

**99TH GENERAL ASSEMBLY****State of Illinois****2015 and 2016****SB2764**

Introduced 2/17/2016, by Sen. Jason A. Barickman

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Officials and Employees Ethics Act. Provides that during the period beginning September 1 of the year of a general election and ending the day after the general election, the proper name or image of any executive branch constitutional officer or member of the General Assembly shall not be included in a public announcement on behalf of an executive branch constitutional officer, member of the General Assembly, or State agency related to any contract or grant awarded by a State agency. Amends the Finance Act. Provides that appropriated funds may only be expended during the fiscal year for which they were appropriated. Provides that if any State agency receives a grant or contract from itself from appropriated funds, the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted. Amends the Illinois Grant Funds Recovery Act. Provides that the Governor's Office of Management and Budget shall convene a subcommittee of the Illinois Single Audit Commission to provide recommendations to the General Assembly regarding the adoption of legislation. Amends the Grant Accountability and Transparency Act. Sets forth provisions concerning the stop payment system. Provides requirements for documentation, certification, and reporting of awarded grants. Sets forth provisions concerning the travel costs incurred by the employees of the recipient or subrecipient of an awarded grant who are in travel status on official business of the recipient or subrecipient. Makes conforming changes in the Governor's Office of Management and Budget Act and the State Comptroller Act. Effective immediately.

LRB099 18570 RJF 42949 b

FISCAL NOTE ACT
MAY APPLY**A BILL FOR**

1 AN ACT concerning State government.

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

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.

17 (b) The proper name or image of any executive branch
18 constitutional officer or member of the General Assembly may
19 not appear on any (i) bumper stickers, (ii) commercial
20 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
21 stickers, and (vi) other similar promotional items, that are
22 not in furtherance of the person's official State duties or
23 governmental and public service functions, if designed, paid

1 for, prepared, or distributed using public dollars. This
2 subsection does not apply to stocks of items existing on the
3 effective date of this amendatory Act of the 93rd General
4 Assembly.

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

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

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

25 Section 10. The State Comptroller Act is amended by adding

1 Section 28 as follows:

2 (15 ILCS 405/28 new)

3 Sec. 28. Stop payment system.

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

7 (b) On or before July 1, 2017, the Office of the
8 Comptroller shall, in conjunction with the Governor's Office of
9 Management and Budget, adopt rules pertaining to the following:

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

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

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

18 (c) On or before July 1, 2018, the Office of the
19 Comptroller shall have established a stop payment system that
20 will cause the temporary or permanent cessation of payments to
21 a recipient or subrecipient in specified circumstances. Such a
22 temporary or permanent cessation of payments will occur
23 pursuant to a stop payment order issued by a State grant-making
24 agency and implemented by the Office of the Comptroller.

25 (d) The Office of the Comptroller shall maintain a file

1 pertaining to all stop payment orders which shall include, at a
2 minimum:

3 (1) The notice to the recipient or subrecipient that a
4 stop payment order has been issued. The notice shall
5 include:

6 (A) The name of the grant.

7 (B) The grant number.

8 (C) The name of the State agency that issued the
9 grant.

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

11 (E) Notification that the stop payment order
12 applies to all grants and contracts issued by the
13 State.

14 (F) Any other relevant information.

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

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

19 (20 ILCS 3005/2.11 new)

20 Sec. 2.11. Stop payment orders.

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

24 (b) Pursuant to the Grant Accountability and Transparency

1 Act, the Governor's Office of Management and Budget shall adopt
2 rules pertaining to the issuance of stop payment orders that
3 will cause the temporary or permanent cessation of payments to
4 a recipient or subrecipient in specified circumstances. Stop
5 payment orders shall be issued by a State grant-making agency
6 and implemented by the Office of the Comptroller.

7 (20 ILCS 3005/2.12 new)

8 Sec. 2.12. Subcommittee recommendations.

9 Pursuant to Section 15.5 of the Grant Funds Recovery Act,
10 the Governor's Office of Management and Budget, in conjunction
11 with the Illinois Single Audit Commission, shall convene a
12 subcommittee of the Commission to research and provide
13 recommendations to the General Assembly regarding the adoption
14 of legislation, in accordance with the federal Improper
15 Payments Elimination and Recovery Improvement Act of 2012. The
16 subcommittee's recommendations shall be included in the Annual
17 Report of the Commission to be submitted to the General
18 Assembly on January 1, 2017.

19 Section 20. The State Finance Act is amended by changing
20 Sections 25 and 35 as follows:

21 (30 ILCS 105/25) (from Ch. 127, par. 161)

22 Sec. 25. Fiscal year limitations.

23 (a) All appropriations shall be available for expenditure

1 for the fiscal year or for a lesser period if the Act making
2 that appropriation so specifies. A deficiency or emergency
3 appropriation shall be available for expenditure only through
4 June 30 of the year when the Act making that appropriation is
5 enacted unless that Act otherwise provides. Except as otherwise
6 provided in this section, appropriated funds may only be
7 expended during the fiscal year for which they were
8 appropriated (including any applicable lapse period),
9 regardless of whether those funds are subject to interfund
10 transfers or are deposited for use in a non-appropriated fund,
11 including those made through the use of vouchers or drafts, or
12 warrants ordered by the State Comptroller and paid by the
13 Treasurer. For purposes of this Section, "interfund transfer"
14 means the transfer of monies from one fund listed in the State
15 Treasury to another fund. An "interfund transfer" shall not be
16 considered an expenditure for purposes of this Section.

17 (b) Outstanding liabilities as of June 30, payable from
18 appropriations which have otherwise expired, may be paid out of
19 the expiring appropriations during the 2-month period ending at
20 the close of business on August 31. Any service involving
21 professional or artistic skills or any personal services by an
22 employee whose compensation is subject to income tax
23 withholding must be performed as of June 30 of the fiscal year
24 in order to be considered an "outstanding liability as of June
25 30" that is thereby eligible for payment out of the expiring
26 appropriation.

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

16 (b-2) All outstanding liabilities as of June 30, 2010,
17 payable from appropriations that would otherwise expire at the
18 conclusion of the lapse period for fiscal year 2010, and
19 interest penalties payable on those liabilities under the State
20 Prompt Payment Act, may be paid out of the expiring
21 appropriations until December 31, 2010, without regard to the
22 fiscal year in which the payment is made, as long as vouchers
23 for the liabilities are received by the Comptroller no later
24 than August 31, 2010.

25 (b-2.5) All outstanding liabilities as of June 30, 2011,
26 payable from appropriations that would otherwise expire at the

1 conclusion of the lapse period for fiscal year 2011, and
2 interest penalties payable on those liabilities under the State
3 Prompt Payment Act, may be paid out of the expiring
4 appropriations until December 31, 2011, without regard to the
5 fiscal year in which the payment is made, as long as vouchers
6 for the liabilities are received by the Comptroller no later
7 than August 31, 2011.

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

17 (b-2.7) For fiscal years 2012, 2013, and 2014, interest
18 penalties payable under the State Prompt Payment Act associated
19 with a voucher for which payment is issued after June 30 may be
20 paid out of the next fiscal year's appropriation. The future
21 year appropriation must be for the same purpose and from the
22 same fund as the original payment. An interest penalty voucher
23 submitted against a future year appropriation must be submitted
24 within 60 days after the issuance of the associated voucher,
25 and the Comptroller must issue the interest payment within 60
26 days after acceptance of the interest voucher.

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

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

1 during the 4-month period ending at the close of business on
2 October 31.

3 (b-5) Medical payments may be made by the Department of
4 Human Services from its appropriations relating to substance
5 abuse treatment services for any fiscal year, without regard to
6 the fact that the medical services being compensated for by
7 such payment may have been rendered in a prior fiscal year,
8 provided the payments are made on a fee-for-service basis
9 consistent with requirements established for Medicaid
10 reimbursement by the Department of Healthcare and Family
11 Services, except as required by subsection (j) of this Section.
12 Beginning on June 30, 2021, medical payments made by the
13 Department of Human Services relating to substance abuse
14 treatment services 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-6) Additionally, payments may be made by the Department
19 of Human Services from its appropriations, or any other State
20 agency from its appropriations with the approval of the
21 Department of Human Services, from the Immigration Reform and
22 Control Fund for purposes authorized pursuant to the
23 Immigration Reform and Control Act of 1986, without regard to
24 any fiscal year limitations, except as required by subsection
25 (j) of this Section. Beginning on June 30, 2021, payments made
26 by the Department of Human Services from the Immigration Reform

1 and Control Fund for purposes authorized pursuant to the
2 Immigration Reform and Control Act of 1986 payable from
3 appropriations that have otherwise expired may be paid out of
4 the expiring appropriation during the 4-month period ending at
5 the close of business on October 31.

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

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

21 (b-9) Medical payments not exceeding \$150,000,000 may be
22 made by the Department on Aging from its appropriations
23 relating to the Community Care Program for fiscal year 2014,
24 without regard to the fact that the medical services being
25 compensated for by such payment may have been rendered in a
26 prior fiscal year, provided the payments are made on a

1 fee-for-service basis consistent with requirements established
2 for Medicaid reimbursement by the Department of Healthcare and
3 Family Services, except as required by subsection (j) of this
4 Section.

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

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

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

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

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

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

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

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

26 (h) As provided in Section 4 of the General Assembly

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

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

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

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

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

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

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

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

15 (j) Notwithstanding any other provision of this Act, the
16 aggregate amount of payments to be made without regard for
17 fiscal year limitations as contained in subsections (b-1),
18 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and
19 determined by using Generally Accepted Accounting Principles,
20 shall not exceed the following amounts:

21 (1) \$6,000,000,000 for outstanding liabilities related
22 to fiscal year 2012;

23 (2) \$5,300,000,000 for outstanding liabilities related
24 to fiscal year 2013;

25 (3) \$4,600,000,000 for outstanding liabilities related
26 to fiscal year 2014;

1 (4) \$4,000,000,000 for outstanding liabilities related
2 to fiscal year 2015;

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

5 (6) \$2,600,000,000 for outstanding liabilities related
6 to fiscal year 2017;

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

9 (8) \$1,300,000,000 for outstanding liabilities related
10 to fiscal year 2019;

11 (9) \$600,000,000 for outstanding liabilities related
12 to fiscal year 2020; and

13 (10) \$0 for outstanding liabilities related to fiscal
14 year 2021 and fiscal years thereafter.

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

17 (1) Definition of Medical Assistance.

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

1 renal disease, persons suffering from hemophilia, and
2 victims of sexual assault.

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

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

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

25 (C) Medical Assistance bills received by the
26 Department of Healthcare and Family Services in a

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

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

15 (3) Extended lapse period for Department of Healthcare
16 and Family Services Medical Assistance payments.
17 Notwithstanding any other State law to the contrary,
18 outstanding Department of Healthcare and Family Services
19 Medical Assistance liabilities, as of June 30th, payable
20 from appropriations which have otherwise expired, may be
21 paid out of the expiring appropriations during the 6-month
22 period ending at the close of business on December 31st.

23 (1) The changes to this Section made by Public Act 97-691
24 shall be effective for payment of Medical Assistance bills
25 incurred in fiscal year 2013 and future fiscal years. The
26 changes to this Section made by Public Act 97-691 shall not be

1 applied to Medical Assistance bills incurred in fiscal year
2 2012 or prior fiscal years.

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

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

13 (30 ILCS 105/35) (from Ch. 127, par. 167.03)

14 Sec. 35. As used in this Section, "state agency" is defined
15 as provided in the Illinois State Auditing Act, except that
16 this Section does not apply to state colleges and universities,
17 the Illinois Mathematics and Science Academy, and their
18 respective governing boards.

19 When any State agency receives a grant or contract from
20 itself or another State agency from appropriated funds the
21 recipient agency shall be restricted in the expenditure of
22 these funds to the period during which the grantor agency was
23 so restricted and to the terms and conditions under which such
24 other agency received the appropriation, and to the terms,
25 conditions and limitations of the appropriations to the other

1 agency. For purposes of this Section, "interfund transfer"
2 means the transfer of monies from one fund listed in the State
3 Treasury to another fund. An "interfund transfer" shall not be
4 considered an expenditure for purposes of this Section. No
5 State agency may accept or expend funds under a grant or
6 contract for any purpose, program or activity not within the
7 scope of the agency's powers and duties under Illinois law.

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

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

11 (30 ILCS 705/15.5 new)

12 Sec. 15.5. Recommendations of the Illinois Single Audit
13 Commission regarding the elimination and recovery of improper
14 payments. The Illinois Single Audit Commission, in conjunction
15 with the Governor's Office of Management and Budget, shall
16 convene a subcommittee of the Commission to research and
17 provide recommendations to the General Assembly regarding the
18 adoption of legislation in accordance with the federal Improper
19 Payments Elimination and Recovery Improvement Act of 2012. The
20 subcommittee's recommendations shall be included in the Annual
21 Report of the Commission to be submitted to the General
22 Assembly on January 1, 2017.

23 Section 30. The Grant Accountability and Transparency Act

1 is amended by changing Sections 15, 50, and 55 and by adding
2 Sections 105, 110, 115, 120, 125, and 130 as follows:

3 (30 ILCS 708/15)

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

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

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

7 (1) the costs are reasonable and necessary for the
8 performance of the award;

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

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

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

15 (5) the costs are accorded consistent treatment; a cost
16 may not be assigned to a State or federal award as a direct
17 cost if any other cost incurred for the same purpose in
18 like circumstances has been allocated to the award as an
19 indirect cost;

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

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

25 (8) the costs of one State or federal grant are not

1 used to meet the match requirements of another State or
2 federal grant; and

3 (9) the costs are adequately documented.

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

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

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

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

24 "Budget" means the financial plan for the project or
25 program that the awarding agency or pass-through entity
26 approves during the award process or in subsequent amendments

1 to the award. It may include the State or federal and
2 non-federal share or only the State or federal share, as
3 determined by the awarding agency or pass-through entity.

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

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

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

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

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

25 "Cognizant agency for audit" means the federal agency
26 designated to carry out the responsibilities described in 2 CFR

1 200.513(a).

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

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

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

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

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

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

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

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

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

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

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

24 "Direct costs" means costs that can be identified
25 specifically with a particular final cost objective, such as a
26 State or federal or federal pass-through award or a particular

1 sponsored project, an instructional activity, or any other
2 institutional activity, or that can be directly assigned to
3 such activities relatively easily with a high degree of
4 accuracy.

5 "Equipment" means tangible personal property (including
6 information technology systems) having a useful life of more
7 than one year and a per-unit acquisition cost that equals or
8 exceeds the lesser of the capitalization level established by
9 the non-federal entity for financial statement purposes, or
10 \$5,000.

11 "Executive branch" means that branch of State government
12 that is under the jurisdiction of the Governor.

13 "Federal agency" has the meaning provided for "agency"
14 under 5 U.S.C. 551(1) together with the meaning provided for
15 "agency" by 5 U.S.C. 552(f).

16 "Federal award" means:

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

20 (2) the cost-reimbursement contract under the Federal
21 Acquisition Regulations that a non-federal entity receives
22 directly from a federal awarding agency or indirectly from
23 a pass-through entity; or

24 (3) the instrument setting forth the terms and
25 conditions when the instrument is the grant agreement,
26 cooperative agreement, other agreement for assistance

1 covered in paragraph (b) of 20 CFR 200.40, or the
2 cost-reimbursement contract awarded under the Federal
3 Acquisition Regulations.

4 "Federal award" does not include other contracts that a
5 federal agency uses to buy goods or services from a contractor
6 or a contract to operate federal government owned,
7 contractor-operated facilities.

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

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

18 "Federal program" means any of the following:

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

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

24 (3) Notwithstanding paragraphs (1) and (2) of this
25 definition, a cluster of programs. The types of clusters of
26 programs are:

- 1 (A) research and development;
2 (B) student financial aid; and
3 (C) "other clusters", as described in the
4 definition of "cluster of programs".

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

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

12 "Financial assistance" means the following:

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

- 16 (A) grants;
17 (B) cooperative agreements;
18 (C) non-cash contributions or donations of
19 property, including donated surplus property;
20 (D) direct appropriations;
21 (E) food commodities; and
22 (F) other financial assistance, except assistance
23 listed in paragraph (2) of this definition.

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

1 (3) "Financial assistance" does not include amounts
2 received as reimbursement for services rendered to
3 individuals.

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

12 "Foreign public entity" means:

13 (1) a foreign government or foreign governmental
14 entity;

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

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

21 (4) any other entity consisting wholly or partially of
22 one or more foreign governments or foreign governmental
23 entities.

24 "Foreign organization" means an entity that is:

25 (1) a public or private organization located in a
26 country other than the United States and its territories

1 that are subject to the laws of the country in which it is
2 located, irrespective of the citizenship of project staff
3 or place of performance;

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

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

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

18 "Generally Accepted Accounting Principles" has the meaning
19 provided in accounting standards issued by the Government
20 Accounting Standards Board and the Financial Accounting
21 Standards Board.

22 "Generally Accepted Government Auditing Standards" means
23 generally accepted government auditing standards issued by the
24 Comptroller General of the United States that are applicable to
25 financial audits.

26 "Grant agreement" means a legal instrument of financial

1 assistance between an awarding agency or pass-through entity
2 and a non-federal entity that:

3 (1) is used to enter into a relationship, the principal
4 purpose of which is to transfer anything of value from the
5 awarding agency or pass-through entity to the non-federal
6 entity to carry out a public purpose authorized by law and
7 not to acquire property or services for the awarding agency
8 or pass-through entity's direct benefit or use; and

9 (2) is distinguished from a cooperative agreement in
10 that it does not provide for substantial involvement
11 between the awarding agency or pass-through entity and the
12 non-federal entity in carrying out the activity
13 contemplated by the award.

14 "Grant agreement" does not include an agreement that
15 provides only direct cash assistance to an individual, a
16 subsidy, a loan, a loan guarantee, or insurance.

17 "Grant application" means a specified form that is
18 completed by a non-federal entity in connection with a request
19 for a specific funding opportunity or a request for financial
20 support of a project or activity.

21 "Hospital" means a facility licensed as a hospital under
22 the law of any state or a facility operated as a hospital by
23 the United States, a state, or a subdivision of a state.

24 "Illinois Debarred and Suspended List" means the list
25 maintained by the Governor's Office of Management and Budget
26 that contains the names of those individuals and entities that

1 are ineligible, either temporarily or permanently, from
2 receiving an award of grant funds from the State.

3 ~~"Indian tribe" (or "federally recognized Indian tribe")~~
4 ~~means any Indian tribe, band, nation, or other organized group~~
5 ~~or community, including any Alaska Native village or regional~~
6 ~~or village corporation as defined in or established pursuant to~~
7 ~~the federal Alaska Native Claims Settlement Act (43 U.S.C.~~
8 ~~1601, et seq.) that is recognized as eligible for the special~~
9 ~~programs and services provided by the United States to Indians~~
10 ~~because of their status as Indians under 25 U.S.C. 450b(c), as~~
11 ~~set forth in the annually published Bureau of Indian Affairs~~
12 ~~list of Indian Entities Recognized and Eligible to Receive~~
13 ~~Services.~~

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

19 "Inspector General" means the Office of the Executive
20 Inspector General for Executive branch agencies.

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

24 "Loan guarantee" means any State or federal government
25 guarantee, insurance, or other pledge with respect to the
26 payment of all or a part of the principal or interest on any

1 debt obligation of a non-federal borrower to a non-federal
2 lender, but does not include the insurance of deposits, shares,
3 or other withdrawable accounts in financial institutions.

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

7 "Major program" means a federal program determined by the
8 auditor to be a major program in accordance with 2 CFR 200.518
9 or a program identified as a major program by a federal
10 awarding agency or pass-through entity in accordance with 2 CFR
11 200.503(e).

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

16 "Nonprofit organization" means any corporation, trust,
17 association, cooperative, or other organization, not including
18 institutions of higher education, that:

19 (1) is operated primarily for scientific, educational,
20 service, charitable, or similar purposes in the public
21 interest;

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

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

25 "Obligations", when used in connection with a non-federal
26 entity's utilization of funds under an award, means orders

1 placed for property and services, contracts and subawards made,
2 and similar transactions during a given period that require
3 payment by the non-federal entity during the same or a future
4 period.

5 "Office of Management and Budget" means the Office of
6 Management and Budget of the Executive Office of the President.

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

15 "Oversight agency for audit" means the federal awarding
16 agency that provides the predominant amount of funding directly
17 to a non-federal entity not assigned a cognizant agency for
18 audit. When there is no direct funding, the awarding agency
19 that is the predominant source of pass-through funding must
20 assume the oversight responsibilities. The duties of the
21 oversight agency for audit and the process for any
22 reassignments are described in 2 CFR 200.513(b).

23 "Pass-through entity" means a non-federal entity that
24 provides a subaward to a subrecipient to carry out part of a
25 program.

26 "Private award" means an award from a person or entity

1 other than a State or federal entity. Private awards are not
2 subject to the provisions of this Act.

3 "Property" means real property or personal property.

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

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

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

12 "Research and Development" means all research activities,
13 both basic and applied, and all development activities that are
14 performed by non-federal entities.

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

17 "State agency" means an Executive branch agency. For
18 purposes of this Act, "State agency" does not include public
19 institutions of higher education.

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

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

26 "State grant-making agency" has the same meaning as "State

1 awarding agency".

2 "State interest" means the acquisition or improvement of
3 real property, equipment, or supplies under a State award, the
4 dollar amount that is the product of the State share of the
5 total project costs and current fair market value of the
6 property, improvements, or both, to the extent the costs of
7 acquiring or improving the property were included as project
8 costs.

9 "State program" means any of the following:

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

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

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

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

19 "Stop payment order" means a communication from a State
20 grant-making agency to the Office of the Comptroller requesting
21 the cessation of payments to a recipient or subrecipient as a
22 result of the recipient's or subrecipient's failure to comply
23 with one or more terms of the grant or subaward.

24 "Stop payment system" means the system maintained by the
25 Office of the Comptroller which effects stop payment orders and
26 the lifting of stop payment orders upon the direction of a

1 State grant-making agency.

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

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

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

26 "Suspension" means a post-award action by the State or

1 federal agency or pass-through entity that temporarily
2 withdraws the State or federal agency's or pass-through
3 entity's financial assistance sponsorship under an award,
4 pending corrective action by the recipient or subrecipient or
5 pending a decision to terminate the award.

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

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

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

14 (30 ILCS 708/50)

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

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

17 (a) The specific requirements and responsibilities of
18 State grant-making agencies and non-federal entities are set
19 forth in this Act. State agencies making State awards to
20 non-federal entities must adopt by rule the language in 2 CFR
21 200, Subpart C through Subpart F unless different provisions
22 are required by law.

23 (b) Each State grant-making agency shall appoint a Chief
24 Accountability Officer who shall serve as a liaison to the
25 Grant Accountability and Transparency Unit and who shall be

1 responsible for the State agency's implementation of and
2 compliance with the rules.

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

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

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

23 (c-5) Each State grant-making agency shall evaluate the
24 compliance of its recipients and subrecipients within the terms
25 of the grant or subaward and, where appropriate, shall request
26 that the Office of the Comptroller issue a stop payment order

1 in accordance with Section 105 of this Act.

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

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

7 (30 ILCS 708/55)

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

9 Sec. 55. The Governor's Office of Management and Budget
10 responsibilities.

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

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

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

21 (b) The Governor's Office of Management and Budget shall,
22 on or before July 1, 2014, establish a centralized unit within
23 the Governor's Office of Management and Budget. The centralized
24 unit shall be known as the Grant Accountability and
25 Transparency Unit and shall be funded with a portion of the

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

10 (c) The Governor's Office of Management and Budget, in
11 conjunction with the Illinois Single Audit Commission, shall
12 convene a subcommittee of the Commission to research and
13 provide recommendations to the General Assembly regarding the
14 adoption of legislation in accordance with the federal Improper
15 Payments Elimination and Recovery Improvement Act of 2012. The
16 subcommittee's recommendations shall be included in the Annual
17 Report of the Commission to be submitted to the General
18 Assembly on January 1, 2017.

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

20 (30 ILCS 708/105 new)

21 Sec. 105. Stop payment system.

22 (a) On or before July 1, 2017, the Governor's Office of
23 Management and Budget shall adopt rules pertaining to the
24 following:

25 (1) Factors to be considered in determining whether to

1 issue a stop payment order;

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

4 (3) Procedures for notification to the recipient or
5 subrecipient of the issuance of a stop payment order, the
6 lifting of a stop payment order, and any other related
7 information.

8 (b) On or before December 31, 2017, the Governor's Office
9 of Management and Budget shall, in conjunction with State
10 grant-making agencies, adopt rules pertaining to the
11 following:

12 (1) Policies regarding the issuance of stop payment
13 orders;

14 (2) Policies regarding the lifting of stop payment
15 orders;

16 (3) Policies regarding corrective actions required of
17 recipients and subrecipients in the event a stop payment
18 order is issued; and

19 (4) Policies regarding the coordination of
20 communications between the Office of the Comptroller and
21 State grant-making agencies regarding the issuance of stop
22 payment orders and the lifting of such orders.

23 (c) On or before July 1, 2018, the Office of the
24 Comptroller shall have established a stop payment system that
25 shall cause the temporary or permanent cessation of payments to
26 a recipient or subrecipient in specified circumstances. Such a

1 temporary or permanent cessation of payments will occur
2 pursuant to a stop payment order issued by a State grant-making
3 agency and implemented by the Office of the Comptroller.

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

7 (1) The notice to the recipient or subrecipient that a
8 stop payment order has been issued. The notice shall
9 include:

10 (A) The name of the grant.

11 (B) The grant number.

12 (C) The name of the State agency that issued the
13 grant.

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

15 (E) Notification that the stop payment order
16 applies to all grants and contracts issued by the
17 State.

18 (F) Any other relevant information.

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

21 (30 ILCS 708/110 new)

22 Sec. 110. Documentation of award decisions. Each award that
23 is granted pursuant to an application process must include
24 documentation to support the award.

25 (a) For each State or federal pass-through award that is

1 granted following an application process, the State
2 grant-making agency shall create a grant award file. The grant
3 award file shall contain, at a minimum:

4 (1) A description of the grant.

5 (2) The Notice of Opportunity.

6 (3) All applications received in response to the Notice
7 of Opportunity.

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

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

11 (6) The scores assigned to each applicant according to
12 the criteria.

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

16 (8) The Notice of Award.

17 (9) Any other pre-award documents.

18 (10) The grant agreement and any renewals, if
19 applicable;

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

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

23 (b) The grant file shall not include trade secrets or other
24 competitively sensitive, confidential, or proprietary
25 information.

26 (c) Each grant file shall be maintained by the State

1 grant-making agency and, subject to the provisions of the
2 Freedom of Information Act, shall be available for public
3 inspection and copying within 7 calendar days following award
4 of the grant.

5 (30 ILCS 708/115 new)

6 Sec. 115. Certifications and representations. Unless
7 prohibited by State or federal statute, regulation, or
8 administrative rule, each State awarding agency or
9 pass-through entity is authorized to require the recipient or
10 subrecipient to submit certifications and representations
11 required by State or federal statute, regulation, or
12 administrative rule.

13 (30 ILCS 708/120 new)

14 Sec. 120. Required certifications. To assure that
15 expenditures are proper and in accordance with the terms and
16 conditions of the grant award and approved project budgets, all
17 periodic and final financial reports, and all payment requests
18 under the grant agreement, must include a certification, signed
19 by an official who is authorized to legally bind the grantee or
20 subrecipient, that reads as follows:

21 "By signing this report and/or payment request, I
22 certify to the best of my knowledge and belief that this
23 report is true, complete, and accurate; that the
24 expenditures, disbursements, and cash receipts are for the

1 purposes and objectives set forth in the terms and
2 conditions of the State or federal pass-through award; and
3 that supporting documentation has been submitted as
4 required by the grant agreement. I acknowledge that
5 approval for any item or expenditure described herein shall
6 be considered conditional subject to further review and
7 verification in accordance with the monitoring and records
8 retention provisions of the grant agreement. I am aware
9 that any false, fictitious, or fraudulent information, or
10 the omission of any material fact, may subject me to
11 criminal, civil or administrative penalties for fraud,
12 false statements, false claims or otherwise. 18 U.S.C.
13 §1001; 31 U.S.C. §§3729-3730 and §§3801-3812; 30 ILCS 708/
14 120."

15 (30 ILCS 708/125 new)

16 Sec. 125. Expenditures prior to grant execution; reporting
17 requirements.

18 (a) In the event that a recipient or subrecipient incurs
19 expenses related to the grant award prior to the execution of
20 the grant agreement but within the term of the grant, and the
21 grant agreement is executed more than 30 days after the
22 effective date of the grant, the recipient or subrecipient must
23 submit to the State grant-making agency a report that accounts
24 for eligible grant expenditures and project activities from the
25 effective date of the grant up to and including the date of

1 execution of the grant agreement.

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

5 (c) Only those expenses that are reasonable, allowable, and
6 in furtherance of the purpose of the grant award shall be
7 reimbursed.

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

10 (30 ILCS 708/130 new)

11 Sec. 130. Travel costs.

12 (a) General. Travel costs are the expenses for
13 transportation, lodging, subsistence, and related items
14 incurred by the employees of the recipient or subrecipient who
15 are in travel status on official business of the recipient or
16 subrecipient. Such costs may only be charged to a State or
17 federal pass-through grant on a per diem or mileage basis in
18 accordance with the rules of the Governor's Travel Control
19 Board.

20 (b) Lodging and subsistence. Costs incurred for travel,
21 including costs of lodging, other subsistence, and incidental
22 expenses, must be considered reasonable and otherwise
23 allowable only to the extent such costs do not exceed charges
24 normally allowed by the rules of the Governor's Travel Control
25 Board. In addition, if these costs are charged directly to the

1 State or federal pass-through award documentation must justify
2 that:

3 (1) Participation of the individual is necessary to the
4 State or federal pass-through award; and

5 (2) The costs are reasonable and consistent with the
6 rules of the Governor's Travel Control Board.

7 (c) Commercial air travel.

8 (1) Airfare costs in excess of the basic least
9 expensive unrestricted accommodations class offered by
10 commercial airlines are unallowable except when such
11 accommodations would:

12 (i) Require circuitous routing;

13 (ii) Require travel during unreasonable hours;

14 (iii) Excessively prolong travel;

15 (iv) Result in additional costs that would offset
16 the transportation savings; or

17 (v) Offer accommodations not reasonably adequate
18 for the traveler's medical needs."

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 430/5-20

4 15 ILCS 405/28 new

5 20 ILCS 3005/2.11 new

6 20 ILCS 3005/2.12 new

7 30 ILCS 105/25 from Ch. 127, par. 161

8 30 ILCS 105/35 from Ch. 127, par. 167.03

9 30 ILCS 705/15.5 new

10 30 ILCS 708/15

11 30 ILCS 708/50

12 30 ILCS 708/55

13 30 ILCS 708/105 new

14 30 ILCS 708/110 new

15 30 ILCS 708/115 new

16 30 ILCS 708/120 new

17 30 ILCS 708/125 new

18 30 ILCS 708/130 new