92_HB1855ham002

LRB9204072SMdvam05

L	AMENDMENT	TO	HOUSE	BILL	1855
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- 2 AMENDMENT NO. ____. Amend House Bill 1855 by replacing
- 3 everything after the enacting clause with the following:
- 4 "Section 1. Short title. This Act may be cited as the
- 5 Grant and Loan Program Administrative Expense Act.
- 6 Section 5. Definitions. As used in this Act:
- 7 "Grant or loan program" means any State or federal grant
- 8 or loan program administered by any State agency (other than
- 9 the Department of Commerce and Community Affairs) at the
- 10 State level, and by units of local government on the local
- 11 level.
- "Indirect costs" means that portion of the costs to a
- 13 unit of local government that are incurred for more than one
- 14 purpose that is allocable to the costs of administering a
- 15 grant or loan program under standard accounting principals
- and, when applicable, federal law or regulations.
- 17 Section 10. Reimbursement of administrative expenses. If
- a grant is awarded by the State (100% State funds) to a unit
- 19 of local government that has an indirect costs plan and the
- 20 grant terms allow the State to pass indirect costs on to the
- 21 unit of local government, then the State must reimburse the

1 unit of local government for its indirect costs. If a grant 2 is a pass-through of federal funds to a unit of local government (federal funds passed through the State to the 3 4 unit of local government), then the State must reimburse the 5 unit of local government for its indirect costs based on the 6 indirect cost rate approved by the unit of local government's federal cognizant agency. This Act does not, however, permit 7 the reimbursement for indirect costs to the extent that the 8 9 reimbursement is inconsistent with any conditions, limitations, or prohibitions imposed under a federal law or 10 11 regulation. The reimbursement of administrative expenses made by the State agency to the unit of local government receiving 12 the grant or loan must be made from the grant or loan funds 13 and may not be made from any other funding source. 14 reimbursement of indirect costs may not exceed 15% of the 15 16 grant or loan.

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