



Sen. Jason A. Barickman

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1 AMENDMENT TO SENATE BILL 1058

2 AMENDMENT NO. _____. Amend Senate Bill 1058 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Officials and Employees Ethics Act is
5 amended by changing Section 5-20 as follows:

6 (5 ILCS 430/5-20)

7 Sec. 5-20. Public service announcements; other promotional
8 material.

9 (a) Beginning January 1, 2004, no public service
10 announcement or advertisement that is on behalf of any State
11 administered program and contains the proper name, image, or
12 voice of any executive branch constitutional officer or member
13 of the General Assembly shall be (i) broadcast or aired on
14 radio or television, (ii) printed in a commercial newspaper or
15 a commercial magazine, or (iii) displayed on a billboard or
16 electronic message board at any time.

1 (b) The proper name or image of any executive branch
2 constitutional officer or member of the General Assembly may
3 not appear on any (i) bumper stickers, (ii) commercial
4 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
5 stickers, and (vi) other similar promotional items, that are
6 not in furtherance of the person's official State duties or
7 governmental and public service functions, if designed, paid
8 for, prepared, or distributed using public dollars. This
9 subsection does not apply to stocks of items existing on the
10 effective date of this amendatory Act of the 93rd General
11 Assembly.

12 (b-5) During the period beginning September 1 of the year
13 of a general election and ending the day after the general
14 election, the proper name or image of any executive branch
15 constitutional officer or member of the General Assembly shall
16 not be included in a public announcement on behalf of an
17 officer, member, or State agency related to any contract or
18 grant awarded by a State agency. Nothing in this subsection
19 (b-5) prohibits a State agency from issuing notification of the
20 award or grant of a contract, provided the notification does
21 not include the proper name or image of any executive branch
22 constitutional officer or member of the General Assembly. This
23 subsection (b-5) does not prohibit an executive branch
24 constitutional officer or member of the General Assembly from
25 attending any public or private event associated with the award
26 or grant of contract or from being included on a list of

1 attendees disseminated to the public.

2 (c) This Section does not apply to communications funded
3 through expenditures required to be reported under Article 9 of
4 the Election Code.

5 (Source: P.A. 97-13, eff. 6-16-11.)

6 Section 10. The State Comptroller Act is amended by adding
7 Section 27 as follows:

8 (15 ILCS 405/27 new)

9 Sec. 27. Stop payment system.

10 (a) In this Section, "recipient", "State grant-making
11 agency", and "subrecipient" have the same definition as that in
12 Section 15 of the Grant Accountability and Transparency Act.

13 (b) On or before July 1, 2016, the Office of the
14 Comptroller shall, in conjunction with the Governor's Office of
15 Management and Budget, adopt rules pertaining to the following:

16 (1) Factors to be considered in determining whether to
17 issue a stop payment order;

18 (2) Factors to be considered in determining whether a
19 stop payment order should be lifted; and

20 (3) Procedures for notification to the recipient or
21 subrecipient of the issuance of a stop payment order, the
22 lifting of a stop payment order, and any other related
23 information.

24 (c) On or before July 1, 2017, the Office of the

1 Comptroller shall have established a stop payment system that
2 will cause the temporary or permanent cessation of payments to
3 a recipient or subrecipient in specified circumstances. Such a
4 temporary or permanent cessation of payments will occur
5 pursuant to a stop payment order issued by a State grant-making
6 agency and implemented by the Office of the Comptroller.

7 (d) The Office of the Comptroller shall maintain a file
8 pertaining to all stop payment orders which shall include, at a
9 minimum:

10 (1) The notice to the recipient or subrecipient that a
11 stop payment order has been issued. The notice shall
12 include:

13 (A) The name of the grant.

14 (B) The grant number.

15 (C) The name of the State agency that issued the
16 grant.

17 (D) The reason for the stop payment order.

18 (E) Notification that the stop payment order
19 applies to all grants and contracts issued by the
20 State.

21 (F) Any other relevant information.

22 (2) The order lifting the stop payment order, if
23 applicable.

24 Section 15. The Governor's Office of Management and Budget
25 Act is amended by adding Section 2.11 and 2.12 as follows:

1 (20 ILCS 3005/2.11 new)

2 Sec. 2.11. Stop payment orders.

3 (a) In this Section, "recipient", "State grant-making
4 agency", and "subrecipient" have the same definition as that in
5 Section 15 of the Grant Accountability and Transparency Act.

6 (b) Pursuant to the Grant Accountability and Transparency
7 Act, the Governor's Office of Management and Budget shall adopt
8 rules pertaining to the issuance of stop payment orders that
9 will cause the temporary or permanent cessation of payments to
10 a recipient or subrecipient in specified circumstances. Stop
11 payment orders shall be issued by a State grant-making agency
12 and implemented by the Office of the Comptroller.

13 (20 ILCS 3005/2.12 new)

14 Sec. 2.12. Subcommittee recommendations.

15 Pursuant to Section 15.5 of the Grant Funds Recovery Act,
16 the Governor's Office of Management and Budget, in conjunction
17 with the Illinois Single Audit Commission, shall convene a
18 subcommittee of the Commission to research and provide
19 recommendations to the General Assembly regarding the adoption
20 of legislation, in accordance with the federal Improper
21 Payments Elimination and Recovery Improvement Act of 2012. The
22 subcommittee's recommendations shall be included in the Annual
23 Report of the Commission to be submitted to the General
24 Assembly on January 1, 2016.

1 Section 20. The State Finance Act is amended by changing
2 Sections 25 and 35 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. Except as otherwise
11 provided in this section, appropriated funds may only be
12 expended during the fiscal year for which they were
13 appropriated (including any applicable lapse period),
14 regardless of whether those funds are subject to interfund
15 transfers or are deposited for use in a non-appropriated fund,
16 including those made through the use of vouchers or drafts, or
17 warrants ordered by the State Comptroller and paid by the
18 Treasurer. For purposes of this Section, "interfund transfer"
19 means the transfer of monies from one fund listed in the State
20 Treasury to another fund. An "interfund transfer" shall not be
21 considered an expenditure for purposes of this Section.

22 (b) Outstanding liabilities as of June 30, payable from
23 appropriations which have otherwise expired, may be paid out of
24 the expiring appropriations during the 2-month period ending at

1 the close of business on August 31. Any service involving
2 professional or artistic skills or any personal services by an
3 employee whose compensation is subject to income tax
4 withholding must be performed as of June 30 of the fiscal year
5 in order to be considered an "outstanding liability as of June
6 30" that is thereby eligible for payment out of the expiring
7 appropriation.

8 (b-1) However, payment of tuition reimbursement claims
9 under Section 14-7.03 or 18-3 of the School Code may be made by
10 the State Board of Education from its appropriations for those
11 respective purposes for any fiscal year, even though the claims
12 reimbursed by the payment may be claims attributable to a prior
13 fiscal year, and payments may be made at the direction of the
14 State Superintendent of Education from the fund from which the
15 appropriation is made without regard to any fiscal year
16 limitations, except as required by subsection (j) of this
17 Section. Beginning on June 30, 2021, payment of tuition
18 reimbursement claims under Section 14-7.03 or 18-3 of the
19 School Code as of June 30, payable from appropriations that
20 have otherwise expired, may be paid out of the expiring
21 appropriation during the 4-month period ending at the close of
22 business on October 31.

23 (b-2) All outstanding liabilities as of June 30, 2010,
24 payable from appropriations that would otherwise expire at the
25 conclusion of the lapse period for fiscal year 2010, and
26 interest penalties payable on those liabilities under the State

1 Prompt Payment Act, may be paid out of the expiring
2 appropriations until December 31, 2010, without regard to the
3 fiscal year in which the payment is made, as long as vouchers
4 for the liabilities are received by the Comptroller no later
5 than August 31, 2010.

6 (b-2.5) All outstanding liabilities as of June 30, 2011,
7 payable from appropriations that would otherwise expire at the
8 conclusion of the lapse period for fiscal year 2011, and
9 interest penalties payable on those liabilities under the State
10 Prompt Payment Act, may be paid out of the expiring
11 appropriations until December 31, 2011, without regard to the
12 fiscal year in which the payment is made, as long as vouchers
13 for the liabilities are received by the Comptroller no later
14 than August 31, 2011.

15 (b-2.6) All outstanding liabilities as of June 30, 2012,
16 payable from appropriations that would otherwise expire at the
17 conclusion of the lapse period for fiscal year 2012, and
18 interest penalties payable on those liabilities under the State
19 Prompt Payment Act, may be paid out of the expiring
20 appropriations until December 31, 2012, without regard to the
21 fiscal year in which the payment is made, as long as vouchers
22 for the liabilities are received by the Comptroller no later
23 than August 31, 2012.

24 (b-2.7) For fiscal years 2012, 2013, and 2014, interest
25 penalties payable under the State Prompt Payment Act associated
26 with a voucher for which payment is issued after June 30 may be

1 paid out of the next fiscal year's appropriation. The future
2 year appropriation must be for the same purpose and from the
3 same fund as the original payment. An interest penalty voucher
4 submitted against a future year appropriation must be submitted
5 within 60 days after the issuance of the associated voucher,
6 and the Comptroller must issue the interest payment within 60
7 days after acceptance of the interest voucher.

8 (b-3) Medical payments may be made by the Department of
9 Veterans' Affairs from its appropriations for those purposes
10 for any fiscal year, without regard to the fact that the
11 medical services being compensated for by such payment may have
12 been rendered in a prior fiscal year, except as required by
13 subsection (j) of this Section. Beginning on June 30, 2021,
14 medical payments payable from appropriations that have
15 otherwise expired may be paid out of the expiring appropriation
16 during the 4-month period ending at the close of business on
17 October 31.

18 (b-4) Medical payments and child care payments may be made
19 by the Department of Human Services (as successor to the
20 Department of Public Aid) from appropriations for those
21 purposes for any fiscal year, without regard to the fact that
22 the medical or child care services being compensated for by
23 such payment may have been rendered in a prior fiscal year; and
24 payments may be made at the direction of the Department of
25 Healthcare and Family Services (or successor agency) from the
26 Health Insurance Reserve Fund without regard to any fiscal year

1 limitations, except as required by subsection (j) of this
2 Section. Beginning on June 30, 2021, medical and child care
3 payments made by the Department of Human Services and payments
4 made at the discretion of the Department of Healthcare and
5 Family Services (or successor agency) from the Health Insurance
6 Reserve Fund and payable from appropriations that have
7 otherwise expired may be paid out of the expiring appropriation
8 during the 4-month period ending at the close of business on
9 October 31.

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

25 (b-6) Additionally, payments may be made by the Department
26 of Human Services from its appropriations, or any other State

1 agency from its appropriations with the approval of the
2 Department of Human Services, from the Immigration Reform and
3 Control Fund for purposes authorized pursuant to the
4 Immigration Reform and Control Act of 1986, without regard to
5 any fiscal year limitations, except as required by subsection
6 (j) of this Section. Beginning on June 30, 2021, payments made
7 by the Department of Human Services from the Immigration Reform
8 and Control Fund for purposes authorized pursuant to the
9 Immigration Reform and Control Act of 1986 payable from
10 appropriations that have otherwise expired may be paid out of
11 the expiring appropriation during the 4-month period ending at
12 the close of business on October 31.

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

18 (b-8) Reimbursements to eligible airport sponsors for the
19 construction or upgrading of Automated Weather Observation
20 Systems may be made by the Department of Transportation from
21 appropriations for those purposes for any fiscal year, without
22 regard to the fact that the qualification or obligation may
23 have occurred in a prior fiscal year, provided that at the time
24 the expenditure was made the project had been approved by the
25 Department of Transportation prior to June 1, 2012 and, as a
26 result of recent changes in federal funding formulas, can no

1 longer receive federal reimbursement.

2 (b-9) Medical payments not exceeding \$150,000,000 may be
3 made by the Department on Aging from its appropriations
4 relating to the Community Care Program for fiscal year 2014,
5 without regard to the fact that the medical services being
6 compensated for by such payment may have been rendered in a
7 prior fiscal year, provided the payments are made on a
8 fee-for-service basis consistent with requirements established
9 for Medicaid reimbursement by the Department of Healthcare and
10 Family Services, except as required by subsection (j) of this
11 Section.

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

1 premature and high-mortality risk infants and their mothers and
2 for grants for supplemental food supplies provided under the
3 United States Department of Agriculture Women, Infants and
4 Children Nutrition Program payable from appropriations that
5 have otherwise expired may be paid out of the expiring
6 appropriations during the 4-month period ending at the close of
7 business on October 31.

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

20 (e) The Department of Healthcare and Family Services, the
21 Department of Human Services (acting as successor to the
22 Department of Public Aid), and the Department of Human Services
23 making fee-for-service payments relating to substance abuse
24 treatment services provided during a previous fiscal year shall
25 each annually submit to the State Comptroller, Senate
26 President, Senate Minority Leader, Speaker of the House, House

1 Minority Leader, the respective Chairmen and Minority
2 Spokesmen of the Appropriations Committees of the Senate and
3 the House, on or before November 30, a report that shall
4 document by program or service category those expenditures from
5 the most recently completed fiscal year used to pay for (i)
6 services provided in prior fiscal years and (ii) services for
7 which claims were received in prior fiscal years.

8 (f) The Department of Human Services (as successor to the
9 Department of Public Aid) shall annually submit to the State
10 Comptroller, Senate President, Senate Minority Leader, Speaker
11 of the House, House Minority Leader, and the respective
12 Chairmen and Minority Spokesmen of the Appropriations
13 Committees of the Senate and the House, on or before December
14 31, a report of fiscal year funds used to pay for services
15 (other than medical care) provided in any prior fiscal year.
16 This report shall document by program or service category those
17 expenditures from the most recently completed fiscal year used
18 to pay for services provided in prior fiscal years.

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

23 (1) Explanations of the exact causes of the variance
24 between the previous year's estimated and actual
25 liabilities.

26 (2) Factors affecting the Department of Healthcare and

1 Family Services' liabilities, including but not limited to
2 numbers of aid recipients, levels of medical service
3 utilization by aid recipients, and inflation in the cost of
4 medical services.

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

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

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

15 (1) billing user agencies in advance for payments or
16 authorized inter-fund transfers based on estimated charges
17 for goods or services;

18 (2) issuing credits, refunding through inter-fund
19 transfers, or reducing future inter-fund transfers during
20 the subsequent fiscal year for all user agency payments or
21 authorized inter-fund transfers received during the prior
22 fiscal year which were in excess of the final amounts owed
23 by the user agency for that period; and

24 (3) issuing catch-up billings to user agencies during
25 the subsequent fiscal year for amounts remaining due when
26 payments or authorized inter-fund transfers received from

1 the user agency during the prior fiscal year were less than
2 the total amount owed for that period.

3 User agencies are authorized to reimburse internal service
4 funds for catch-up billings by vouchers drawn against their
5 respective appropriations for the fiscal year in which the
6 catch-up billing was issued or by increasing an authorized
7 inter-fund transfer during the current fiscal year. For the
8 purposes of this Act, "inter-fund transfers" means transfers
9 without the use of the voucher-warrant process, as authorized
10 by Section 9.01 of the State Comptroller Act.

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

22 (j) Notwithstanding any other provision of this Act, the
23 aggregate amount of payments to be made without regard for
24 fiscal year limitations as contained in subsections (b-1),
25 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and
26 determined by using Generally Accepted Accounting Principles,

1 shall not exceed the following amounts:

2 (1) \$6,000,000,000 for outstanding liabilities related
3 to fiscal year 2012;

4 (2) \$5,300,000,000 for outstanding liabilities related
5 to fiscal year 2013;

6 (3) \$4,600,000,000 for outstanding liabilities related
7 to fiscal year 2014;

8 (4) \$4,000,000,000 for outstanding liabilities related
9 to fiscal year 2015;

10 (5) \$3,300,000,000 for outstanding liabilities related
11 to fiscal year 2016;

12 (6) \$2,600,000,000 for outstanding liabilities related
13 to fiscal year 2017;

14 (7) \$2,000,000,000 for outstanding liabilities related
15 to fiscal year 2018;

16 (8) \$1,300,000,000 for outstanding liabilities related
17 to fiscal year 2019;

18 (9) \$600,000,000 for outstanding liabilities related
19 to fiscal year 2020; and

20 (10) \$0 for outstanding liabilities related to fiscal
21 year 2021 and fiscal years thereafter.

22 (k) Department of Healthcare and Family Services Medical
23 Assistance Payments.

24 (1) Definition of Medical Assistance.

25 For purposes of this subsection, the term "Medical
26 Assistance" shall include, but not necessarily be

1 limited to, medical programs and services authorized
2 under Titles XIX and XXI of the Social Security Act,
3 the Illinois Public Aid Code, the Children's Health
4 Insurance Program Act, the Covering ALL KIDS Health
5 Insurance Act, the Long Term Acute Care Hospital
6 Quality Improvement Transfer Program Act, and medical
7 care to or on behalf of persons suffering from chronic
8 renal disease, persons suffering from hemophilia, and
9 victims of sexual assault.

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

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

24 (B) Bills for Medical Assistance services rendered
25 in a particular fiscal year, but received and recorded
26 by the Department of Healthcare and Family Services

1 after June 30th of that fiscal year, may be paid from
2 either appropriations for that fiscal year or future
3 fiscal year appropriations for Medical Assistance.
4 Such payments shall not be subject to the requirements
5 of subparagraph (A).

6 (C) Medical Assistance bills received by the
7 Department of Healthcare and Family Services in a
8 particular fiscal year, but subject to payment amount
9 adjustments in a future fiscal year may be paid from a
10 future fiscal year's appropriation for Medical
11 Assistance. Such payments shall not be subject to the
12 requirements of subparagraph (A).

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

22 (3) Extended lapse period for Department of Healthcare
23 and Family Services Medical Assistance payments.
24 Notwithstanding any other State law to the contrary,
25 outstanding Department of Healthcare and Family Services
26 Medical Assistance liabilities, as of June 30th, payable

1 from appropriations which have otherwise expired, may be
2 paid out of the expiring appropriations during the 6-month
3 period ending at the close of business on December 31st.

4 (l) The changes to this Section made by Public Act 97-691
5 shall be effective for payment of Medical Assistance bills
6 incurred in fiscal year 2013 and future fiscal years. The
7 changes to this Section made by Public Act 97-691 shall not be
8 applied to Medical Assistance bills incurred in fiscal year
9 2012 or prior fiscal years.

10 (m) The Comptroller must issue payments against
11 outstanding liabilities that were received prior to the lapse
12 period deadlines set forth in this Section as soon thereafter
13 as practical, but no payment may be issued after the 4 months
14 following the lapse period deadline without the signed
15 authorization of the Comptroller and the Governor.

16 (Source: P.A. 97-75, eff. 6-30-11; 97-333, eff. 8-12-11;
17 97-691, eff. 7-1-12; 97-732, eff. 6-30-12; 97-932, eff.
18 8-10-12; 98-8, eff. 5-3-13; 98-24, eff. 6-19-13; 98-215, eff.
19 8-9-13; 98-463, eff. 8-16-13; 98-756, eff. 7-16-14.)

20 (30 ILCS 105/35) (from Ch. 127, par. 167.03)

21 Sec. 35. As used in this Section, "state agency" is defined
22 as provided in the Illinois State Auditing Act, except that
23 this Section does not apply to state colleges and universities,
24 the Illinois Mathematics and Science Academy, and their
25 respective governing boards.

1 When any State agency receives a grant or contract from
2 itself or another State agency from appropriated funds the
3 recipient agency shall be restricted in the expenditure of
4 these funds to the period during which the grantor agency was
5 so restricted and to the terms and conditions under which such
6 other agency received the appropriation, and to the terms,
7 conditions and limitations of the appropriations to the other
8 agency. For purposes of this Section, "interfund transfer"
9 means the transfer of monies from one fund listed in the State
10 Treasury to another fund. An "interfund transfer" shall not be
11 considered an expenditure for purposes of this Section. No
12 State agency may accept or expend funds under a grant or
13 contract for any purpose, program or activity not within the
14 scope of the agency's powers and duties under Illinois law.

15 (Source: P.A. 88-9.)

16 Section 25. The Illinois Grant Funds Recovery Act is
17 amended by adding Section 15.5 as follows:

18 (30 ILCS 705/15.5 new)

19 Sec. 15.5. Recommendations of the Illinois Single Audit
20 Commission regarding the elimination and recovery of improper
21 payments. The Illinois Single Audit Commission, in conjunction
22 with the Governor's Office of Management and Budget, shall
23 convene a subcommittee of the Commission to research and
24 provide recommendations to the General Assembly regarding the

1 adoption of legislation in accordance with the federal Improper
2 Payments Elimination and Recovery Improvement Act of 2012. The
3 subcommittee's recommendations shall be included in the Annual
4 Report of the Commission to be submitted to the General
5 Assembly on January 1, 2016.

6 Section 30. The Grant Accountability and Transparency Act
7 is amended by changing Sections 15, 50, and 55 and by adding
8 Sections 105, 110, 115, 120, 125, and 130 as follows:

9 (30 ILCS 708/15)

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

11 Sec. 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

1 indirect cost;

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

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

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

10 (9) the costs are adequately documented.

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

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

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

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

1 subsidies, or insurance; direct payments of any kind to
2 individuals; or contracts that must be entered into and
3 administered under State or federal procurement laws and
4 regulations.

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

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

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

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

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

25 "Cluster of programs" means a grouping of closely related
26 programs that share common compliance requirements. The types

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

6 "Cognizant agency for audit" means the federal agency
7 designated to carry out the responsibilities described in 2 CFR
8 200.513(a).

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

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

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

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

26 (2) is distinguished from a grant in that it provides

1 for substantial involvement between the awarding agency or
2 pass-through entity and the non-federal entity in carrying
3 out the activity contemplated by the award.

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

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

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

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

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

26 "Data Universal Numbering System number" means the 9-digit

1 number established and assigned by Dun and Bradstreet, Inc. to
2 uniquely identify entities and, under federal law, is required
3 for non-federal entities to apply for, receive, and report on a
4 federal award.

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

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

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

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

23 "Federal award" means:

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

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

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

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

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

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

25 "Federal program" means any of the following:

26 (1) All federal awards which are assigned a single

1 number in the CFDA.

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

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

8 (A) research and development;

9 (B) student financial aid; and

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

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

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

19 "Financial assistance" means the following:

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

23 (A) grants;

24 (B) cooperative agreements;

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

1 (D) direct appropriations;
2 (E) food commodities; and
3 (F) other financial assistance, except assistance
4 listed in paragraph (2) of this definition.

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

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

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

19 "Foreign public entity" means:

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

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

26 (3) an entity owned, in whole or in part, or controlled

1 by a foreign government; or

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

5 "Foreign organization" means an entity that is:

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

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

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

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

25 "Generally Accepted Accounting Principles" has the meaning
26 provided in accounting standards issued by the Government

1 Accounting Standards Board and the Financial Accounting
2 Standards Board.

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

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

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

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

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

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

1 support of a project or activity.

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

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

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

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

26 "Inspector General" means the Office of the Executive

1 Inspector General for Executive branch agencies.

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

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

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

14 "Major program" means a federal program determined by the
15 auditor to be a major program in accordance with 2 CFR 200.518
16 or a program identified as a major program by a federal
17 awarding agency or pass-through entity in accordance with 2 CFR
18 200.503(e).

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

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

26 (1) is operated primarily for scientific, educational,

1 service, charitable, or similar purposes in the public
2 interest;

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

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

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

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

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

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

1 assume the oversight responsibilities. The duties of the
2 oversight agency for audit and the process for any
3 reassignments are described in 2 CFR 200.513(b).

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

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

10 "Property" means real property or personal property.

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

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

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

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

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

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

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

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

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

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

16 "State program" means any of the following:

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

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

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

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

26 "Stop payment order" means a communication from a State

1 grant-making agency to the Office of the Comptroller requesting
2 the cessation of payments to a recipient or subrecipient as a
3 result of the recipient's or subrecipient's failure to comply
4 with one or more terms of the grant or subaward.

5 "Stop payment system" means the system maintained by the
6 Office of the Comptroller which effects stop payment orders and
7 the lifting of stop payment orders upon the direction of a
8 State grant-making agency.

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

18 "Subaward" means a State or federal award provided by a
19 pass-through entity to a subrecipient for the subrecipient to
20 carry out part of a federal award received by the pass-through
21 entity. "Subaward" does not include payments to a contractor or
22 payments to an individual that is a beneficiary of a federal
23 program. A "subaward" may be provided through any form of legal
24 agreement, including an agreement that the pass-through entity
25 considers a contract.

26 "Subrecipient" means a non-federal entity that receives a

1 State or federal subaward from a pass-through entity to carry
2 out part of a federal program. "Subrecipient" does not include
3 an individual that is a beneficiary of such program. A
4 "subrecipient" may also be a recipient of other State or
5 federal awards directly from a State or federal awarding
6 agency.

7 "Suspension" means a post-award action by the State or
8 federal agency or pass-through entity that temporarily
9 withdraws the State or federal agency's or pass-through
10 entity's financial assistance sponsorship under an award,
11 pending corrective action by the recipient or subrecipient or
12 pending a decision to terminate the award.

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

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

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

21 (30 ILCS 708/50)

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

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

24 (a) The specific requirements and responsibilities of
25 State grant-making agencies and non-federal entities are set

1 forth in this Act. State agencies making State awards to
2 non-federal entities must adopt by rule the language in 2 CFR
3 200, Subpart C through Subpart F unless different provisions
4 are required by law.

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

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

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

22 (2) provide recipients and subrecipients with clear
23 performance goals, indicators, and milestones and must
24 establish performance reporting frequency and content to
25 not only allow the State agency to understand the
26 recipient's progress, but also to facilitate

1 identification of promising practices among recipients and
2 subrecipients and build the evidence upon which the State
3 agency's program and performance decisions are made.

4 (c-5) Each State grant-making agency shall evaluate the
5 compliance of its recipients and subrecipients within the terms
6 of the grant or subaward and, where appropriate, shall request
7 that the Office of the Comptroller issue a stop payment order
8 in accordance with Section 105 of this Act.

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

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

14 (30 ILCS 708/55)

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

16 Sec. 55. The Governor's Office of Management and Budget
17 responsibilities.

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

19 (1) provide technical assistance and interpretations
20 of policy requirements in order to ensure effective and
21 efficient implementation of this Act by State grant-making
22 agencies; and

23 (2) have authority to approve any exceptions to the
24 requirements of this Act and shall adopt rules governing
25 the criteria to be considered when an exception is

1 requested; exceptions shall only be made in particular
2 cases where adequate justification is presented.

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

17 (c) On or before July 1, 2015, the Governor's Office of
18 Management and Budget, in conjunction with the Illinois Single
19 Audit Commission, shall convene a subcommittee of the
20 Commission to research and provide recommendations to the
21 General Assembly regarding the adoption of legislation in
22 accordance with the federal Improper Payments Elimination and
23 Recovery Improvement Act of 2012. The subcommittee's
24 recommendations shall be included in the Annual Report of the
25 Commission to be submitted to the General Assembly on January
26 1, 2016.

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

2 (30 ILCS 708/105 new)

3 Sec. 105. Stop payment system.

4 (a) On or before July 1, 2016, the Governor's Office of
5 Management and Budget shall adopt rules pertaining to the
6 following:

7 (1) Factors to be considered in determining whether to
8 issue a stop payment order;

9 (2) Factors to be considered in determining whether a
10 stop payment order should be lifted; and

11 (3) Procedures for notification to the recipient or
12 subrecipient of the issuance of a stop payment order, the
13 lifting of a stop payment order, and any other related
14 information.

15 (b) On or before December 31, 2016, the Governor's Office
16 of Management and Budget shall, in conjunction with State
17 grant-making agencies, adopt rules pertaining to the
18 following:

19 (1) Policies regarding the issuance of stop payment
20 orders;

21 (2) Policies regarding the lifting of stop payment
22 orders;

23 (3) Policies regarding corrective actions required of
24 recipients and subrecipients in the event a stop payment
25 order is issued; and

1 (4) Policies regarding the coordination of
2 communications between the Office of the Comptroller and
3 State grant-making agencies regarding the issuance of stop
4 payment orders and the lifting of such orders.

5 (c) On or before July 1, 2017, the Office of the
6 Comptroller shall have established a stop payment system that
7 shall cause the temporary or permanent cessation of payments to
8 a recipient or subrecipient in specified circumstances. Such a
9 temporary or permanent cessation of payments will occur
10 pursuant to a stop payment order issued by a State grant-making
11 agency and implemented by the Office of the Comptroller.

12 (d) The State grant-making agency shall maintain a file
13 pertaining to all stop payment orders which shall include, at a
14 minimum:

15 (1) The notice to the recipient or subrecipient that a
16 stop payment order has been issued. The notice shall
17 include:

18 (A) The name of the grant.

19 (B) The grant number.

20 (C) The name of the State agency that issued the
21 grant.

22 (D) The reason(s) for the stop payment order.

23 (E) Notification that the stop payment order
24 applies to all grants and contracts issued by the
25 State.

26 (F) Any other relevant information.

1 (2) The order lifting the stop payment order, if
2 applicable.

3 (30 ILCS 708/110 new)

4 Sec. 110. Documentation of award decisions. Each award that
5 is granted pursuant to an application process must include
6 documentation to support the award.

7 (a) For each State or federal pass-through award that is
8 granted following an application process, the State
9 grant-making agency shall create a grant award file. The grant
10 award file shall contain, at a minimum:

11 (1) A description of the grant.

12 (2) The Notice of Opportunity.

13 (3) All applications received in response to the Notice
14 of Opportunity.

15 (4) Copies of any written communications between an
16 applicant and the State grant-making agency.

17 (5) The criteria used to evaluate the applications.

18 (6) The scores assigned to each applicant according to
19 the criteria.

20 (7) A written determination, signed by an authorized
21 representative of the State grant-making agency, setting
22 forth the reason for the grant award decision.

23 (8) The Notice of Award.

24 (9) Any other pre-award documents.

25 (10) The grant agreement and any renewals, if

1 applicable;

2 (11) All post-award, administration, and close-out
3 documents relating to the grant.

4 (12) Any other information relevant to the grant award.

5 (b) The grant file shall not include trade secrets or other
6 competitively sensitive, confidential, or proprietary
7 information.

8 (c) Each grant file shall be maintained by the State
9 grant-making agency and, subject to the provisions of the
10 Freedom of Information Act, shall be available for public
11 inspection and copying within 7 calendar days following award
12 of the grant.

13 (30 ILCS 708/115 new)

14 Sec. 115. Certifications and representations. Unless
15 prohibited by State or federal statute, regulation, or
16 administrative rule, each State awarding agency or
17 pass-through entity is authorized to require the recipient or
18 subrecipient to submit certifications and representations
19 required by State or federal statute, regulation, or
20 administrative rule.

21 (30 ILCS 708/120 new)

22 Sec. 120. Required certifications. To assure that
23 expenditures are proper and in accordance with the terms and
24 conditions of the grant award and approved project budgets, all

1 periodic and final financial reports, and all payment requests
2 under the grant agreement, must include a certification, signed
3 by an official who is authorized to legally bind the grantee or
4 subrecipient, that reads as follows:

5 "By signing this report and/or payment request, I
6 certify to the best of my knowledge and belief that this
7 report is true, complete, and accurate; that the
8 expenditures, disbursements, and cash receipts are for the
9 purposes and objectives set forth in the terms and
10 conditions of the State or federal pass-through award; and
11 that supporting documentation has been submitted as
12 required by the grant agreement. I acknowledge that
13 approval for any item or expenditure described herein shall
14 be considered conditional subject to further review and
15 verification in accordance with the monitoring and records
16 retention provisions of the grant agreement. I am aware
17 that any false, fictitious, or fraudulent information, or
18 the omission of any material fact, may subject me to
19 criminal, civil or administrative penalties for fraud,
20 false statements, false claims or otherwise. 18 U.S.C.
21 §1001; 31 U.S.C. §§3729-3730 and §§3801-3812; 30 ILCS 708/
22 120."

23 (30 ILCS 708/125 new)

24 Sec. 125. Expenditures prior to grant execution; reporting
25 requirements.

1 (a) In the event that a recipient or subrecipient incurs
2 expenses related to the grant award prior to the execution of
3 the grant agreement but within the term of the grant, and the
4 grant agreement is executed more than 30 days after the
5 effective date of the grant, the recipient or subrecipient must
6 submit to the State grant-making agency a report that accounts
7 for eligible grant expenditures and project activities from the
8 effective date of the grant up to and including the date of
9 execution of the grant agreement.

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

13 (c) Only those expenses that are reasonable, allowable, and
14 in furtherance of the purpose of the grant award shall be
15 reimbursed.

16 (d) The State grant-making agency must approve the report
17 prior to issuing any payment to the recipient or subrecipient.

18 (30 ILCS 708/130 new)

19 Sec. 130. Travel costs.

20 (a) General. Travel costs are the expenses for
21 transportation, lodging, subsistence, and related items
22 incurred by the employees of the recipient or subrecipient who
23 are in travel status on official business of the recipient or
24 subrecipient. Such costs may only be charged to a State or
25 federal pass-through grant on a per diem or mileage basis in

1 accordance with the rules of the Governor's Travel Control
2 Board.

3 (b) Lodging and subsistence. Costs incurred for travel,
4 including costs of lodging, other subsistence, and incidental
5 expenses, must be considered reasonable and otherwise
6 allowable only to the extent such costs do not exceed charges
7 normally allowed by the rules of the Governor's Travel Control
8 Board. In addition, if these costs are charged directly to the
9 State or federal pass-through award documentation must justify
10 that:

- 11 (1) Participation of the individual is necessary to the
12 State or federal pass-through award; and
13 (2) The costs are reasonable and consistent with the
14 rules of the Governor's Travel Control Board.

15 (c) Commercial air travel.

16 (1) Airfare costs in excess of the basic least
17 expensive unrestricted accommodations class offered by
18 commercial airlines are unallowable except when such
19 accommodations would:

- 20 (i) Require circuitous routing;
21 (ii) Require travel during unreasonable hours;
22 (iii) Excessively prolong travel;
23 (iv) Result in additional costs that would offset
24 the transportation savings; or
25 (v) Offer accommodations not reasonably adequate
26 for the traveler's medical needs."

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".