



Sen. Dan Kotowski

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1 AMENDMENT TO HOUSE BILL 2747

2 AMENDMENT NO. _____. Amend House Bill 2747 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Grant
5 Accountability and Transparency Act.

6 Section 5. Legislative intent.

7 (a) This Act, which is the product of the work of the
8 Illinois Single Audit Commission, created by Public Act 98-47,
9 is intended to comply with the General Assembly's directives to
10 (1) develop a coordinated, non-redundant process for the
11 provision of effective and efficient oversight of the selection
12 and monitoring of grant recipients, thereby ensuring quality
13 programs and limiting fraud, waste, and abuse, and (2) define
14 the purpose, scope, applicability, and responsibilities in the
15 life cycle of a grant.

16 (b) This Act is intended to increase the accountability and

1 transparency in the use of grant funds from whatever source and
2 to reduce administrative burdens on both State agencies and
3 grantees by adopting federal guidance and regulations
4 applicable to such grant funds; specifically, the Uniform
5 Administrative Requirements, Cost Principles, and Audit
6 Requirements for Federal Awards ("Uniform Guidance"), codified
7 at 2 CFR 200.

8 (c) This Act is consistent with the State's focus on
9 improving performance and outcomes while ensuring transparency
10 and the financial integrity of taxpayer dollars through such
11 initiatives as the Management Improvement Initiative Committee
12 created by Section 1-37a of the Department of Human Services
13 Act, the State prioritized goals created under Section 50-25 of
14 the State Budget Law (also known as "Budgeting for Results"),
15 and the Grant Information Collection Act.

16 (d) This Act is not intended to affect the provisions of
17 the Illinois State Auditing Act and does not address the
18 external audit function of the Auditor General.

19 Section 10. Purpose. The purpose of this Act is to
20 establish uniform administrative requirements, cost
21 principles, and audit requirements for State and federal
22 pass-through awards to non-federal entities. State awarding
23 agencies shall not impose additional or inconsistent
24 requirements, except as provided in 2 CFR 200.102, unless
25 specifically required by State or federal statute. This Act and

1 the rules adopted under this Act do not apply to private
2 awards.

3 This Act and the rules adopted under this Act provide the
4 basis for a systematic and periodic collection and uniform
5 submission to the Governor's Office of Management and Budget of
6 information of all State and federal financial assistance
7 programs by State grant-making agencies. This Act also
8 establishes policies related to the delivery of this
9 information to the public, including through the use of
10 electronic media.

11 Section 15. Definitions. As used in this Act:

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

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

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

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

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

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

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

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

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

9 (9) the costs are adequately documented.

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

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

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

19 "Award" means financial assistance that provides support
20 or stimulation to accomplish a public purpose. "Awards" include
21 grants and other agreements in the form of money, or property
22 in lieu of money, by the State or federal government to an
23 eligible recipient. "Award" does not include: technical
24 assistance that provides services instead of money; other
25 assistance in the form of loans, loan guarantees, interest
26 subsidies, or insurance; direct payments of any kind to

1 individuals; or contracts that must be entered into and
2 administered under State or federal procurement laws and
3 regulations.

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

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

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

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

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

24 "Cluster of programs" means a grouping of closely related
25 programs that share common compliance requirements. The types
26 of clusters of programs are research and development, student

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

5 "Cognizant agency for audit" means the federal agency
6 designated to carry out the responsibilities described in 2 CFR
7 200.513(a).

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

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

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

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

25 (2) is distinguished from a grant in that it provides
26 for substantial involvement between the awarding agency or

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

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

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

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

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

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

25 "Data Universal Numbering System number" means the 9-digit
26 number established and assigned by Dun and Bradstreet, Inc. to

1 uniquely identify entities and, under federal law, is required
2 for non-federal entities to apply for, receive, and report on a
3 federal award.

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

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

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

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

22 "Federal award" means:

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

26 (2) the cost-reimbursement contract under the Federal

1 Acquisition Regulations that a non-federal entity receives
2 directly from a federal awarding agency or indirectly from
3 a pass-through entity; or

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

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

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

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

24 "Federal program" means any of the following:

25 (1) All federal awards which are assigned a single
26 number in the CFDA.

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

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

7 (A) research and development;

8 (B) student financial aid; and

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

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

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

18 "Financial assistance" means the following:

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

22 (A) grants;

23 (B) cooperative agreements;

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

26 (D) direct appropriations;

1 (E) food commodities; and

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

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

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

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

18 "Foreign public entity" means:

19 (1) a foreign government or foreign governmental
20 entity;

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

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

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

4 "Foreign organization" means an entity that is:

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

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

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

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

24 "Generally Accepted Accounting Principles" has the meaning
25 provided in accounting standards issued by the Government
26 Accounting Standards Board and the Financial Accounting

1 Standards Board.

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

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

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

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

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

23 "Grant application" means a specified form that is
24 completed by a non-federal entity in connection with a request
25 for a specific funding opportunity or a request for financial
26 support of a project or activity.

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

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

9 "Indian tribe" (or "federally recognized Indian tribe")
10 means any Indian tribe, band, nation, or other organized group
11 or community, including any Alaska Native village or regional
12 or village corporation as defined in or established pursuant to
13 the federal Alaska Native Claims Settlement Act (43 U.S.C.
14 1601, et seq.) that is recognized as eligible for the special
15 programs and services provided by the United States to Indians
16 because of their status as Indians under 25 U.S.C. 450b(e), as
17 set forth in the annually published Bureau of Indian Affairs
18 list of Indian Entities Recognized and Eligible to Receive
19 Services.

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

25 "Inspector General" means the Office of the Executive
26 Inspector General for Executive branch agencies.

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

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

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

13 "Major program" means a federal program determined by the
14 auditor to be a major program in accordance with 2 CFR 200.518
15 or a program identified as a major program by a federal
16 awarding agency or pass-through entity in accordance with 2 CFR
17 200.503(e).

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

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

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

1 interest;

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

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

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

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

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

21 "Oversight agency for audit" means the federal awarding
22 agency that provides the predominant amount of funding directly
23 to a non-federal entity not assigned a cognizant agency for
24 audit. When there is no direct funding, the awarding agency
25 that is the predominant source of pass-through funding must
26 assume the oversight responsibilities. The duties of the

1 oversight agency for audit and the process for any
2 reassignments are described in 2 CFR 200.513(b).

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

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

9 "Property" means real property or personal property.

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

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

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

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

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

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

26 "State award" means the financial assistance that a

1 non-federal entity receives from the State and that is funded
2 with either State funds or federal funds; in the latter case,
3 the State is acting as a pass-through entity.

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

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

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

15 "State program" means any of the following:

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

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

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

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

25 "Student Financial Aid" means federal awards under those
26 programs of general student assistance, such as those

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

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

16 "Subrecipient" means a non-federal entity that receives a
17 State or federal subaward from a pass-through entity to carry
18 out part of a federal program. "Subrecipient" does not include
19 an individual that is a beneficiary of such program. A
20 "subrecipient" may also be a recipient of other State or
21 federal awards directly from a State or federal awarding
22 agency.

23 "Suspension" means a post-award action by the State or
24 federal agency or pass-through entity that temporarily
25 withdraws the State or federal agency's or pass-through
26 entity's financial assistance sponsorship under an award,

1 pending corrective action by the recipient or subrecipient or
2 pending a decision to terminate the award.

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

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

10 Section 20. Adoption of federal rules applicable to grants.

11 (a) On or before July 1, 2015, the Governor's Office of
12 Management and Budget, with the advice and technical assistance
13 of the Illinois Single Audit Commission, shall adopt rules
14 which adopt the Uniform Guidance at 2 CFR 200. The rules, which
15 shall apply to all State and federal pass-through awards
16 effective on and after July 1, 2015, shall include the
17 following:

18 (1) Administrative requirements. In accordance with
19 Subparts B through D of 2 CFR 200, the rules shall set
20 forth the uniform administrative requirements for grant
21 and cooperative agreements, including the requirements for
22 the management by State awarding agencies of federal grant
23 programs before State and federal pass-through awards have
24 been made and requirements that State awarding agencies may
25 impose on non-federal entities in State and federal

1 pass-through awards.

2 (2) Cost principles. In accordance with Subpart E of 2
3 CFR 200, the rules shall establish principles for
4 determining the allowable costs incurred by non-federal
5 entities under State and federal pass-through awards. The
6 principles are intended for cost determination, but are not
7 intended to identify the circumstances or dictate the
8 extent of State or federal pass-through participation in
9 financing a particular program or project. The principles
10 shall provide that State and federal awards bear their fair
11 share of cost recognized under these principles, except
12 where restricted or prohibited by State or federal law.

13 (3) Audit and single audit requirements and audit
14 follow-up. In accordance with Subpart F of 2 CFR 200 and
15 the federal Single Audit Act Amendments of 1996, the rules
16 shall set forth standards to obtain consistency and
17 uniformity among State and federal pass-through awarding
18 agencies for the audit of non-federal entities expending
19 State and federal awards. These provisions shall also set
20 forth the policies and procedures for State and federal
21 pass-through entities when using the results of these
22 audits.

23 The provisions of this item (3) do not apply to
24 for-profit subrecipients because for-profit subrecipients
25 are not subject to the requirements of OMB Circular A-133,
26 Audits of States, Local and Non-Profit Organizations.

1 Audits of for-profit subrecipients must be conducted
2 pursuant to a Program Audit Guide issued by the Federal
3 awarding agency. If a Program Audit Guide is not available,
4 the State awarding agency must prepare a Program Audit
5 Guide in accordance with the OMB Circular A-133 Compliance
6 Supplement. For-profit entities are subject to all other
7 general administrative requirements and cost principles
8 applicable to grants.

9 (b) This Act addresses only State and federal pass-through
10 auditing functions and does not address the external audit
11 function of the Auditor General.

12 (c) For public institutions of higher education, the
13 provisions of this Section apply only to awards funded by State
14 appropriations and federal pass-through awards from a State
15 agency to public institutions of higher education. Federal
16 pass-through awards from a State agency to public institutions
17 of higher education are governed by and must comply with
18 federal guidelines under 2 CFR 200.

19 (d) The State grant-making agency is responsible for
20 establishing requirements, as necessary, to ensure compliance
21 by for-profit subrecipients. The agreement with the for-profit
22 subrecipient shall describe the applicable compliance
23 requirements and the for-profit subrecipient's compliance
24 responsibility. Methods to ensure compliance for State and
25 federal pass-through awards made to for-profit subrecipients
26 shall include pre-award, audits, monitoring during the

1 agreement, and post-award audits. The Governor's Office of
2 Management and Budget shall provide such advice and technical
3 assistance to the State grant-making agency as is necessary or
4 indicated.

5 Section 25. Supplemental rules. On or before July 1, 2015,
6 the Governor's Office of Management and Budget, with the advice
7 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 (requiring 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 additional
8 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 the Budgeting for Results
25 initiative; and

26 (E) caps on the amount of salaries that may be

1 charged to grants based on the limitations imposed by
2 federal agencies.

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

7 (A) organization name;

8 (B) Federal Employee Identification Number;

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

10 (D) fiscal condition;

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

13 (F) past performance in administering grants;

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

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

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

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

26 For public institutions of higher education, the

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

4 Section 30. Catalog of State Financial Assistance.

5 The Catalog of State Financial Assistance is a single,
6 authoritative, statewide, comprehensive source document of
7 State financial assistance program information. The Catalog
8 shall contain, at a minimum, the following information:

9 (1) An introductory section that contains Catalog
10 highlights, an explanation of how to use the Catalog, an
11 explanation of the Catalog and its contents, and suggested
12 grant proposal writing methods and grant application
13 procedures.

14 (2) A comprehensive indexing system that categorizes
15 programs by issuing agency, eligible applicant,
16 application deadlines, function, popular name, and subject
17 area.

18 (3) Comprehensive appendices showing State assistance
19 programs that require coordination through this Act and
20 regulatory, legislative, and Executive Order authority for
21 each program, commonly used abbreviations and acronyms,
22 agency regional and local office addresses, and sources of
23 additional information.

24 (4) A list of programs that have been added to or
25 deleted from the Catalog and the various program numbers

1 and title changes.

2 (5) Program number, title, and popular name, if
3 applicable.

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

7 (7) The enabling legislation, including popular name
8 of the Act, titles and sections, Public Act number, and
9 citation to the Illinois Compiled Statutes.

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

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

13 (10) Eligibility requirements, including applicant
14 eligibility criteria, beneficiary eligibility criteria,
15 and required credentials and documentation.

16 (11) Objectives and goals of the program.

17 (12) Information regarding application and award
18 processing; application deadlines; range of approval or
19 disapproval time; appeal procedure; and availability of a
20 renewal or extension of assistance.

21 (13) Assistance considerations, including an
22 explanation of the award formula, matching requirements,
23 and the length and time phasing of the assistance.

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

26 (15) Program accomplishments (where available)

1 describing quantitative measures of program performance.

2 (16) Regulations, guidelines, and literature
3 containing citations to the Illinois Administrative Code,
4 the Code of Federal Regulations, and other pertinent
5 informational materials.

6 (17) The names, telephone numbers, and e-mail
7 addresses of persons to be contacted for detailed program
8 information at the headquarters, regional, and local
9 levels.

10 Section 35. Conflicts of interest. The Governor's Office of
11 Management and Budget shall adopt rules regarding conflict of
12 interest policies for awards. A non-federal entity must
13 disclose in writing any potential conflict of interest to the
14 pass-through entity in accordance with applicable awarding
15 agency policy.

16 Section 40. Mandatory disclosures. The Governor's Office
17 of Management and Budget, with the advice and technical
18 assistance of the Illinois Single Audit Commission, shall adopt
19 rules requiring that the applicant for an award disclose, in a
20 timely manner and in writing to the pass-through entity, all
21 violations of State or federal criminal law involving fraud,
22 bribery, or gratuity violations potentially affecting the
23 award. Failure to make the required disclosures may result in
24 any of the following remedial actions:

1 (1) The temporary withholding of cash payments pending
2 correction of the deficiency by the awarding agency or
3 non-federal entity or more severe enforcement action by the
4 pass-through entity.

5 (2) Disallowance of (that is, denial of both use of
6 funds and any applicable matching credit for) all or part
7 of the cost of the activity or action not in compliance.

8 (3) Whole or partial suspension or termination of the
9 award.

10 (4) Initiation of suspension or debarment proceedings
11 as authorized under rules adopted under subsection (a) of
12 Section 20 of this Act and awarding agency regulations (or,
13 in the case of a pass-through entity, recommendation that
14 such a proceeding be initiated by the awarding agency).

15 (5) Withholding further awards for the project or
16 program.

17 (6) Taking any other remedial action that may be
18 legally available.

19 Section 45. Applicability.

20 (a) The requirements established under this Act apply to
21 State grant-making agencies that make State and federal
22 pass-through awards to non-federal entities. These
23 requirements apply to all costs related to State and federal
24 pass-through awards. The requirements established under this
25 Act do not apply to private awards.

1 (a-5) Nothing in this Act shall prohibit the use of State
2 funds for purposes of federal match or maintenance of effort.

3 (b) The terms and conditions of State, federal, and
4 pass-through awards apply to subawards and subrecipients
5 unless a particular Section of this Act or the terms and
6 conditions of the State or federal award specifically indicate
7 otherwise. Non-federal entities shall comply with requirements
8 of this Act regardless of whether the non-federal entity is a
9 recipient or subrecipient of a State or federal pass-through
10 award. Pass-through entities shall comply with the
11 requirements set forth under the rules adopted under subsection
12 (a) of Section 20 of this Act, but not to any requirements in
13 this Act directed towards State or federal awarding agencies,
14 unless the requirements of the State or federal awards indicate
15 otherwise.

16 When a non-federal entity is awarded a cost-reimbursement
17 contract, only 2 CFR 200.330 through 200.332 are incorporated
18 by reference into the contract. However, when the Cost
19 Accounting Standards are applicable to the contract, they take
20 precedence over the requirements of this Act unless they are in
21 conflict with Subpart F of 2 CFR 200. In addition, costs that
22 are made unallowable under 10 U.S.C. 2324(e) and 41 U.S.C.
23 4304(a), as described in the Federal Acquisition Regulations,
24 subpart 31.2 and subpart 31.603, are always unallowable. For
25 requirements other than those covered in Subpart D of 2 CFR
26 200.330 through 200.332, the terms of the contract and the

1 Federal Acquisition Regulations apply.

2 With the exception of Subpart F of 2 CFR 200, which is
3 required by the Single Audit Act, in any circumstances where
4 the provisions of federal statutes or regulations differ from
5 the provisions of this Act, the provision of the federal
6 statutes or regulations govern. This includes, for agreements
7 with Indian tribes, the provisions of the Indian
8 Self-Determination and Education and Assistance Act, as
9 amended, 25 U.S.C. 450-458ddd-2.

10 (c) State grant-making agencies may apply subparts A
11 through E of 2 CFR 200 to for-profit entities, foreign public
12 entities, or foreign organizations, except where the awarding
13 agency determines that the application of these subparts would
14 be inconsistent with the international obligations of the
15 United States or the statute or regulations of a foreign
16 government.

17 (d) Except for 2 CFR 200.202 and 200.330 through 200.332,
18 the requirements in Subparts C, D, and E of 2 CFR 200 do not
19 apply to the following programs:

20 (1) The block grant awards authorized by the Omnibus
21 Budget Reconciliation Act of 1981 (including Community
22 Services; Preventive Health and Health Services; Alcohol,
23 Drug Abuse, and Mental Health Services; Maternal and Child
24 Health Services; Social Services; Low-Income Home Energy
25 Assistance; States' Program of Community Development Block
26 Grant Awards for Small Cities; and Elementary and Secondary

1 Education, other than programs administered by the
2 Secretary of Education under Title V, Subtitle D, Chapter
3 2, Section 583 - the Secretary's discretionary award
4 program) and both the Alcohol and Drug Abuse Treatment and
5 Rehabilitation Block Grant Award (42 U.S.C. 300x-21 to
6 300x-35 and 42 U.S.C. 300x-51 to 300x-64) and the Mental
7 Health Service for the Homeless Block Grant Award (42
8 U.S.C. 300x to 300x-9) under the Public Health Services
9 Act.

10 (2) Federal awards to local education agencies under 20
11 U.S.C. 7702 through 7703b (portions of the Impact Aid
12 program).

13 (3) Payments under the Department of Veterans Affairs'
14 State Home Per Diem Program (38 U.S.C. 1741).

15 (4) Federal awards authorized under the Child Care and
16 Development Block Grant Act of 1990, as amended, including
17 the following:

18 (A) Child Care and Development Block Grant (42
19 U.S.C. 9858).

20 (B) Child Care Mandatory and Matching Funds of the
21 Child Care and Development Fund (42 U.S.C. 9858).

22 (e) Except for the 2 CFR 200.202 requirement to provide
23 public notice of federal financial assistance programs, the
24 guidance in Subpart C Pre-federal Award Requirements and
25 Contents of Federal Awards does not apply to the following
26 programs:

1 (1) Entitlement federal awards to carry out the
2 following programs of the Social Security Act:

3 (A) Temporary Assistance to Needy Families (Title
4 IV-A of the Social Security Act, 42 U.S.C. 601-619);

5 (B) Child Support Enforcement and Establishment of
6 Paternity (Title IV-D of the Social Security Act, 42
7 U.S.C. 651-669b);

8 (C) Foster Care and Adoption Assistance (Title
9 IV-E of the Act, 42 U.S.C. 670-679c);

10 (D) Aid to the Aged, Blind, and Disabled (Titles I,
11 X, XIV, and XVI - AABD of the Act, as amended); and

12 (E) Medical Assistance (Medicaid) (42 U.S.C.
13 1396-1396w-5), not including the State Medicaid Fraud
14 Control program authorized by Section 1903(a)(6)(B) of
15 the Social Security Act (42 U.S.C. 1396b(a)(6)(B)).

16 (2) A federal award for an experimental, pilot, or
17 demonstration project that is also supported by a federal
18 award listed in paragraph (1) of subsection (e) of this
19 Section.

20 (3) Federal awards under subsection 412(e) of the
21 Immigration and Nationality Act of 1965 and Section 501(a)
22 of the Refugee Education Assistance Act of 1980 for cash
23 assistance, medical assistance, and supplemental security
24 income benefits to refugees and entrants and the
25 administrative costs of providing the assistance and
26 benefits under 8 U.S.C. 1522(e).

1 (4) Entitlement awards under the following programs of
2 The National School Lunch Act:

3 (A) National School Lunch Program (42 U.S.C.
4 1753);

5 (B) Commodity Assistance (42 U.S.C. 1755);

6 (C) Special Meal Assistance (42 U.S.C. 1759a);

7 (D) Summer Food Service Program for Children (42
8 U.S.C. 1761); and

9 (E) Child and Adult Care Food Program (42 U.S.C.
10 1766).

11 (5) Entitlement awards under the following programs of
12 The Child Nutrition Act of 1966:

13 (A) Special Milk Program (42 U.S.C. 1772);

14 (B) School Breakfast Program (42 U.S.C. 1773); and

15 (C) State Administrative Expenses (42 U.S.C.
16 1776).

17 (6) Entitlement awards for State Administrative
18 Expenses under The Food and Nutrition Act of 2008 (7 U.S.C.
19 2025).

20 (7) Non-discretionary federal awards under the
21 following non-entitlement programs:

22 (A) Special Supplemental Nutrition Program for
23 Women, Infants and Children under the Child Nutrition
24 Act of 1966 (42 U.S.C. 1786);

25 (B) The Emergency Food Assistance Programs
26 (Emergency Food Assistance Act of 1983) (7 U.S.C.

1 7501); and

2 (C) Commodity Supplemental Food Program (7 U.S.C.
3 612c).

4 (f) For public institutions of higher education, the
5 provisions of this Act apply only to awards funded by State
6 appropriations and federal pass-through awards from a State
7 agency to public institutions of higher education.

8 (g) Each grant-making agency shall enhance its processes to
9 monitor and address noncompliance with reporting requirements
10 and with program performance standards. Where applicable, the
11 process may include a corrective action plan. The monitoring
12 process shall include a plan for tracking and documenting
13 performance-based contracting decisions.

14 Section 50. State grant-making agency responsibilities.

15 (a) The specific requirements and responsibilities of
16 State grant-making agencies and non-federal entities are set
17 forth in this Act. State agencies making State awards to
18 non-federal entities must adopt by rule the language in 2 CFR
19 200, Subpart C through Subpart F unless different provisions
20 are required by law.

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

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

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

12 (2) provide recipients and subrecipients with clear
13 performance goals, indicators, and milestones and must
14 establish performance reporting frequency and content to not
15 only allow the State agency to understand the recipient's
16 progress, but also to facilitate identification of promising
17 practices among recipients and subrecipients and build the
18 evidence upon which the State agency's program and performance
19 decisions are made.

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

24 Section 55. The Governor's Office of Management and Budget
25 responsibilities.

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

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

6 (2) have authority to approve any exceptions to the
7 requirements of this Act and shall adopt rules governing
8 the criteria to be considered when an exception is
9 requested; exceptions shall only be made in particular
10 cases where adequate justification is presented.

11 (b) The Governor's Office of Management and Budget shall,
12 on or before July 1, 2014, establish a centralized unit within
13 the Governor's Office of Management and Budget. The centralized
14 unit shall be known as the Grant Accountability and
15 Transparency Unit and shall be funded with a portion of the
16 administrative funds provided under existing and future State
17 and federal pass-through grants. The amounts charged will be
18 allocated based on the actual cost of the services provided to
19 State grant-making agencies and public institutions of higher
20 education in accordance with the applicable federal cost
21 principles contained in 2 CFR 200 and this Act will not cause
22 the reduction in the amount of any State or federal grant
23 awards that have been or will be directed towards State
24 agencies or public institutions of higher education.

25 Section 60. Grant Accountability and Transparency Unit

1 responsibilities.

2 (a) The Grant Accountability and Transparency Unit within
3 the Governor's Office of Management and Budget shall be
4 responsible for:

5 (1) The development of minimum requirements applicable
6 to the staff of grant applicants to manage and execute
7 grant awards for programmatic and administrative purposes,
8 including grant management specialists with:

9 (A) general and technical competencies;

10 (B) programmatic expertise;

11 (C) fiscal expertise and systems necessary to
12 adequately account for the source and application of
13 grant funds for each program; and

14 (D) knowledge of compliance requirements.

15 (2) The development of minimum training requirements,
16 including annual training requirements.

17 (3) Accurate, current, and complete disclosure of the
18 financial results of each funded award, as set forth in the
19 financial monitoring and reporting Section of 2 CFR 200.

20 (4) Development of criteria for requiring the
21 retention of a fiscal agent and for becoming a fiscal
22 agent.

23 (5) Development of disclosure requirements in the
24 grant application pertaining to:

25 (A) related-party status between grantees and
26 grant-making agencies;

1 (B) past employment of applicant officers and
2 grant managers;

3 (C) disclosure of current or past employment of
4 members of immediate family; and

5 (D) disclosure of senior management of grantee
6 organization and their relationships with contracted
7 vendors.

8 (6) Implementation of rules prohibiting a grantee from
9 charging any cost allocable to a particular award or cost
10 objective to other State or federal awards to overcome fund
11 deficiencies, to avoid restrictions imposed by law or terms
12 of the federal awards, or for other reasons.

13 (7) Implementation of rules prohibiting a non-federal
14 entity from earning or keeping any profit resulting from
15 State or federal financial assistance, unless prior
16 approval has been obtained from the Governor's Office of
17 Management and Budget and is expressly authorized by the
18 terms and conditions of the award.

19 (8) Maintenance of an Illinois Debarred and Suspended
20 List that contains the names of those individuals and
21 entities that are ineligible, either temporarily or
22 permanently, to receive an award of grant funds from the
23 State.

24 (9) Ensuring the adoption of standardized rules for the
25 implementation of this Act by State grant-making agencies.
26 The Grant Accountability and Transparency Unit shall

1 provide such advice and technical assistance to the State
2 grant-making agencies as is necessary or indicated in order
3 to ensure compliance with this Act.

4 (10) Coordination of financial and Single Audit
5 reviews.

6 (11) Coordination of on-site reviews of grantees and
7 subrecipients.

8 (12) Maintenance of the Catalog of State Financial
9 Assistance, which shall be posted on an Internet website
10 maintained by the Governor's Office of Management and
11 Budget that is available to the public.

12 (b) The Grant Accountability and Transparency Unit shall
13 have no power or authority regarding the approval, disapproval,
14 management, or oversight of grants entered into or awarded by a
15 State agency or by a public institution of higher education.
16 The power or authority existing under law to grant or award
17 grants by a State agency or by a public institution of higher
18 education shall remain with that State agency or public
19 institution of higher education. The Unit shall be responsible
20 for reviewing and approving amendments to the Administrative
21 Code proposed by State grant agencies in connection with the
22 implementation of this Act and shall be responsible for
23 establishing standardized policies and procedures for State
24 grant-making agencies in order to ensure compliance with the
25 Uniform Administrative Requirements, Cost Principles and Audit
26 Requirements for Federal Awards set forth in 2 CFR Part 200,

1 all of which must be adhered to by the State grant-making
2 agencies throughout the life cycle of the grant.

3 (c) The powers and functions of grant making by State
4 agencies or public institutions of higher education may not be
5 transferred to, nor may prior grant approval be transferred to,
6 any other person, office, or entity within the executive branch
7 of State government.

8 Section 65. Audit requirements.

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

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

18 (c) The Governor's Office of Management and Budget, with
19 the advice and technical assistance of the Illinois Single
20 Audit Commission, shall adopt rules for audits of grants from a
21 State or federal pass-through entity that are not subject to
22 the Single Audit Act because the amount of the federal award is
23 less than \$750,000 or the subrecipient is an exempt entity and
24 that are reasonably consistent with 2 CFR 200.

25 (d) This Act does not affect the provisions of the Illinois

1 State Auditing Act and does not address the external audit
2 function of the Auditor General.

3 Section 70. Review date. The Governor's Office of
4 Management and Budget shall review this Act at least once every
5 5 years after December 26, 2014 in conjunction with the federal
6 review of the Uniform Administrative Requirements, Cost
7 Principles, and Audit Requirements for Federal Awards as
8 required by 2 CFR 200.109 in order to determine whether any
9 existing rules need to be revised or new rules adopted.

10 Section 75. State program exceptions.

11 (a) With the exception of the audit requirements set forth
12 in 2 CFR 200.102, exceptions may be allowed for classes of
13 State or federal pass-through awards or non-federal entities
14 subject to the requirements of this Act when such exceptions
15 are not prohibited by State or federal law. However, in the
16 interest of maximum uniformity, exceptions from the
17 requirements of this Act shall be permitted only in unusual or
18 exceptional circumstances.

19 (b) The Governor's Office of Management and Budget, with
20 the advice and technical assistance of the Illinois Single
21 Audit Commission, shall adopt rules governing the criteria that
22 shall be used to determine when an exception may be issued. The
23 Governor's Office of Management and Budget shall publish any
24 allowed exceptions in the Catalogue of State Financial

1 Assistance within 30 days of the exception being allowed.

2 Section 80. Supersession. On and after July 1, 2015, in the
3 event of a conflict with the Grant Funds Recovery Act, the
4 provisions of this Act shall control.

5 Section 85. Implementation date. The Governor's Office of
6 Management and Budget shall adopt all rules required under this
7 Act on or before July 1, 2015.

8 Section 90. Agency implementation. All State grant-making
9 agencies shall implement the rules issued by the Governor's
10 Office of Management and Budget on or before July 1, 2015. The
11 standards set forth in this Act, which affect administration of
12 State and federal pass-through awards issued by State
13 grant-making agencies, become effective once implemented by
14 State grant-making agencies. State grant-making agencies shall
15 implement the policies and procedures applicable to State and
16 federal pass-through awards by adopting rules for non-federal
17 entities that shall take effect for fiscal years on and after
18 December 26, 2014, unless different provisions are required by
19 State or federal statute or federal rule.

20 Section 95. Annual report. Effective January 1, 2016 and
21 each January 1 thereafter, the Governor's Office of Management
22 and Budget, in conjunction with the Illinois Single Audit

1 Commission, shall submit to the Governor and the General
2 Assembly a report that demonstrates the efficiencies, cost
3 savings, and reductions in fraud, waste, and abuse as a result
4 of the implementation of this Act and the rules adopted by the
5 Governor's Office of Management and Budget in accordance with
6 the provisions of this Act. The report shall include, but not
7 be limited to:

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

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

12 (3) any reduction in the number of duplicative audits;

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

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

17 Section 100. Repeal. This Act is repealed 5 years after the
18 effective date of this Act.

19 Section 505. The Governor's Office of Management and Budget
20 Act is amended by changing Section 2 and by adding Sections
21 2.8, 2.9, and 2.10 as follows:

22 (20 ILCS 3005/2) (from Ch. 127, par. 412)

23 Sec. 2. There is created in the executive office of the

1 Governor an Office to be known as the Governor's Office of
2 Management and Budget. The Office shall be headed by a
3 Director, who shall be appointed by the Governor. The functions
4 of the Office shall be as prescribed in Sections 2.1 through
5 2.10 ~~2.7~~ of this Act.

6 (Source: P.A. 93-25, eff. 6-20-03.)

7 (20 ILCS 3005/2.8 new)

8 Sec. 2.8. Pursuant to the Grant Accountability and
9 Transparency Act, to create, on or before July 1, 2014, the
10 Grant Accountability and Transparency Unit within the Office.
11 The Grant Accountability and Transparency Unit shall report
12 directly to the Director of the Governor's Office of Management
13 and Budget.

14 (20 ILCS 3005/2.9 new)

15 Sec. 2.9. Pursuant to the Grant Accountability and
16 Transparency Act, to maintain a list of those individuals and
17 entities that are ineligible, either temporarily or
18 permanently, to receive an award of grant funds from the State.

19 (20 ILCS 3005/2.10 new)

20 Sec. 2.10. To adopt rules on or before July 1, 2015
21 necessary to comply with the Grant Accountability and
22 Transparency Act. Should changes to the rules be required by
23 the review mandated by Section 65 of the Grant Accountability

1 and Transparency Act, the Governor's Office of Management and
2 Budget may adopt such peremptory rules as are necessary to
3 comply with changes to corresponding federal rules. All other
4 rules that the Governor's Office of Management and Budget deems
5 necessary to adopt in connection with the Grant Accountability
6 and Transparency Act must proceed through the ordinary
7 rule-making process.

8 (30 ILCS 705/4.2 rep.)

9 Section 510. The Illinois Grant Funds Recovery Act is
10 amended by repealing Section 4.2.

11 Section 515. The Illinois Grant Funds Recovery Act is
12 amended by adding Sections 15.1 and 16 as follows:

13 (30 ILCS 705/15.1 new)

14 Sec. 15.1. Illinois Single Audit Commission.

15 (a) There is created the Illinois Single Audit Commission.
16 The Commission shall assist the Governor's Office of Management
17 and Budget in creating its annual report under Section 90 of
18 the Grant Accountability and Transparency Act.

19 (b) The Commission shall be comprised of one representative
20 from each of the following grant-making agencies who is an
21 expert in grants subject matter, and who shall be appointed by
22 the Governor, one of whom shall be designated as Chairperson:
23 Department on Aging; Department of Children and Family

1 Services; Department of Healthcare and Family Services;
2 Department of Human Services; Department of Public Health;
3 Criminal Justice Information Authority; Department of Commerce
4 and Economic Opportunity; Department of Transportation;
5 Illinois State Board of Education; Illinois Student Assistance
6 Commission; Department of Agriculture; Environmental
7 Protection Agency; and Department of Natural Resources.

8 (c) The Governor may, as he or she deems necessary or
9 appropriate, designate representatives of additional State
10 agencies with grant-making authority to serve as members of the
11 Commission.

12 (d) The Governor may appoint a total of 4 representatives
13 of community organizations, providers, or associations who are
14 experts in grants subject matter to serve as members of the
15 Commission.

16 (e) The Governor may appoint a total of 3 representatives
17 of public institutions of higher education who are experts in
18 grants subject matter to serve as members of the Commission.

19 (f) Should any of the State agencies listed in subsection
20 (b) of this Section deem that additional representation by
21 community organizations, providers, or associations is
22 necessary or appropriate, and the Commission as a whole is in
23 concurrence with this decision, the State agency or agencies
24 may appoint additional members; provided, however, that no more
25 than a total of 4 such additional members may be appointed to
26 the Commission.

1 (g) The Commission shall also include: a representative of
2 the Governor's Office of Management and Budget, appointed by
3 the Governor; 4 members of the General Assembly, one from the
4 House of Representatives Democratic Caucus, one from the House
5 of Representatives Republican Caucus, one from the Senate
6 Democratic Caucus, and one from the Senate Republican Caucus,
7 all of whom shall be appointed by the Governor.

8 (h) The Co-chairpersons of the relevant subcommittees
9 within the Management Initiative Improvement Committee under
10 Section 1-37b of the Department of Human Services Act may be
11 included as members of the Commission if the Commission deems
12 their inclusion necessary for the coordination of its efforts.

13 (i) The Commission shall provide advice and technical
14 assistance to the Governor's Office of Management and Budget in
15 connection with the rules drafted pursuant to the Grant
16 Accountability and Transparency Act.

17 (j) This Section is repealed on July 1, 2019.

18 (30 ILCS 705/16 new)

19 Sec. 16. Supersession. On and after July 1, 2015, in the
20 event of a conflict with the Grant Accountability and
21 Transparency Act, the Grant Accountability and Transparency
22 Act shall control.

23 Section 997. Severability. The provisions of this Act are
24 severable under Section 1.31 of the Statute on Statutes.

1 Section 999. Effective date. This Act takes effect upon
2 becoming law.".