

AN ACT concerning finance.

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

Section 5. The Grant Accountability and Transparency Act is amended by changing Section 45 as follows:

(30 ILCS 708/45)

Sec. 45. Applicability.

(a) Except as otherwise provided in this Section, the requirements established under this Act apply to State grant-making agencies that make State and federal pass-through awards to non-federal entities. These requirements apply to all costs related to State and federal pass-through awards. The requirements established under this Act do not apply to private awards, to allocations of State revenues paid over by the Comptroller to units of local government and other taxing districts pursuant to the State Revenue Sharing Act from the Local Government Distributive Fund or the Personal Property Tax Replacement Fund, ~~or~~ to allotments of State motor fuel tax revenues distributed by the Department of Transportation to units of local government pursuant to the Motor Fuel Tax Law from the Motor Fuel Tax Fund or the Transportation Renewal Fund, or to awards, including capital appropriated funds, made by the Department of Transportation to units of local

government for the purposes of transportation projects utilizing State funds, federal funds, or both State and federal funds. This Act shall recognize that federal and federal pass-through awards from the Department of Transportation to units of local government are governed by and must comply with federal guidelines under 2 CFR Part 200.

The changes made by this amendatory Act of the 102nd General Assembly apply to pending actions as well as actions commenced on or after the effective date of this amendatory Act of the 102nd General Assembly.

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

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

When a non-federal entity is awarded a cost-reimbursement

contract, only 2 CFR 200.330 through 200.332 are incorporated by reference into the contract. However, when the Cost Accounting Standards are applicable to the contract, they take precedence over the requirements of this Act unless they are in conflict with Subpart F of 2 CFR 200. In addition, costs that are made unallowable under 10 U.S.C. 2324(e) and 41 U.S.C. 4304(a), as described in the Federal Acquisition Regulations, subpart 31.2 and subpart 31.603, are always unallowable. For requirements other than those covered in Subpart D of 2 CFR 200.330 through 200.332, the terms of the contract and the Federal Acquisition Regulations apply.

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

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

(d) 2 CFR 200.101 specifies how 2 CFR 200 is applicable to different types of awards. The same applicability applies to this Act.

(e) (Blank).

(f) For public institutions of higher education, the provisions of this Act apply only to awards funded by federal pass-through awards from a State agency to public institutions of higher education. This Act shall recognize provisions in 2 CFR 200 as applicable to public institutions of higher education, including Appendix III of Part 200 and the cost principles under Subpart E.

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

(h) Notwithstanding any provision of law to the contrary, grants awarded from federal funds received from the federal Coronavirus State Fiscal Recovery Fund in accordance with Section 9901 of the American Rescue Plan Act of 2021 are subject to the provisions of this Act, but only to the extent required by Section 9901 of the American Rescue Plan Act of 2021 and other applicable federal law or regulation.

(Source: P.A. 101-81, eff. 7-12-19; 102-16, eff. 6-17-21; 102-626, eff. 8-27-21; revised 10-27-21.)

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