinois Public~~
9 ~~Aid Code approved for payment under this Section must be~~
10 ~~paid or the payment issued to the payee within 60 days~~
11 ~~after receipt of a proper bill or invoice, and, if payment~~
12 ~~is not issued to the payee within this 60 day period, an~~
13 ~~interest penalty of 2.0% of any amount approved and unpaid~~
14 ~~shall be added for each month or fraction thereof after~~
15 ~~the end of this 60 day period, until final payment is~~
16 ~~made. Any bill for pharmacy or nursing facility services~~
17 ~~or goods submitted under Article V of the Illinois Public~~
18 ~~Aid Code, except as provided under paragraph (1.05) of~~
19 ~~this Section, and approved for payment under this Section~~
20 ~~must be paid or the payment issued to the payee within 60~~
21 ~~days of receipt of a proper bill or invoice. If payment is~~
22 ~~not issued to the payee within this 60 day period, an~~
23 ~~interest penalty of 1.0% of any amount approved and unpaid~~
24 ~~shall be added for each month or fraction thereof after~~
25 ~~the end of this 60 day period, until final payment is~~
26 ~~made.~~

1 (1.05) Except as provided in paragraph (3) of this
2 Section, for ~~For~~ State fiscal ~~years~~ ~~year~~ 2012 ~~through 2024~~
3 ~~and future fiscal years,~~ any bill approved for payment
4 under this Section must be paid or the payment issued to
5 the payee within 90 days of receipt of a proper bill or
6 invoice. If payment is not issued to the payee within this
7 90-day period, an interest penalty of 1.0% of any amount
8 approved and unpaid shall be added for each month, or
9 0.033% (one-thirtieth of one percent) of any amount
10 approved and unpaid for each day, after the end of this
11 90-day period, until final payment is made.

12 For State fiscal year 2025 and future fiscal years,
13 any bill approved for payment under this Section must be
14 paid or the payment issued to the payee within 60 days of
15 receipt of a proper bill or invoice. If payment is not
16 issued to the payee within this 60-day period, an interest
17 penalty of 1% of any amount approved and unpaid shall be
18 added for each month, or 0.033% (one-thirtieth of one
19 percent) of any amount approved and unpaid for each day,
20 after the end of this 60-day period, until final payment
21 is made.

22 (1.1) A State agency shall review ~~in a timely manner~~
23 each bill or invoice within 30 days after its receipt. If
24 the State agency determines that the bill or invoice
25 contains a defect making it unable to process the payment
26 request, the agency shall notify the vendor requesting

1 payment ~~as soon as possible after discovering the defect~~
2 ~~pursuant to rules promulgated under Section 3-3; provided,~~
3 ~~however, that the notice for construction related bills or~~
4 ~~invoices must be given~~ not later than 30 days after the
5 bill or invoice was first submitted. The notice shall
6 identify the defect and any additional information
7 necessary to correct the defect. If one or more items on a
8 construction related bill or invoice are disapproved, but
9 not the entire bill or invoice, then the portion that is
10 not disapproved shall be paid in accordance with the
11 requirements of this Act.

12 (2) Where a State official or agency is late in
13 payment of a vendor's bill or invoice properly approved in
14 accordance with this Act, and different late payment terms
15 are not reduced to writing as a contractual agreement, the
16 State official or agency shall automatically pay interest
17 penalties required by this Section amounting to \$50 or
18 more to the appropriate vendor. Each agency shall be
19 responsible for determining whether an interest penalty is
20 owed and for paying the interest to the vendor. Except as
21 provided in paragraph (4), an individual interest payment
22 amounting to \$5 or less shall not be paid by the State.
23 Interest due to a vendor that amounts to greater than \$5
24 and less than \$50 shall not be paid but shall be accrued
25 until all interest due the vendor for all similar warrants
26 exceeds \$50, at which time the accrued interest shall be

1 payable and interest will begin accruing again, except
2 that interest accrued as of the end of the fiscal year that
3 does not exceed \$50 shall be payable at that time. In the
4 event an individual has paid a vendor for services in
5 advance, the provisions of this Section shall apply until
6 payment is made to that individual.

7 (3) The provisions of Public Act 96-1501 reducing the
8 interest rate on pharmacy claims under Article V of the
9 Illinois Public Aid Code to 1.0% per month shall apply to
10 any pharmacy bills for services and goods under Article V
11 of the Illinois Public Aid Code received on or after the
12 date 60 days before January 25, 2011 (the effective date
13 of Public Act 96-1501) except as provided under paragraph
14 (1.05) of this Section.

15 (4) Interest amounting to less than \$5 shall not be
16 paid by the State, except for claims (i) to the Department
17 of Healthcare and Family Services or the Department of
18 Human Services, (ii) pursuant to Article V of the Illinois
19 Public Aid Code, the Covering ALL KIDS Health Insurance
20 Act, or the Children's Health Insurance Program Act, and
21 (iii) made (A) by pharmacies for prescriptive services or
22 (B) by any federally qualified health center for
23 prescriptive services or any other services.

24 Notwithstanding any provision to the contrary, interest
25 may not be paid under this Act when: (1) a Chief Procurement
26 Officer has voided the underlying contract for goods or

1 services under Article 50 of the Illinois Procurement Code; or
2 (2) the Auditor General is conducting a performance or program
3 audit and the Comptroller has held or is holding for review a
4 related contract or vouchers for payment of goods or services
5 in the exercise of duties under Section 9 of the State
6 Comptroller Act. In such event, interest shall not accrue
7 during the pendency of the Auditor General's review.

8 (Source: P.A. 100-1064, eff. 8-24-18.)

9 (30 ILCS 540/3-3) (from Ch. 127, par. 132.403-3)

10 Sec. 3-3. The State Comptroller and the Department of
11 Central Management Services shall jointly promulgate rules and
12 policies to govern the uniform application of this Act. These
13 rules and policies shall include procedures and time frames
14 for approving a bill or invoice from a vendor for goods or
15 services furnished to the State. Those rules shall require
16 that action to approve or reject a bill or invoice shall be
17 taken not more than 30 days after receiving the bill or invoice
18 from the vendor. These rules and policies shall provide for
19 procedures and time frames applicable to payment plans as may
20 be agreed upon between State agencies and vendors. These rules
21 and policies shall be binding on all officials and agencies
22 under this Act's jurisdiction. These rules and policies may be
23 made effective no earlier than July 1, 1993.

24 (Source: P.A. 92-384, eff. 7-1-02.)

1 (30 ILCS 540/3-6)

2 Sec. 3-6. Federal funds; lack of authority. If an agency
3 incurs an interest liability under this Act that cannot be
4 charged to the same expenditure authority account to which the
5 related goods or services were charged due to federal
6 prohibitions, the agency is authorized to pay the interest
7 from its available appropriations from any funding source ~~the~~
8 ~~General Revenue Fund~~.

9 (Source: P.A. 100-587, eff. 6-4-18.)

10 (30 ILCS 540/5) (from Ch. 127, par. 132.405)

11 Sec. 5. The State remittance and the grant agreement shall
12 indicate that payment of interest may be available for failure
13 to comply with this Act.

14 (Source: P.A. 92-384, eff. 7-1-02.)

15 (30 ILCS 540/7) (from Ch. 127, par. 132.407)

16 Sec. 7. Payments to subcontractors and material suppliers.

17 (a) When a State official or agency responsible for
18 administering a contract receives a bill or invoice from a
19 contractor, that State official or agency shall confirm the
20 date on which the bill or invoice was received within 5
21 business days of receipt, and shall transmit any approved
22 amount to the Comptroller within 30 days of receipt.

23 (a-1) When a State official or agency responsible for
24 administering a contract submits a voucher to the Comptroller

1 for payment to a contractor, that State official or agency
2 shall ~~promptly~~ make available electronically the voucher
3 number, the date of the voucher, and the amount of the voucher
4 within 5 business days of submitting the voucher to the
5 Comptroller. The State official or agency responsible for
6 administering the contract shall provide subcontractors and
7 material suppliers, known to the State official or agency,
8 with instructions on how to access the electronic information
9 on the Comptroller's website.

10 (a-5) When a contractor receives any payment, the
11 contractor shall pay each subcontractor and material supplier
12 electronically within 10 business days or 15 calendar days,
13 whichever occurs earlier, or, if paid by a printed check, the
14 printed check must be postmarked within 10 business days or 15
15 calendar days, whichever occurs earlier, after receiving
16 payment in proportion to the work completed by each
17 subcontractor and material supplier its application or pay
18 estimate, plus interest received under this Act. When a
19 contractor receives any payment, the contractor shall pay each
20 lower-tiered subcontractor and material supplier and each
21 subcontractor and material supplier shall make payment to its
22 own respective subcontractors and material suppliers. If the
23 contractor receives less than the full payment due under the
24 public construction contract, the contractor shall be
25 obligated to disburse on a pro rata basis those funds
26 received, plus interest received under this Act, with the

1 contractor, subcontractors and material suppliers each
2 receiving a prorated portion based on the amount of payment
3 each has earned. When, however, the State official or agency
4 does not release the full payment due under the contract
5 because there are specific areas of work or materials the
6 State agency or official has determined are not suitable for
7 payment, then those specific subcontractors or material
8 suppliers involved shall not be paid for that portion of work
9 rejected or deemed not suitable for payment and all other
10 subcontractors and suppliers shall be paid based upon the
11 amount of payment each has earned, plus interest received
12 under this Act.

13 (a-10) For construction contracts with the Department of
14 Transportation, the contractor, subcontractor, or material
15 supplier, regardless of tier, shall not offset, decrease, or
16 diminish payment or payments that are due to its
17 subcontractors or material suppliers without reasonable cause.

18 A contractor, who refuses to make prompt payment within 10
19 business days or 15 calendar days, whichever occurs earlier,
20 after receiving payment, in whole or in part, shall provide to
21 the subcontractor or material supplier and the public owner or
22 its agent, a written notice of that refusal. The written
23 notice shall be made by a contractor no later than 5 calendar
24 days after payment is received by the contractor. The written
25 notice shall identify the Department of Transportation's
26 contract, any subcontract or material purchase agreement, a

1 detailed reason for refusal, the value of the payment to be
2 withheld, and the specific remedial actions required of the
3 subcontractor or material supplier so that payment may be
4 made. Written notice of refusal may be given in a form and
5 method which is acceptable to the parties and public owner.

6 (b) If the contractor, without reasonable cause, fails to
7 make full payment of amounts due under subsection (a) to its
8 subcontractors and material suppliers within 10 business days
9 or 15 calendar days, whichever occurs earlier, after receipt
10 of payment from the State official or agency, the contractor
11 shall pay to its subcontractors and material suppliers, in
12 addition to the payment due them, interest in the amount of 2%
13 per month, calculated from the expiration of the
14 10-business-day period or the 15-calendar-day period until
15 fully paid. This subsection shall further apply to any
16 payments made by subcontractors and material suppliers to
17 their subcontractors and material suppliers and to all
18 payments made to lower tier subcontractors and material
19 suppliers throughout the contracting chain.

20 (1) If a contractor, without reasonable cause, fails
21 to make payment in full as provided in subsection (a-5)
22 within 10 business days or 15 calendar days, whichever
23 occurs earlier, after receipt of payment under the public
24 construction contract, any subcontractor or material
25 supplier to whom payments are owed may file a written
26 notice and request for administrative hearing with the

1 State official or agency setting forth the amount owed by
2 the contractor and the contractor's failure to timely pay
3 the amount owed. The written notice and request for
4 administrative hearing shall identify the public
5 construction contract, the contractor, and the amount
6 owed, and shall contain a sworn statement or attestation
7 to verify the accuracy of the notice. The notice and
8 request for administrative hearing shall be filed with the
9 State official for the public construction contract, with
10 a copy of the notice concurrently provided to the
11 contractor. Notice to the State official may be made by
12 certified or registered mail, messenger service, or
13 personal service, and must include proof of delivery to
14 the State official.

15 (2) The State official or agency, within 15 calendar
16 days after receipt of a subcontractor's or material
17 supplier's written notice and request for administrative
18 hearing, shall hold a hearing convened by an
19 administrative law judge to determine whether the
20 contractor withheld payment, without reasonable cause,
21 from the subcontractors or material suppliers and what
22 amount, if any, is due to the subcontractors or material
23 suppliers, and the reasonable cause or causes asserted by
24 the contractor. The State official or agency shall provide
25 appropriate notice to the parties of the date, time, and
26 location of the hearing. Each contractor, subcontractor,

1 or material supplier has the right to be represented by
2 counsel at a hearing and to cross-examine witnesses and
3 challenge documents. Upon the request of the subcontractor
4 or material supplier and a showing of good cause,
5 reasonable continuances may be granted by the
6 administrative law judge.

7 (3) Upon a finding by the administrative law judge
8 that the contractor failed to make payment in full,
9 without reasonable cause, as provided in subsection
10 (a-10), then the administrative law judge shall, in
11 writing, order the contractor to pay the amount owed to
12 the subcontractors or material suppliers plus interest
13 within 15 calendar days after the order.

14 (4) If a contractor fails to make full payment as
15 ordered under paragraph (3) of this subsection (b) within
16 15 days after the administrative law judge's order, then
17 the contractor shall be barred from entering into a State
18 public construction contract for a period of one year
19 beginning on the date of the administrative law judge's
20 order.

21 (5) If, on 2 or more occasions within a
22 3-calendar-year period, there is a finding by an
23 administrative law judge that the contractor failed to
24 make payment in full, without reasonable cause, and a
25 written order was issued to a contractor under paragraph
26 (3) of this subsection (b), then the contractor shall be

1 barred from entering into a State public construction
2 contract for a period of 6 months beginning on the date of
3 the administrative law judge's second written order, even
4 if the payments required under the orders were made in
5 full.

6 (6) If a contractor fails to make full payment as
7 ordered under paragraph (4) of this subsection (b), the
8 subcontractor or material supplier may, within 30 days of
9 the date of that order, petition the State agency for an
10 order for reasonable attorney's fees and costs incurred in
11 the prosecution of the action under this subsection (b).
12 Upon that petition and taking of additional evidence, as
13 may be required, the administrative law judge may issue a
14 supplemental order directing the contractor to pay those
15 reasonable attorney's fees and costs.

16 (7) The written order of the administrative law judge
17 shall be final and appealable under the Administrative
18 Review Law.

19 (b-5) On or before July 2021, the Department of
20 Transportation shall publish on its website a searchable
21 database that allows for queries for each active construction
22 contract by the name of a subcontractor or the pay item such
23 that each pay item is associated with either the prime
24 contractor or a subcontractor.

25 (c) This Section shall not be construed to in any manner
26 diminish, negate, or interfere with the

1 contractor-subcontractor or contractor-material supplier
2 relationship or commercially useful function.

3 (d) This Section shall not preclude, bar, or stay the
4 rights, remedies, and defenses available to the parties by way
5 of the operation of their contract, purchase agreement, the
6 Mechanics Lien Act, or the Public Construction Bond Act.

7 (e) State officials and agencies may adopt rules as may be
8 deemed necessary in order to establish the formal procedures
9 required under this Section.

10 (f) As used in this Section:

11 "Payment" means the discharge of an obligation in money or
12 other valuable consideration or thing delivered in full or
13 partial satisfaction of an obligation to pay. "Payment" shall
14 include interest paid pursuant to this Act.

15 "Reasonable cause" may include, but is not limited to,
16 unsatisfactory workmanship or materials; failure to provide
17 documentation required by the contract, subcontract, or
18 material purchase agreement; claims made against the
19 Department of Transportation or the subcontractor pursuant to
20 subsection (c) of Section 23 of the Mechanics Lien Act or the
21 Public Construction Bond Act; judgments, levies, garnishments,
22 or other court-ordered assessments or offsets in favor of the
23 Department of Transportation or other State agency entered
24 against a subcontractor or material supplier. "Reasonable
25 cause" does not include payments issued to the contractor that
26 create a negative or reduced valuation pay application or pay

1 estimate due to a reduction of contract quantities or work not
2 performed or provided by the subcontractor or material
3 supplier; the interception or withholding of funds for reasons
4 not related to the subcontractor's or material supplier's work
5 on the contract; anticipated claims or assessments of third
6 parties not a party related to the contract or subcontract;
7 asserted claims or assessments of third parties that are not
8 authorized by court order, administrative tribunal, or
9 statute. "Reasonable cause" further does not include the
10 withholding, offset, or reduction of payment, in whole or in
11 part, due to the assessment of liquidated damages or penalties
12 assessed by the Department of Transportation against the
13 contractor, unless the subcontractor's performance or supplied
14 materials were the sole and proximate cause of the liquidated
15 damage or penalty.

16 (Source: P.A. 100-43, eff. 8-9-17; 100-376, eff. 1-1-18;
17 100-863, eff. 8-14-18; 101-524, eff. 1-1-20.)

18 Section 20. The Grant Accountability and Transparency Act
19 is amended by changing Sections 15, 25, 30, 50, 65, 97, and 125
20 and by adding Section 135 as follows:

21 (30 ILCS 708/15)

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

23 "Administrative costs" has the same meaning as given to
24 that term in 20 CFR 641.856.

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

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

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

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

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

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

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

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

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

23 (9) the costs are adequately documented.

24 "Assistance listing" means the database that helps the
25 federal government track all programs it has domestically
26 funded.

1 "Assistance listing number" or "ALN" means the number
2 assigned to a federal program in the assistance listing.

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

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

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

12 "Award" means financial assistance that provides support
13 or stimulation to accomplish a public purpose. "Awards"
14 include grants and other agreements in the form of money, or
15 property in lieu of money, by the State or federal government
16 to an eligible recipient. "Award" does not include: technical
17 assistance that provides services instead of money; other
18 assistance in the form of loans, loan guarantees, interest
19 subsidies, or insurance; direct payments of any kind to
20 individuals; or contracts that must be entered into and
21 administered under State or federal procurement laws and
22 regulations.

23 "Budget" means the financial plan for the project or
24 program that the awarding agency or pass-through entity
25 approves during the award process or in subsequent amendments
26 to the award. It may include the State or federal and

1 non-federal share or only the State or federal share, as
2 determined by the awarding agency or pass-through entity.

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

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

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

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

17 "Cluster of programs" means a grouping of closely related
18 programs that share common compliance requirements. The types
19 of clusters of programs are research and development, student
20 financial aid, and other clusters. A "cluster of programs"
21 shall be considered as one program for determining major
22 programs and, with the exception of research and development,
23 whether a program-specific audit may be elected.

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

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

7 "Contractor" means an entity that receives a contract.

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

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

18 (2) is distinguished from a grant in that it provides
19 for substantial involvement between the awarding agency or
20 pass-through entity and the non-federal entity in carrying
21 out the activity contemplated by the award.

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

26 "Corrective action" means action taken by the auditee that

1 (i) corrects identified deficiencies, (ii) produces
2 recommended improvements, or (iii) demonstrates that audit
3 findings are either invalid or do not warrant auditee action.

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

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

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

18 ~~"Data Universal Numbering System number" means the 9 digit~~
19 ~~number established and assigned by Dun and Bradstreet, Inc. to~~
20 ~~uniquely identify entities and, under federal law, is required~~
21 ~~for non-federal entities to apply for, receive, and report on~~
22 ~~a federal award.~~

23 "Direct costs" means costs that can be identified
24 specifically with a particular final cost objective, such as a
25 State or federal or federal pass-through award or a particular
26 sponsored project, an instructional activity, or any other

1 institutional activity, or that can be directly assigned to
2 such activities relatively easily with a high degree of
3 accuracy. "Direct costs" includes direct administrative costs
4 for employees who can be identified with a particular award
5 and who provide project activities, instructional activity,
6 project management, supervisory activity, clerical support,
7 and administrative activity; those costs are not considered
8 costs incurred for a common or joint purpose if all of the
9 following conditions are met: (1) the individual's services
10 are integral to a project or activity; (2) the individual can
11 be specifically identified with the project or activity; (3)
12 the costs are explicitly included in the budget or have the
13 prior written approval of the State awarding agency; and (4)
14 the costs are not also recovered as indirect costs.

15 "Equipment" means tangible personal property (including
16 information technology systems) having a useful life of more
17 than one year and a per-unit acquisition cost that equals or
18 exceeds the lesser of the capitalization level established by
19 the non-federal entity for financial statement purposes, or
20 \$5,000.

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

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

26 "Federal award" means:

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

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

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

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

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

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

1 costs.

2 "Federal program" means any of the following:

3 (1) All federal awards which are assigned a single
4 number in the assistance listing ~~CFDA~~.

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

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

12 (A) research and development;

13 (B) student financial aid; and

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

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

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

23 "Financial assistance" means the following:

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

- 1 (A) grants;
- 2 (B) cooperative agreements;
- 3 (C) non-cash contributions or donations of
4 property, including donated surplus property;
- 5 (D) direct appropriations;
- 6 (E) food commodities; and
- 7 (F) other financial assistance, except assistance
8 listed in paragraph (2) of this definition.

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

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

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

23 "Foreign public entity" means:

- 24 (1) a foreign government or foreign governmental
25 entity;
- 26 (2) a public international organization that is

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

4 (3) an entity owned, in whole or in part, or
5 controlled by a foreign government; or

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

9 "Foreign organization" means an entity that is:

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

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

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

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

4 "Fringe benefits" has the meaning given to that term in 2
5 CFR 200.431.

6 "Generally Accepted Accounting Principles" has the meaning
7 provided in accounting standards issued by the Government
8 Accounting Standards Board and the Financial Accounting
9 Standards Board.

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

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

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

24 (2) is distinguished from a cooperative agreement in
25 that it does not provide for substantial involvement
26 between the awarding agency or pass-through entity and the

1 non-federal entity in carrying out the activity
2 contemplated by the award.

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

6 "Grant application" means a specified form that is
7 completed by a non-federal entity in connection with a request
8 for a specific funding opportunity or a request for financial
9 support of a project or activity.

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

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

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

23 "Inspector General" means the Office of the Executive
24 Inspector General for Executive branch agencies.

25 "Loan" means a State or federal loan or loan guarantee
26 received or administered by a non-federal entity. "Loan" does

1 not include a "program income" as defined in 2 CFR 200.80.

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

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

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

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

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

24 ~~(1) is operated primarily for scientific, educational,~~
25 ~~service, charitable, or similar purposes in the public~~
26 ~~interest;~~

1 ~~(2) is not organized primarily for profit; and~~

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

4 "Not-for-profit corporation" has the meaning given to that
5 term in Section 101.80 of the General Not For Profit
6 Corporation Act of 1986.

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

13 "Office of Management and Budget" means the Office of
14 Management and Budget of the Executive Office of the
15 President.

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

24 "Oversight agency for audit" means the federal awarding
25 agency that provides the predominant amount of funding
26 directly to a non-federal entity not assigned a cognizant

1 agency for audit. When there is no direct funding, the
2 awarding agency that is the predominant source of pass-through
3 funding must assume the oversight responsibilities. The duties
4 of the oversight agency for audit and the process for any
5 reassignments are described in 2 CFR 200.513(b).

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

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

12 "Property" means real property or personal property.

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

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

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

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

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

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

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

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

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

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

19 "State program" means any of the following:

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

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

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

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

3 "Stop payment order" means a communication from a State
4 grant-making agency to the Office of the Comptroller,
5 following procedures set out by the Office of the Comptroller,
6 causing the cessation of payments to a recipient or
7 subrecipient as a result of the recipient's or subrecipient's
8 failure to comply with one or more terms of the grant or
9 subaward.

10 "Stop payment procedure" means the procedure created by
11 the Office of the Comptroller which effects a stop payment
12 order and the lifting of a stop payment order upon the request
13 of the State grant-making agency.

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

23 "Subaward" means a State or federal award provided by a
24 pass-through entity to a subrecipient for the subrecipient to
25 carry out part of a federal award received by the pass-through
26 entity. "Subaward" does not include payments to a contractor

1 or payments to an individual that is a beneficiary of a federal
2 program. A "subaward" may be provided through any form of
3 legal agreement, including an agreement that the pass-through
4 entity considers a contract.

5 "Subrecipient" means a non-federal entity that receives a
6 State or federal subaward from a pass-through entity to carry
7 out part of a federal program. "Subrecipient" does not include
8 an individual that is a beneficiary of such program. A
9 "subrecipient" may also be a recipient of other State or
10 federal awards directly from a State or federal awarding
11 agency.

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

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

21 "Unique entity ID" means the number established and
22 assigned by the federal government utilizing the SAM.gov
23 website to uniquely identify entities that apply to receive
24 and report on a federal award.

25 "Voluntary committed cost sharing" means cost sharing
26 specifically pledged on a voluntary basis in the proposal's

1 budget or the award on the part of the non-federal entity and
2 that becomes a binding requirement of the award.

3 (Source: P.A. 100-997, eff. 8-20-18.)

4 (30 ILCS 708/25)

5 Sec. 25. Supplemental rules. On or before July 1, 2017,
6 the Governor's Office of Management and Budget, with the
7 advice and technical assistance of the Illinois Single Audit
8 Commission, shall adopt supplemental rules pertaining to the
9 following:

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

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

13 (3) The award of competitive grants in 3-year terms
14 (one-year initial terms with the option to renew for up to
15 2 additional years) to coincide with the federal award.

16 (4) The issuance of grants, including:

17 (A) public notice of announcements of funding
18 opportunities;

19 (B) the development of uniform grant applications;

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

22 (D) specific conditions for individual recipients
23 (including the use of a fiscal agent and additional
24 corrective conditions);

25 (E) certifications and representations;

1 (F) pre-award costs;

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

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

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

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

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

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

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

25 (E) caps on the amount of salaries that may be
26 charged to grants, which shall not be less than based

1 ~~on~~ the limitations imposed by federal agencies.

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

6 (A) organization name;

7 (B) Federal Employee Identification Number;

8 (C) unique entity ID ~~Data Universal Numbering~~
9 ~~System (DUNS)~~ number;

10 (D) fiscal condition;

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

13 (F) (blank); ~~past performance in administering~~
14 ~~grants;~~

15 (G) whether the applicant is on the Debarred and
16 Suspended List maintained by the Governor's Office of
17 Management and Budget;

18 (H) whether the applicant is on the federal
19 Excluded Parties List; and

20 (I) whether the applicant is on the Sanctioned
21 Party List maintained by the Illinois Department of
22 Healthcare and Family Services.

23 Pre-qualification requirements may include consideration
24 of past performance in administering grants if past
25 performance failed to meet performance goals, indicators, and
26 milestones.

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

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

9 (Source: P.A. 101-81, eff. 7-12-19; 102-626, eff. 8-27-21.)

10 (30 ILCS 708/30)

11 Sec. 30. Catalog of State Financial Assistance. The
12 Catalog of State Financial Assistance is a single,
13 authoritative, statewide, comprehensive source document of
14 State financial assistance program information. The Catalog
15 shall contain, at a minimum, the following information:

16 (1) An introductory section that contains Catalog
17 highlights, an explanation of how to use the Catalog, an
18 explanation of the Catalog and its contents, and suggested
19 grant proposal writing methods and grant application
20 procedures.

21 (2) A comprehensive indexing system that categorizes
22 programs by issuing agency, eligible applicant,
23 application deadlines, function, popular name, and subject
24 area.

25 (3) Comprehensive appendices showing State assistance

1 programs that require coordination through this Act and
2 regulatory, legislative, and Executive Order authority for
3 each program, commonly used abbreviations and acronyms,
4 agency regional and local office addresses, and sources of
5 additional information.

6 (4) A list of programs that have been added to or
7 deleted from the Catalog and the various program numbers
8 and title changes.

9 (5) Program number, title, and popular name, if
10 applicable.

11 (6) The name of the State department or agency or
12 independent agency and primary organization sub-unit
13 administering the program.

14 (7) The enabling legislation, including popular name
15 of the Act, titles and Sections, Public Act number, and
16 citation to the Illinois Compiled Statutes.

17 (8) The type or types of financial and nonfinancial
18 assistance offered by the program.

19 (9) Uses and restrictions placed upon the program.

20 (10) Eligibility requirements, including applicant
21 eligibility criteria, beneficiary eligibility criteria,
22 and required credentials and documentation.

23 (11) Objectives and goals of the program.

24 (12) Information regarding application and award
25 processing; application deadlines; range of approval or
26 disapproval time; appeal procedure; and availability of a

1 renewal or extension of assistance.

2 (13) Assistance considerations, including an
3 explanation of the award formula, matching requirements,
4 and the length and time phasing of the assistance.

5 (14) Post-assistance requirements, including any
6 reports, audits, and records that may be required.

7 (15) Program accomplishments (where available)
8 describing quantitative measures of program performance.

9 (16) Regulations, guidelines, and literature
10 containing citations to the Illinois Administrative Code,
11 the Code of Federal Regulations, and other pertinent
12 informational materials.

13 (17) The names, telephone numbers, and e-mail
14 addresses of persons to be contacted for detailed program
15 information at the headquarters, regional, and local
16 levels.

17 (18) Criteria for Prompt Payment Act eligibility and
18 advanced payment eligibility.

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

20 (30 ILCS 708/50)

21 Sec. 50. State grant-making agency responsibilities.

22 (a) The specific requirements and responsibilities of
23 State grant-making agencies and non-federal entities are set
24 forth in this Act. State agencies making State awards to
25 non-federal entities must adopt by rule the language in 2 CFR

1 200, Subpart C through Subpart F unless different provisions
2 are required by law.

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

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

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

20 (2) provide recipients and subrecipients with clear
21 performance goals, indicators, and milestones and must
22 establish performance reporting frequency and content to
23 not only allow the State agency to understand the
24 recipient's progress, but also to facilitate
25 identification of promising practices among recipients and
26 subrecipients and build the evidence upon which the State

1 agency's program and performance decisions are made. The
2 frequency of reports on performance goals, indicators, and
3 milestones required under this Section shall not be more
4 frequent than quarterly. Nothing in this Section is
5 intended to prohibit more frequent reporting to assess
6 items such as service needs, gaps, or capacity.

7 (c-5) Each State grant-making agency shall, when it is in
8 the best interests of the State, request that the Office of the
9 Comptroller issue a stop payment order in accordance with
10 Section 105 of this Act.

11 (c-6) Upon notification by the Grant Transparency and
12 Accountability Unit that a stop payment order has been
13 requested by a State grant-making agency, each State
14 grant-making agency who has issued a grant to that recipient
15 or subrecipient shall determine if it remains in the best
16 interests of the State to continue to issue payments to the
17 recipient or subrecipient.

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

23 (1) training for State agency staff about the criteria
24 for Prompt Payment Act eligibility and advanced payment
25 eligibility;

26 (2) best practices for disseminating information about

1 grant opportunities statewide, with an emphasis on
2 reaching previously underserved communities and new
3 vendors, and

4 (3) the Court of Claims' jurisdiction and process
5 under the Court of Claims Act.

6 (e) In accordance with this Act and the Illinois State
7 Collection Act of 1986, refunds required under the Grant Funds
8 Recovery Act may be referred to the Comptroller's offset
9 system.

10 (Source: P.A. 100-997, eff. 8-20-18.)

11 (30 ILCS 708/65)

12 Sec. 65. Audit requirements.

13 (a) The standards set forth in Subpart F of 2 CFR 200 and
14 any other standards that apply directly to State or federal
15 agencies shall apply to audits of fiscal years beginning on or
16 after December 26, 2014.

17 (b) Books and records must be available for review or
18 audit by appropriate officials of the pass-through entity, and
19 the agency, the Auditor General, the Inspector General,
20 appropriate officials of the agency, and the federal
21 Government Accountability Office.

22 (c) The Governor's Office of Management and Budget, with
23 the advice and technical assistance of the Illinois Single
24 Audit Commission, shall adopt rules for audits of grants from
25 a State or federal pass-through entity that are not subject to

1 the Single Audit Act because the amount of the federal award is
2 less than the amount specified in subparts (a) and (b) of 2 CFR
3 200.501 ~~\$750,000~~ or the subrecipient is an exempt entity and
4 that are reasonably consistent with 2 CFR 200.

5 (d) This Act does not affect the provisions of the
6 Illinois State Auditing Act and does not address the external
7 audit function of the Auditor General.

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

9 (30 ILCS 708/97) (was 30 ILCS 708/520)

10 Sec. 97. Separate accounts for State grant funds.
11 Notwithstanding any provision of law to the contrary, all
12 grants for which advance payments are made and any grant
13 agreement entered into, renewed, or extended on or after
14 August 20, 2018 (the effective date of Public Act 100-997)
15 that permits advanced payments, between a State grant-making
16 agency and a not-for-profit ~~nonprofit~~ organization, shall
17 require the not-for-profit ~~nonprofit~~ organization receiving
18 grant funds to maintain those funds in an account which is
19 separate and distinct from any account holding non-grant
20 funds. Except as otherwise provided in an agreement between a
21 State grant-making agency and a nonprofit organization, the
22 grant funds held in a separate account by a nonprofit
23 organization shall not be used for non-grant-related
24 activities, and any unused grant funds shall be returned to
25 the State grant-making agency. This Section does not apply to

1 grant payments that are made as reimbursements.

2 (Source: P.A. 100-997, eff. 8-20-18; 101-81, eff. 7-12-19.)

3 (30 ILCS 708/125)

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

6 (a) In the event that a recipient or subrecipient incurs
7 expenses related to the grant award prior to the execution of
8 the grant agreement but within the term of the grant, and the
9 grant agreement is executed more than 30 days after the
10 effective date of the grant, the recipient or subrecipient
11 must submit to the State grant-making agency a report that
12 accounts for eligible grant expenditures and project
13 activities from the effective date of the grant up to and
14 including the date of execution of the grant agreement. If the
15 State grant-making agency does not issue the grant agreement
16 to the recipient within 60 days of the effective date of the
17 grant, interest penalties shall apply pursuant to Section 3-4
18 of the State Prompt Payment Act.

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

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

25 (d) The State grant-making agency must approve the report

1 prior to issuing any payment to the recipient or subrecipient.

2 (Source: P.A. 100-997, eff. 8-20-18.)

3 (30 ILCS 708/135 new)

4 Sec. 135. Grant agreement specifications.

5 (a) A grant agreement shall include:

6 (1) the dates on which the State grant-making agency
7 will transmit vouchers to the Comptroller; and

8 (2) whether the grant is eligible under the Prompt
9 Payment Act or for advanced payments.

10 (b) A State agency shall not restrict the amount of money
11 used to pay for fringe benefits.

12 (c) A State agency shall not restrict indirect costs to
13 less than 20% of the grant agreement or the federally
14 negotiated rate, whichever is higher, unless the recipient
15 prefers a lower rate.

16 (d) A State agency shall not restrict direct
17 administrative costs to less than 20% of direct costs in the
18 grant agreement unless the recipient prefers a lower rate.

19 (e) Nothing in this Section shall apply to grants that are
20 solely for the purpose of capital projects.

21 (f) Nothing in this Section shall apply if the grant
22 conflicts with requirements due to federal law or federal
23 grant obligations.

24 Section 25. The Court of Claims Act is amended by changing

1 Sections 4, 6, 9, 10, 11, 13, 16, 19, 21, 22, 23, and 24 and by
2 adding Section 8.1 as follows:

3 (705 ILCS 505/4) (from Ch. 37, par. 439.4)

4 Sec. 4. Each judge shall receive an annual salary of:
5 ~~\$68,000 \$20,900 from the third Monday in January, 1979 to the~~
6 ~~third Monday in January, 1980; \$22,100 from the third Monday~~
7 ~~in January, 1980 to the third Monday in January, 1981; \$23,400~~
8 ~~from the third Monday in January, 1981 to the third Monday in~~
9 ~~January, 1982, and \$25,000 thereafter, or as set by the~~
10 Compensation Review Board, whichever is greater, payable in
11 equal monthly installments.

12 (Source: P.A. 83-1177.)

13 (705 ILCS 505/6) (from Ch. 37, par. 439.6)

14 Sec. 6. The court shall hold sessions at such places as it
15 deems necessary to expedite the business of the court and may
16 hold sessions in person or remotely. The court may adopt
17 administrative rules to provide for remote participation and
18 electronic filing in any proceeding and for the conduct of any
19 business of the court.

20 (Source: P.A. 90-492, eff. 8-17-97.)

21 (705 ILCS 505/8.1 new)

22 Sec. 8.1. Confirmation of claims. The court must confirm
23 receipt of claim to the vendor within 30 days for all claims

1 arising under paragraph (b) of Section 8 of this Act. The State
2 agency must confirm or reject all claims arising under
3 paragraph (b) of Section 8 of this Act within 30 days after
4 being contacted by the Attorney General. If the State agency
5 does not confirm or reject a claim within 30 days, the State
6 agency forfeits the right to reject or contest the claim. The
7 Comptroller must issue payment to vendors within 30 days of
8 the court entering an award for claims arising under paragraph
9 (b) of Section 8 of this Act, subject to available
10 appropriation.

11 (705 ILCS 505/9) (from Ch. 37, par. 439.9)

12 Sec. 9. Court powers and duties. ~~The court may:~~

13 (a) The court may establish ~~A. Establish~~ rules for its
14 government and for the regulation of practice therein; appoint
15 commissioners to assist the court in such manner as it directs
16 and discharge them at will; and exercise such powers as are
17 necessary to carry into effect the powers granted in this
18 Section. Any Commissioner appointed shall be an attorney
19 licensed to practice law in the State of Illinois. The rules
20 established hereunder shall not be waived, and any extension
21 of time authorized by such rules shall only be allowed on
22 motion duly filed within the time limitation for which the
23 extension is requested.

24 (b) The court may issue ~~B. Issue~~ subpoenas through the
25 Chief Justice or one of its judges or commissioners to require

1 the attendance of witnesses for the purpose of testifying
2 before it, or before any judge of the court, or before any
3 notary public, or any of its commissioners, and to require the
4 production of any books, records, papers or documents that may
5 be material or relevant as evidence in any matter pending
6 before it. In case any person refuses to comply with any
7 subpoena issued in the name of the chief justice, or one of the
8 judges or commissioners, attested by the clerk, with the seal
9 of the court attached, and served upon the person named
10 therein as a summons in a civil action is served, the circuit
11 court of the proper county, on application of the party at
12 whose instance the subpoena was issued, shall compel obedience
13 by attachment proceedings, as for contempt, as in a case of a
14 disobedience of the requirements of a subpoena from such court
15 on a refusal to testify therein.

16 (c) The court shall create an online portal that allows
17 vendors to submit claims electronically under subsection (b)
18 of Section 8 of this Act, and to view and track the status of
19 their claim and any related documentation.

20 (d) If the court determines that it is unable to process a
21 claim because the bill or invoice contains a defect, the court
22 shall notify the vendor requesting payment not later than 30
23 days after the bill or invoice was first submitted. The notice
24 shall identify the defect and any additional information
25 necessary to correct the defect. If one or more items on a bill
26 or invoice are disapproved, but not the entire bill or

1 invoice, then the portion that is not disapproved shall be
2 paid. For disapproved portions of a claim, the court shall
3 allow claimants to electronically submit documentation to
4 amend and cure defects through the online portal created by
5 this Act within 30 days after receipt of notice of denied
6 claim.

7 (Source: P.A. 83-865.)

8 (705 ILCS 505/10) (from Ch. 37, par. 439.10)

9 Sec. 10. Administration.

10 (a) The judges, commissioners and the clerk of the court
11 may administer oaths and affirmations, take acknowledgments of
12 instruments in writing, and give certificates of them.

13 (b) The clerk of the court may administratively determine
14 certain claims against the State if the claim possesses all of
15 the following characteristics:

16 (1) The claim does not arise under an appropriation
17 for the current fiscal year.

18 (2) The State agency concerned concurs in the claim.

19 (3) The amount claimed does not exceed \$2,500.

20 (4) The claim has been approved by the Attorney
21 General as one that, in view of the purposes of this Act,
22 should be paid.

23 The State agency concerned shall prepare the record of the
24 claim consisting of all papers, stipulations, and evidential
25 documents required by the rules of the court and file the same

1 with the clerk. The clerk shall consider the claim informally
2 upon the record submitted. If the clerk determines that the
3 claim should be entered as an approved claim and an award made,
4 the clerk shall so order and shall file a statement with the
5 court. If the clerk finds that the record is inadequate, or
6 that the claim should not be paid, the clerk shall reject the
7 claim. The rejection of a claim under this Section does not bar
8 its resubmission under the regular procedure.

9 (c) The judges, commissioners, and the clerk of the court
10 may conduct any activity of the court remotely.

11 (d) The Court of Claims may adopt administrative rules to
12 implement this Section.

13 (Source: Laws 1945, p. 660.)

14 (705 ILCS 505/11) (from Ch. 37, par. 439.11)

15 Sec. 11. Filing claims.

16 (a) Except as otherwise provided in subsection (b) of this
17 Section and subsection (4) of Section 24, the claimant shall
18 in all cases set forth fully in his petition the claim, the
19 action thereon, if any, on behalf of the State, what persons
20 are owners or trustees as defined under Section 3 of the
21 Charitable Trust Act thereof or interested therein, when and
22 upon what consideration such persons became so interested;
23 that no assignment or transfer of the claim or any part thereof
24 or interest therein has been made, except as stated in the
25 petition; that the claimant is justly entitled to the amount

1 therein claimed from the State of Illinois, after allowing all
2 just credits; and that claimant believes the facts stated in
3 the petition to be true. The petition shall be verified, as to
4 statements of facts, by the affidavit of the claimant, his
5 agent, or attorney.

6 (b) Whenever a person has served a term of imprisonment
7 and has received a pardon by the Governor stating that such
8 pardon was issued on the ground of innocence of the crime for
9 which he or she was imprisoned, the Prisoner Review Board
10 shall transmit this information to the clerk of the Court of
11 Claims, together with the claimant's current address. Whenever
12 a person has served a term of imprisonment and has received a
13 certificate of innocence from the Circuit Court as provided in
14 Section 2-702 of the Code of Civil Procedure, the clerk of the
15 issuing Circuit Court shall transmit this information to the
16 clerk of the Court of Claims, together with the claimant's
17 current address. The clerk of the Court of Claims shall
18 immediately docket the case for consideration by the Court of
19 Claims, and shall provide notice to the claimant of such
20 docketing together with all hearing dates and applicable
21 deadlines. The Court of Claims shall hear the case and render a
22 decision within 90 days after its docketing.

23 (Source: P.A. 95-970, eff. 9-22-08; 96-328, eff. 8-11-09.)

24 (705 ILCS 505/13) (from Ch. 37, par. 439.13)

25 Sec. 13. Evidence. Any judge or commissioner of the court

1 may sit at any place within the State to take evidence in any
2 case in the court. Any judge or commissioner may take evidence
3 remotely.

4 (Source: Laws 1945, p. 660.)

5 (705 ILCS 505/16) (from Ch. 37, par. 439.16)

6 Sec. 16. Concurrence of judges. Concurrence of 4 judges is
7 necessary to the decision of any case; provided, however, the
8 court in its discretion may assign any case to a commissioner
9 for hearing and final decision, subject to whatever right of
10 review the court by rule may choose to exercise. In matters
11 involving claims made with respect to lapsed appropriations or
12 the award of emergency funds under the Crime Victims
13 Compensation Act, the decision of only one judge is necessary
14 to award emergency funds.

15 (Source: P.A. 92-286, eff. 1-1-02.)

16 (705 ILCS 505/19) (from Ch. 37, par. 439.19)

17 Sec. 19. The Attorney General, or his assistants under his
18 direction, shall appear for the defense and protection of the
19 interests of the State of Illinois in all cases filed in the
20 court, and may make claim for recoupment by the State.

21 For all claims arising under paragraph (b) of Section 8 of
22 this Act:

23 (1) the Attorney General must confirm receipt of the
24 claim to the claimant and contact the State agency within

1 5 days of receiving the claim from the court to confirm or
2 reject the veracity of the claim.

3 (2) the State agency must confirm or reject the
4 veracity of the claim with the Attorney General's office
5 within 45 days of being contacted by the Attorney General.

6 (3) The Attorney General must notify the claimant of
7 the State agency's decision and file a stipulation or
8 motion with the Court within 30 days of the State agency
9 confirming or rejecting the claim.

10 (Source: Laws 1945, p. 660.)

11 (705 ILCS 505/21) (from Ch. 37, par. 439.21)

12 Sec. 21. The court is authorized to impose, by uniform
13 rules, a fee of \$15 for the filing of a petition in any case in
14 which the award sought is more than \$500 ~~\$50~~ and less than
15 \$10,000 ~~\$1,000~~ and \$35 in any case in which the award sought is
16 \$10,000 ~~\$1,000~~ or more; and to charge and collect for copies of
17 opinions or other documents filed in the Court of Claims such
18 fees as may be prescribed by the rules of the Court. All fees
19 and charges so collected shall be forthwith paid into the
20 State Treasury. For claims arising from paragraph (b) of
21 Section 8 of this Act, when the Court rules in favor of the
22 vendor, the filing fee shall be refunded to the claimant. The
23 court may determine the form and manner of all filing fees and
24 other charges due the court by rule.

25 A petitioner who is a prisoner in an Illinois Department

1 of Corrections facility who files a pleading, motion, or other
2 filing that purports to be a legal document against the State,
3 the Illinois Department of Corrections, the Prisoner Review
4 Board, or any of their officers or employees in which the court
5 makes a specific finding that it is frivolous shall pay all
6 filing fees and court costs in the manner provided in Article
7 XXII of the Code of Civil Procedure.

8 In claims based upon lapsed appropriations or lost warrant
9 or in claims filed under the Line of Duty Compensation Act, the
10 Illinois National Guardsman's Compensation Act, or the Crime
11 Victims Compensation Act or in claims filed by medical vendors
12 for medical services rendered by the claimant to persons
13 eligible for Medical Assistance under programs administered by
14 the Department of Healthcare and Family Services, no filing
15 fee shall be required.

16 (Source: P.A. 95-331, eff. 8-21-07.)

17 (705 ILCS 505/23) (from Ch. 37, par. 439.23)

18 Sec. 23. Notwithstanding the exceptions for lapsed
19 appropriations as stipulated by subsection (b) of Section 8 of
20 this Act, it ~~is~~ is the policy of the General Assembly to make
21 no appropriation to pay any claim against the State,
22 cognizable by the court, unless an award therefor has been
23 made by the court.

24 (Source: Laws 1945, p. 660.)

1 (705 ILCS 505/24) (from Ch. 37, par. 439.24)

2 Sec. 24. Payment of awards.

3 (1) From funds appropriated by the General Assembly for
4 the purposes of this Section the Court may direct immediate
5 payment of:

6 (a) All claims arising solely as a result of the
7 lapsing of an appropriation out of which the obligation
8 could have been paid.

9 (b) All claims pursuant to the Line of Duty
10 Compensation Act.

11 (c) All claims pursuant to the "Illinois National
12 Guardsman's and Naval Militiaman's Compensation Act",
13 approved August 12, 1971, as amended.

14 (d) All claims pursuant to the "Crime Victims
15 Compensation Act", approved August 23, 1973, as amended.

16 (d-5) All claims against the State for unjust
17 imprisonment as provided in subsection (c) of Section 8 of
18 this Act.

19 (e) All other claims wherein the amount of the award
20 of the Court is less than \$50,000.

21 (2) The court may, from funds specifically appropriated
22 from the General Revenue Fund for this purpose, direct the
23 payment of awards less than \$100,000 ~~\$50,000~~ solely as a
24 result of the lapsing of an appropriation originally made from
25 any fund held by the State Treasurer. For any such award paid
26 from the General Revenue Fund, the court shall thereafter seek

1 an appropriation from the fund from which the liability
2 originally accrued in reimbursement of the General Revenue
3 Fund.

4 (3) In directing payment of a claim pursuant to the Line of
5 Duty Compensation Act, the Court must direct the Comptroller
6 to add an interest penalty if payment of a claim is not made
7 within 6 months after a claim is filed in accordance with
8 Section 3 of the Line of Duty Compensation Act and all
9 information has been submitted as required under Section 4 of
10 the Line of Duty Compensation Act. If payment is not issued
11 within the 6-month period, an interest penalty of 1% of the
12 amount of the award shall be added for each month or fraction
13 thereof after the end of the 6-month period, until final
14 payment is made. This interest penalty shall be added
15 regardless of whether the payment is not issued within the
16 6-month period because of the appropriation process, the
17 consideration of the matter by the Court, or any other reason.

18 (3.5) The interest penalty payment provided for in
19 subsection (3) shall be added to all claims for which benefits
20 were not paid as of the effective date of P.A. 95-928. The
21 interest penalty shall be calculated starting from the
22 effective date of P.A. 95-928, provided that the effective
23 date of P.A. 95-928 is at least 6 months after the date on
24 which the claim was filed in accordance with Section 3 of the
25 Line of Duty Compensation Act. In the event that the date 6
26 months after the date on which the claim was filed is later

1 than the effective date of P.A. 95-928, the Court shall
2 calculate the interest payment penalty starting from the date
3 6 months after the date on which the claim was filed in
4 accordance with Section 3 of the Line of Duty Compensation
5 Act. This subsection (3.5) of this amendatory Act of the 96th
6 General Assembly is declarative of existing law.

7 (3.6) In addition to the interest payments provided for in
8 subsections (3) and (3.5), the Court shall direct the
9 Comptroller to add a "catch-up" payment to the claims of
10 eligible claimants. For the purposes of this subsection (3.6),
11 an "eligible claimant" is a claimant whose claim is not paid in
12 the year in which it was filed. For purposes of this subsection
13 (3.6), "'catch-up' payment" is defined as the difference
14 between the amount paid to claimants whose claims were filed
15 in the year in which the eligible claimant's claim is paid and
16 the amount paid to claimants whose claims were filed in the
17 year in which the eligible claimant filed his or her claim. The
18 "catch-up" payment is payable simultaneously with the claim
19 award.

20 (4) From funds appropriated by the General Assembly for
21 the purposes of paying claims under paragraph (c) of Section
22 8, the court must direct payment of each claim and the payment
23 must be received by the claimant within 60 days after the date
24 that the funds are appropriated for that purpose.

25 (Source: P.A. 100-1124, eff. 11-27-18.)".