



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5889

Introduced 11/12/2024, by Rep. Dagmara Avelar

SYNOPSIS AS INTRODUCED:

30 ILCS 708/10
30 ILCS 708/15
30 ILCS 708/25
30 ILCS 708/30
30 ILCS 708/50
30 ILCS 708/60
30 ILCS 708/65
30 ILCS 708/97

was 30 ILCS 708/520

Amends the Grant Accountability and Transparency Act. Makes various changes concerning references to the Code of Federal Regulations. Defines the following terms: "assistance listing", "assistance listing number", "fringe benefits", "Illinois Stop Payment List", and "Unique Entity Identifier". Makes changes to the definition of "direct costs". Provides that, with certain exceptions, the frequency of reports by recipients and subrecipients with respect to performance goals, indicators, and milestones required shall not be more frequent than quarterly. Provides that the Governor's Office of Management and Budget shall promote best practices for disseminating information about grant opportunities to grant-making agencies statewide, with an emphasis on reaching previously underserved communities and grantees. Provides that provisions requiring nonprofit organizations to maintain separate accounts for State grant funds do not apply to grant payments that are made as reimbursements. Makes other changes.

LRB103 42005 HLH 75757 b

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 Grant Accountability and Transparency Act
5 is amended by changing Sections 10, 15, 25, 30, 50, 60, 65, and
6 97 as follows:

7 (30 ILCS 708/10)

8 Sec. 10. Purpose. The purpose of this Act is to establish
9 uniform administrative requirements, cost principles, and
10 audit requirements for State and federal pass-through awards
11 to non-federal entities. State awarding agencies shall not
12 impose additional or inconsistent requirements, except as
13 provided in 2 CFR Part 200, Subpart B - General Provisions ~~2~~
14 ~~CFR 200.102~~, unless specifically required by State or federal
15 statute. This Act and the rules adopted under this Act do not
16 apply to private awards.

17 This Act and the rules adopted under this Act provide the
18 basis for a systematic and periodic collection and uniform
19 submission to the Governor's Office of Management and Budget
20 of information of all State and federal financial assistance
21 programs by State grant-making agencies. This Act also
22 establishes policies related to the delivery of this
23 information to the public, including through the use of

1 electronic media.

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

3 (30 ILCS 708/15)

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

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

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

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

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

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

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

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

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

24 (8) the costs of one State or federal grant are not
25 used to meet the match requirements of another State or

1 federal grant; and

2 (9) the costs are adequately documented.

3 "Assistance listings" means the publicly available listing
4 of federal assistance programs managed and administered by the
5 General Services Administration, formerly known as the Catalog
6 of Federal Domestic Assistance (CFDA).

7 "Assistance listing number" or "ALN" means a unique number
8 assigned to identify a federal assistance listing, formerly
9 known as the CFDA Number.

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

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

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

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

1 individuals; or contracts that must be entered into and
2 administered under State or federal procurement laws and
3 regulations.

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

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

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

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

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

24 "Cluster of programs" means a grouping of closely related
25 programs that share common compliance requirements. The types
26 of clusters of programs are research and development, student

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

5 "Cognizant agency for audit" means the federal agency
6 designated to carry out the responsibilities described in 2
7 CFR Part 200, Subpart F - Audit Requirements ~~2 CFR 200.513(a)~~.

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

14 "Contractor" means an entity that receives a contract, as
15 defined in this Act.

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
23 authorized by law, but is not used to acquire property or
24 services for the awarding agency's or pass-through
25 entity's direct 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~~
4 ~~a federal award.~~

5 "Direct costs" means:

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

13 (2) costs charged directly to a State or federal award
14 that are for the compensation of employees who work on
15 that award, their related fringe benefits, or the costs of
16 materials and other items of expense incurred for the
17 State or federal award;

18 (3) costs that are directly related to a specific
19 award but that would otherwise be treated as indirect
20 costs;

21 (4) salaries of administrative and clerical staff only
22 if all the following conditions are met:

23 (A) the individual's services are integral to a
24 project or activity;

25 (B) the individual can be specifically identified
26 with the project or activity;

1 (C) the costs are explicitly included in the
2 budget or have the prior written approval of the State
3 awarding agency; and

4 (D) the costs are not also recovered as indirect
5 costs.

6 Costs incurred for the same purpose in like circumstances
7 must be treated consistently as either direct costs or
8 indirect costs.

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

15 "Executive branch" means that branch of State government
16 that is under the jurisdiction of the Governor.

17 "Federal agency" has the meaning provided for "agency"
18 under 5 U.S.C. 551(1) together with the meaning provided for
19 "agency" by 5 U.S.C. 552(f).

20 "Federal award" means:

21 (1) the federal financial assistance that a
22 non-federal entity receives directly from a federal
23 awarding agency or indirectly from a pass-through entity;

24 (2) the cost-reimbursement contract under the Federal
25 Acquisition Regulations that a non-federal entity receives
26 directly from a federal awarding agency or indirectly from

1 a pass-through entity; or

2 (3) the instrument setting forth the terms and
3 conditions when the instrument is the grant agreement,
4 cooperative agreement, other agreement for assistance
5 covered in 2 CFR Part 200, Subpart A ~~2 CFR 200, Subpart A~~,
6 Acronyms and Definitions, or the cost-reimbursement
7 contract awarded under the Federal Acquisition
8 Regulations.

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

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

15 "Federal interest" means, for purposes of 2 CFR 200,
16 Subpart D, Post Federal Award Requirements (Performance and
17 Financial Monitoring and Reporting) or when used in connection
18 with the acquisition or improvement of real property,
19 equipment, or supplies under a federal award, the dollar
20 amount that is the product of the federal share of total
21 project costs and current fair market value of the property,
22 improvements, or both, to the extent the costs of acquiring or
23 improving the property were included as project costs.

24 "Federal program" means any of the following:

25 (1) All federal awards which are assigned a single
26 number in the assistance listings ~~CFDA~~.

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

5 (3) Notwithstanding paragraphs (1) and (2) of this
6 definition, a cluster of programs. The types of clusters
7 of 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
12 under which the awarding agency or pass-through entity
13 provides a specific level of support without regard to actual
14 costs incurred under the award. "Fixed amount awards" reduce
15 some of the administrative burden and record-keeping
16 requirements for both the non-federal entity and awarding
17 agency or pass-through entity. Accountability is based
18 primarily on performance and 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

1 controlled 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
24 the United States not recognized as a Foreign Public
25 Entity.

26 "Fringe benefits" has the same meaning as provided in 2

1 CFR Part 200, Subpart E - Cost Principles.

2 "Generally Accepted Accounting Principles" has the meaning
3 provided in accounting standards issued by the Government
4 Accounting Standards Board and the Financial Accounting
5 Standards Board.

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

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

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

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

25 "Grant agreement" does not include an agreement that
26 provides only direct cash assistance to an individual, a

1 subsidy, a loan, a loan guarantee, or insurance.

2 "Grant application" means a specified form that is
3 completed by a non-federal entity in connection with a request
4 for a specific funding opportunity or a request for financial
5 support of a project or activity.

6 "Hospital" means a facility licensed as a hospital under
7 the law of any state or a facility operated as a hospital by
8 the United States, a state, or a subdivision of a state.

9 "Illinois Stop Payment List" or "Illinois Debarred and
10 Suspended List" means the list maintained by the Governor's
11 Office of Management and Budget that contains the names of
12 those individuals and entities that are ineligible, either
13 temporarily or permanently, from receiving an award of grant
14 funds from the State.

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

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

22 "Loan" means a State or federal loan or loan guarantee
23 received or administered by a non-federal entity. "Loan" does
24 not include a "program income" as defined in 2 CFR 200, Subpart
25 A, Acronyms and Definitions.

26 "Loan guarantee" means any State or federal government

1 guarantee, insurance, or other pledge with respect to the
2 payment of all or a part of the principal or interest on any
3 debt obligation of a non-federal borrower to a non-federal
4 lender, but does not include the insurance of deposits,
5 shares, or other withdrawable accounts in financial
6 institutions.

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

10 "Major program" means a federal program determined by the
11 auditor to be a major program in accordance with 2 CFR Part
12 200, Subpart F - Audit Requirements ~~2 CFR 200.518~~ or a program
13 identified as a major program by a federal awarding agency or
14 pass-through entity in accordance with 2 CFR Part 200, Subpart
15 F - Audit Requirements ~~2 CFR 200.503(e)~~.

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

20 "Nonprofit organization" means any corporation, trust,
21 association, cooperative, or other organization, not including
22 institutions of higher education, that:

23 (1) is operated primarily for scientific, educational,
24 service, charitable, or similar purposes in the public
25 interest;

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

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

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

9 "Office of Management and Budget" means the Office of
10 Management and Budget of the Executive Office of the
11 President.

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

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

1 reassignments are described in 2 CFR Part 200, Subpart F -
2 Audit Requirements ~~2 CFR 200.513(b)~~.

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

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

9 "Property" means real property or personal property.

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

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

15 "Recipient" means a non-federal entity that receives an
16 award directly from an awarding agency to carry out an
17 activity under a program. "Recipient" does not include
18 subrecipients or individuals who are beneficiaries of the
19 award.

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

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

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

1 institutions of higher education.

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

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

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

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

17 "State program" means any of the following:

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

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

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

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

1 "Stop payment order" means a communication from a State
2 grant-making agency to the Office of the Comptroller,
3 following procedures set out by the Office of the Comptroller,
4 causing the cessation of payments to a recipient or
5 subrecipient as a result of the recipient's or subrecipient's
6 failure to comply with one or more terms of the grant or
7 subaward.

8 "Stop payment procedure" means the procedure created by
9 the Office of the Comptroller which effects a stop payment
10 order and the lifting of a stop payment order upon the request
11 of the State grant-making agency.

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

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

1 legal agreement, including an agreement that the pass-through
2 entity considers a contract.

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

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

16 "Uniform Administrative Requirements, Costs Principles,
17 and Audit Requirements for Federal Awards" means those rules
18 applicable to grants contained in 2 CFR Part 200.

19 "Unique Entity Identifier" means the number that is
20 established and assigned by the federal government on the
21 System for Award Management website (SAM.gov) to uniquely
22 identify entities and, under federal law, is required for
23 nonfederal entities to apply for, receive, and report on a
24 federal award.

25 "Voluntary committed cost sharing" means cost sharing
26 specifically pledged on a voluntary basis in the proposal's

1 budget or the award on the part of the non-federal entity and
2 that becomes a binding requirement of the award.

3 (Source: P.A. 103-616, eff. 7-1-24.)

4 (30 ILCS 708/25)

5 Sec. 25. Supplemental rules. On or before July 1, 2017,
6 the Governor's Office of Management and Budget, with the
7 advice and technical assistance of the Illinois Single Audit
8 Commission, shall adopt supplemental rules pertaining to the
9 following:

10 (1) Criteria to define mandatory formula-based grants
11 and discretionary grants.

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

13 (3) The award of competitive grants in 3-year terms
14 (one-year initial terms with the option to renew for up to
15 2 additional years) to coincide with the federal award.

16 (4) The issuance of grants, including:

17 (A) public notice of announcements of funding
18 opportunities;

19 (B) the development of uniform grant applications;

20 (C) State agency review of merit of proposals and
21 risk posed by applicants;

22 (D) specific conditions for individual recipients
23 (including the use of a fiscal agent and additional
24 corrective conditions);

25 (E) certifications and representations;

1 (F) pre-award costs;

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

6 (H) for mandatory formula grants, the merit of the
7 proposal and the risk posed should result in
8 additional reporting, monitoring, or measures such as
9 reimbursement-basis only.

10 (5) The development of uniform budget requirements,
11 which shall include:

12 (A) mandatory submission of budgets as part of the
13 grant application process;

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

18 (C) a requirement that the budget allow
19 flexibility to add lines describing costs that are
20 common for the services provided as outlined in the
21 grant application;

22 (D) a requirement that the budget include
23 information necessary for analyzing cost and
24 performance for use in Budgeting for Results; and

25 (E) caps, which may be equal to, but shall not be
26 greater than, the caps allowed by federal agencies, on

1 the amount of salaries that may be charged to grants
2 ~~based on the limitations imposed by federal agencies.~~

3 (6) The development of pre-qualification requirements
4 for applicants, including the fiscal condition of the
5 organization and the provision of the following
6 information:

7 (A) organization name;

8 (B) Federal Employee Identification Number;

9 (C) Unique Entity Identifier ~~Data Universal~~
10 ~~Numbering System (DUNS)~~ number;

11 (D) fiscal condition;

12 (E) whether the applicant is in good standing with
13 the Secretary of State;

14 (F) past performance in administering grants, if
15 applicable;

16 (G) whether the applicant is on the Debarred and
17 Suspended List maintained by the Governor's Office of
18 Management and Budget;

19 (H) whether the applicant is on the federal
20 Excluded Parties List; and

21 (I) whether the applicant is on the Sanctioned
22 Party List maintained by the Illinois Department of
23 Healthcare and Family Services.

24 Nothing in this Act affects the provisions of the Fiscal
25 Control and Internal Auditing Act nor the requirement that the
26 management of each State agency is responsible for maintaining

1 effective internal controls under that Act.

2 For public institutions of higher education, the
3 provisions of this Section apply only to awards funded by
4 federal pass-through awards from a State agency to public
5 institutions of higher education.

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

7 (30 ILCS 708/30)

8 Sec. 30. Catalog of State Financial Assistance. The
9 Catalog of State Financial Assistance is a single,
10 authoritative, statewide, comprehensive source document of
11 State financial assistance program information. The Catalog
12 shall contain, at a minimum, the following information:

13 (1) An introductory section that contains Catalog
14 highlights, an explanation of how to use the Catalog, an
15 explanation of the Catalog and its contents, and suggested
16 grant proposal writing methods and grant application
17 procedures.

18 (2) A comprehensive indexing system that categorizes
19 programs by issuing agency, eligible applicant,
20 application deadlines, function, popular name, and subject
21 area.

22 (3) Comprehensive appendices showing State assistance
23 programs that require coordination through this Act and
24 regulatory, legislative, and Executive Order authority for
25 each program, commonly used abbreviations and acronyms,

1 agency regional and local office addresses, and sources of
2 additional information.

3 (4) A list of programs that have been added to or
4 deleted from the Catalog and the various program numbers
5 and title changes.

6 (5) Program number, title, and popular name, if
7 applicable.

8 (6) The name of the State department or agency or
9 independent agency and primary organization sub-unit
10 administering the program.

11 (7) The enabling legislation, including popular name
12 of the Act, titles and Sections, Public Act number, and
13 citation to the Illinois Compiled Statutes.

14 (8) The type or types of financial and nonfinancial
15 assistance offered by the program.

16 (9) Uses and restrictions placed upon the program.

17 (10) Eligibility requirements, including applicant
18 eligibility criteria, beneficiary eligibility criteria,
19 and required credentials and documentation.

20 (11) Objectives and goals of the program.

21 (12) Information regarding application and award
22 processing; application deadlines; range of approval or
23 disapproval time; appeal procedure; and availability of a
24 renewal or extension of assistance.

25 (13) Assistance considerations, including an
26 explanation of the award formula, matching requirements,

1 ~~and~~ the length and time phasing of the assistance, and
2 whether the program is eligible for interest under the
3 State Prompt Payment Act.

4 (14) Post-assistance requirements, including any
5 reports, audits, and records that may be required.

6 (15) Program accomplishments (where available)
7 describing quantitative measures of program performance.

8 (16) Regulations, guidelines, and literature
9 containing citations to the Illinois Administrative Code,
10 the Code of Federal Regulations, and other pertinent
11 informational materials.

12 (17) The names, telephone numbers, and e-mail
13 addresses of persons to be contacted for detailed program
14 information at the headquarters, regional, and local
15 levels.

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

17 (30 ILCS 708/50)

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

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

25 (b) Each State grant-making agency shall appoint a Chief

1 Accountability Officer who shall serve as a liaison to the
2 Grant Accountability and Transparency Unit and who shall be
3 responsible for the State agency's implementation of and
4 compliance with the rules.

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

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

17 (2) provide recipients and subrecipients with clear
18 performance goals, indicators, and milestones and must
19 establish performance reporting frequency and content to
20 not only allow the State agency to understand the
21 recipient's progress, but also to facilitate
22 identification of promising practices among recipients and
23 subrecipients and build the evidence upon which the State
24 agency's program and performance decisions are made. The
25 frequency of reports on performance goals, indicators, and
26 milestones required under this Section shall not be more

1 frequent than quarterly. Nothing in this Section is
2 intended to prohibit more frequent reporting to assess
3 items such as service needs, gaps, or capacity, as
4 indicated by a corrective action plan or by a risk
5 assessment.

6 (3) ~~(e-5)~~ Each State grant-making agency shall, when
7 it is in the best interests of the State, request that the
8 Office of the Comptroller issue a stop payment order in
9 accordance with Section 105 of this Act.

10 (4) ~~(e-6)~~ Upon notification by the Grant Transparency
11 and Accountability Unit that a stop payment order has been
12 requested by a State grant-making agency, each State
13 grant-making agency who has issued a grant to that
14 recipient or subrecipient shall determine if it remains in
15 the best interests of the State to continue to issue
16 payments to the recipient or subrecipient.

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

21 (e) In accordance with this Act and the Illinois State
22 Collection Act of 1986, refunds required under the Grant Funds
23 Recovery Act may be referred to the Comptroller's offset
24 system.

25 (Source: P.A. 100-997, eff. 8-20-18.)

1 (30 ILCS 708/60)

2 Sec. 60. Grant Accountability and Transparency Unit
3 responsibilities.

4 (a) The Grant Accountability and Transparency Unit within
5 the Governor's Office of Management and Budget shall be
6 responsible for:

7 (1) The development of minimum requirements applicable
8 to the staff of grant applicants to manage and execute
9 grant awards for programmatic and administrative purposes,
10 including grant management specialists with:

11 (A) general and technical competencies;

12 (B) programmatic expertise;

13 (C) fiscal expertise and systems necessary to
14 adequately account for the source and application of
15 grant funds for each program; and

16 (D) knowledge of compliance requirements.

17 (2) The development of minimum training requirements,
18 including annual training requirements.

19 (3) Accurate, current, and complete disclosure of the
20 financial results of each funded award, as set forth in
21 the financial monitoring and reporting Section of 2 CFR
22 Part 200.

23 (4) Development of criteria for requiring the
24 retention of a fiscal agent and for becoming a fiscal
25 agent.

26 (5) Development of disclosure requirements in the

1 grant application pertaining to:

2 (A) related-party status between grantees and
3 grant-making agencies;

4 (B) past employment of applicant officers and
5 grant managers;

6 (C) disclosure of current or past employment of
7 members of immediate family; and

8 (D) disclosure of senior management of grantee
9 organization and their relationships with contracted
10 vendors.

11 (6) Implementation of rules prohibiting a grantee from
12 charging any cost allocable to a particular award or cost
13 objective to other State or federal awards to overcome
14 fund deficiencies, to avoid restrictions imposed by law or
15 terms of the federal awards, or for other reasons.

16 (7) Implementation of rules prohibiting a non-federal
17 entity from earning or keeping any profit resulting from
18 State or federal financial assistance, unless prior
19 approval has been obtained from the Governor's Office of
20 Management and Budget and is expressly authorized by the
21 terms and conditions of the award.

22 (8) Maintenance of an Illinois Stop Payment List or an
23 Illinois Debarred and Suspended List that contains the
24 names of those individuals and entities that are
25 ineligible, either temporarily or permanently, to receive
26 an award of grant funds from the State.

1 (9) Ensuring the adoption of standardized rules for
2 the implementation of this Act by State grant-making
3 agencies. The Grant Accountability and Transparency Unit
4 shall provide such advice and technical assistance to the
5 State grant-making agencies as is necessary or indicated
6 in order to ensure compliance with this Act.

7 (10) Coordination of financial and Single Audit
8 reviews.

9 (11) Coordination of on-site reviews of grantees and
10 subrecipients.

11 (12) Maintenance of the Catalog of State Financial
12 Assistance, which shall be posted on an Internet website
13 maintained by the Governor's Office of Management and
14 Budget that is available to the public.

15 (13) Promotion of best practices for disseminating
16 information about grant opportunities to grant-making
17 agencies statewide, with an emphasis on reaching
18 previously underserved communities and grantees.

19 (b) The Grant Accountability and Transparency Unit shall
20 have no power or authority regarding the approval,
21 disapproval, management, or oversight of grants entered into
22 or awarded by a State agency or by a public institution of
23 higher education. The power or authority existing under law to
24 grant or award grants by a State agency or by a public
25 institution of higher education shall remain with that State
26 agency or public institution of higher education. The Unit

1 shall be responsible for providing technical assistance to
2 guide the Administrative Code amendments proposed by State
3 grant-making agencies to comply with this Act and shall be
4 responsible for establishing standardized policies and
5 procedures for State grant-making agencies in order to ensure
6 compliance with the Uniform Administrative Requirements, Cost
7 Principles and Audit Requirements for Federal Awards set forth
8 in 2 CFR Part 200, all of which must be adhered to by the State
9 grant-making agencies throughout the life cycle of the grant.

10 (c) The powers and functions of grant making by State
11 agencies or public institutions of higher education may not be
12 transferred to, nor may prior grant approval be transferred
13 to, any other person, office, or entity within the executive
14 branch of State government.

15 (Source: P.A. 100-676, eff. 1-1-19.)

16 (30 ILCS 708/65)

17 Sec. 65. Audit requirements.

18 (a) The standards set forth in Subpart F of 2 CFR Part 200
19 and any other standards that apply directly to State or
20 federal agencies shall apply to audits of fiscal years
21 beginning on or after December 26, 2014.

22 (b) Books and records must be available for review or
23 audit by appropriate officials of the pass-through entity, and
24 the agency, the Auditor General, the Inspector General,
25 appropriate officials of the agency, and the federal

1 Government Accountability Office.

2 (c) The Governor's Office of Management and Budget, with
3 the advice and technical assistance of the Illinois Single
4 Audit Commission, shall adopt rules that are reasonably
5 consistent with 2 CFR Part 200 for audits of grants from a
6 State or federal pass-through entity that are not subject to
7 the Single Audit Act because (1) the amount of ~~the~~ federal
8 awards expended during the entity's fiscal year ~~award~~ is less
9 than the applicable amount specified in 2 CFR Part 200,
10 Subpart F ~~\$750,000~~ or (2) the subrecipient is an exempt entity
11 as specified in ~~and that are reasonably consistent with~~ 2 CFR
12 Part 200, Subpart F.

13 (d) This Act does not affect the provisions of the
14 Illinois State Auditing Act and does not address the external
15 audit function of the Auditor General.

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

17 (30 ILCS 708/97) (was 30 ILCS 708/520)

18 Sec. 97. Separate accounts for State grant funds.
19 Notwithstanding any provision of law to the contrary, all
20 grants for which advance payments are made and any grant
21 agreement entered into, renewed, or extended on or after
22 August 20, 2018 (the effective date of Public Act 100-997)
23 that permits advanced payments, between a State grant-making
24 agency and a nonprofit organization, shall require the
25 nonprofit organization receiving grant funds to maintain those

1 funds in an account which is separate and distinct from any
2 account holding non-grant funds. Except as otherwise provided
3 in an agreement between a State grant-making agency and a
4 nonprofit organization, the grant funds held in a separate
5 account by a nonprofit organization shall not be used for
6 non-grant-related activities, and any unused grant funds shall
7 be returned to the State grant-making agency. This Section
8 does not apply when grant payments are made as reimbursements.
9 (Source: P.A. 100-997, eff. 8-20-18; 101-81, eff. 7-12-19.)