

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Grant Accountability and Transparency Act is
5 amended by changing Sections 20, 25, 55, 85, 90, and 100 as
6 follows:

7 (30 ILCS 708/20)

8 (Section scheduled to be repealed on July 16, 2019)

9 Sec. 20. Adoption of federal rules applicable to grants.

10 (a) On or before July 1, 2016 ~~2015~~, the Governor's Office
11 of Management and Budget, with the advice and technical
12 assistance of the Illinois Single Audit Commission, shall adopt
13 rules which adopt the Uniform Guidance at 2 CFR 200. The rules,
14 which shall apply to all State and federal pass-through awards
15 effective on and after July 1, 2016 ~~2015~~, shall include the
16 following:

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

1 impose on non-federal entities in State and federal
2 pass-through awards.

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

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

24 The provisions of this item (3) do not apply to
25 for-profit subrecipients because for-profit subrecipients
26 are not subject to the requirements of OMB Circular A-133,

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

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

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

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

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

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

7 (30 ILCS 708/25)

8 (Section scheduled to be repealed on July 16, 2019)

9 Sec. 25. Supplemental rules. On or before July 1, 2016
10 ~~2015~~, the Governor's Office of Management and Budget, with the
11 advice and technical assistance of the Illinois Single Audit
12 Commission, shall adopt supplemental rules pertaining to the
13 following:

14 (1) Criteria to define mandatory formula-based grants
15 and discretionary grants.

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

17 (3) The award of competitive grants in 3-year terms
18 (one-year initial terms with the option to renew for up to
19 2 additional years) to coincide with the federal award.

20 (4) The issuance of grants, including:

21 (A) public notice of announcements of funding
22 opportunities;

23 (B) the development of uniform grant applications;

24 (C) State agency review of merit of proposals and
25 risk posed by applicants;

1 (D) specific conditions for individual recipients
2 (requiring the use of a fiscal agent and additional
3 corrective conditions);

4 (E) certifications and representations;

5 (F) pre-award costs;

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

10 (H) for mandatory formula grants, the merit of the
11 proposal and the risk posed should result in additional
12 reporting, monitoring, or measures such as
13 reimbursement-basis only.

14 (5) The development of uniform budget requirements,
15 which shall include:

16 (A) mandatory submission of budgets as part of the
17 grant application process;

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

22 (C) a requirement that the budget allow
23 flexibility to add lines describing costs that are
24 common for the services provided as outlined in the
25 grant application;

26 (D) a requirement that the budget include

1 information necessary for analyzing cost and
2 performance for use in the Budgeting for Results
3 initiative; and

4 (E) caps on the amount of salaries that may be
5 charged to grants based on the limitations imposed by
6 federal agencies.

7 (6) The development of pre-qualification requirements
8 for applicants, including the fiscal condition of the
9 organization and the provision of the following
10 information:

11 (A) organization name;

12 (B) Federal Employee Identification Number;

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

14 (D) fiscal condition;

15 (E) whether the applicant is in good standing with
16 the Secretary of State;

17 (F) past performance in administering grants;

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

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

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

26 Nothing in this Act affects the provisions of the Fiscal

1 Control and Internal Auditing Act nor the requirement that the
2 management of each State agency is responsible for maintaining
3 effective internal controls under that Act.

4 For public institutions of higher education, the
5 provisions of this Section 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 (Source: P.A. 98-706, eff. 7-16-14.)

9 (30 ILCS 708/55)

10 (Section scheduled to be repealed on July 16, 2019)

11 Sec. 55. The Governor's Office of Management and Budget
12 responsibilities.

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

14 (1) provide technical assistance and interpretations
15 of policy requirements in order to ensure effective and
16 efficient implementation of this Act by State grant-making
17 agencies; and

18 (2) have authority to approve any exceptions to the
19 requirements of this Act and shall adopt rules governing
20 the criteria to be considered when an exception is
21 requested; exceptions shall only be made in particular
22 cases where adequate justification is presented.

23 (b) The Governor's Office of Management and Budget shall,
24 on or before July 1, 2015 ~~2014~~, establish a centralized unit
25 within the Governor's Office of Management and Budget. The

1 centralized unit shall be known as the Grant Accountability and
2 Transparency Unit and shall be funded with a portion of the
3 administrative funds provided under existing and future State
4 and federal pass-through grants. The amounts charged will be
5 allocated based on the actual cost of the services provided to
6 State grant-making agencies and public institutions of higher
7 education in accordance with the applicable federal cost
8 principles contained in 2 CFR 200 and this Act will not cause
9 the reduction in the amount of any State or federal grant
10 awards that have been or will be directed towards State
11 agencies or public institutions of higher education.

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

13 (30 ILCS 708/85)

14 (Section scheduled to be repealed on July 16, 2019)

15 Sec. 85. Implementation date. The Governor's Office of
16 Management and Budget shall adopt all rules required under this
17 Act on or before July 1, 2016 ~~2015~~.

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

19 (30 ILCS 708/90)

20 (Section scheduled to be repealed on July 16, 2019)

21 Sec. 90. Agency implementation. All State grant-making
22 agencies shall implement the rules issued by the Governor's
23 Office of Management and Budget on or before July 1, 2017 ~~2015~~.

24 The standards set forth in this Act, which affect

1 administration of State and federal pass-through awards issued
2 by State grant-making agencies, become effective once
3 implemented by State grant-making agencies. State grant-making
4 agencies shall implement the policies and procedures
5 applicable to State and federal pass-through awards by adopting
6 rules for non-federal entities by December 31, 2016 that shall
7 take effect for fiscal years on and after December 26, 2014,
8 unless different provisions are required by State or federal
9 statute or federal rule.

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

11 (30 ILCS 708/100)

12 (Section scheduled to be repealed on July 16, 2019)

13 Sec. 100. Repeal. This Act is repealed on July 16, 2020 ~~5~~
14 ~~years after the effective date of this Act.~~

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

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.