

1 AN ACT concerning government.

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

4 Section 5. The State Records Act is amended by changing  
5 Section 9 as follows:

6 (5 ILCS 160/9) (from Ch. 116, par. 43.12)

7 Sec. 9. The head of each agency shall establish, and  
8 maintain an active, continuing program for the economical and  
9 efficient management of the records of the agency.

10 Such program:

11 (1) shall provide for effective controls over the creation,  
12 maintenance, and use of records in the conduct of current  
13 business and shall ensure that agency electronic records, as  
14 specified in Section 5-135 of the Electronic Commerce Security  
15 Act, are retained in a trustworthy manner so that the records,  
16 and the information contained in the records, are accessible  
17 and usable for reference for the duration of the retention  
18 period; all computer tape or disk maintenance and preservation  
19 procedures must be fully applied and, if equipment or programs  
20 providing access to the records are updated or replaced, the  
21 existing data must remain accessible in the successor format  
22 for the duration of the approved retention period;

23 (2) shall provide for cooperation with the Secretary in

1 appointing a records officer and in applying standards,  
2 procedures, and techniques to improve the management of  
3 records, promote the maintenance and security of records deemed  
4 appropriate for preservation, and facilitate the segregation  
5 and disposal of records of temporary value; and

6 (3) shall provide for compliance with the provisions of  
7 this Act and the rules and regulations issued thereunder.

8 If an agency has delegated its authority to retain records  
9 to another agency, then the delegate agency shall maintain the  
10 same, or a more diligent, record retention methodology and  
11 record retention period as the original agency's program. If  
12 the delegate is from the legislative or judicial branch, then  
13 the delegate may use the same record retention methodology and  
14 record retention period that the delegate uses for similar  
15 records.

16 (Source: P.A. 92-866, eff. 1-3-03.)

17 Section 10. The Comptroller's Records Act is amended by  
18 changing Section 7 as follows:

19 (15 ILCS 415/7) (from Ch. 15, par. 31)

20 Sec. 7. Certificate of destruction. Before the destruction  
21 of any warrants or records pursuant to this Act, the State  
22 Comptroller shall have prepared a certificate setting forth by  
23 summary description the warrants or records and the manner,  
24 time and place of their destruction. The certificate ~~shall be~~

1 ~~signed by at least 2 witnesses of such destruction and~~ shall be  
2 kept in the permanent files of the Comptroller.

3 (Source: P.A. 78-592.)

4 Section 15. The State Finance Act is amended by changing  
5 Sections 12 and 25 as follows:

6 (30 ILCS 105/12) (from Ch. 127, par. 148)

7 Sec. 12. Each voucher for traveling expenses shall indicate  
8 the purpose of the travel as required by applicable travel  
9 regulations, shall be itemized and shall be accompanied by all  
10 receipts specified in the applicable travel regulations and by  
11 a certificate, signed by the person incurring such expense,  
12 certifying that the amount is correct and just; that the  
13 detailed items charged for subsistence were actually paid; that  
14 the expenses were occasioned by official business or  
15 unavoidable delays requiring the stay of such person at hotels  
16 for the time specified; that the journey was performed with all  
17 practicable dispatch by the shortest route usually traveled in  
18 the customary reasonable manner; and that such person has not  
19 been furnished with transportation or money in lieu thereof;  
20 for any part of the journey therein charged for.

21 Upon written approval by the office of the Comptroller, a  
22 State agency may maintain the original travel voucher, the  
23 receipts, and the proof of the traveler's signature on the  
24 traveler's certification statement at the office of the State

1 agency. However, nothing in this Section shall be construed to  
2 exempt a State agency from submitting a detailed travel voucher  
3 as prescribed by the office of the Comptroller.

4 An information copy of each voucher covering a claim by a  
5 person subject to the official travel regulations promulgated  
6 under Section 12-2 for travel reimbursement involving an  
7 exception to the general restrictions of such travel  
8 regulations shall be filed with the applicable travel control  
9 board which shall consider these vouchers, or a report thereof,  
10 for approval. Amounts disbursed for travel reimbursement  
11 claims which are disapproved by the applicable travel control  
12 board shall be refunded by the traveler and deposited in the  
13 fund or account from which payment was made.

14 (Source: P.A. 84-345.)

15 (30 ILCS 105/25) (from Ch. 127, par. 161)

16 Sec. 25. Fiscal year limitations.

17 (a) All appropriations shall be available for expenditure  
18 for the fiscal year or for a lesser period if the Act making  
19 that appropriation so specifies. A deficiency or emergency  
20 appropriation shall be available for expenditure only through  
21 June 30 of the year when the Act making that appropriation is  
22 enacted unless that Act otherwise provides.

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

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

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

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

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

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

15 (b-2.6) For fiscal years 2012 and 2013, interest penalties  
16 payable under the State Prompt Payment Act associated with a  
17 voucher for which payment is issued after June 30 may be paid  
18 out of the next fiscal year's appropriation. The future year  
19 appropriation must be for the same purpose and from the same  
20 fund as the original payment. An interest penalty voucher  
21 submitted against a future year appropriation must be submitted  
22 within 60 days after the issuance of the associated voucher,  
23 and the Comptroller must issue the interest payment within 60  
24 days after acceptance of the interest voucher.

25 (b-3) Medical payments may be made by the Department of  
26 Veterans' Affairs from its appropriations for those purposes

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

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

1 appropriations that have otherwise expired may be paid out of  
2 the expiring appropriation during the 4-month period ending at  
3 the close of business on October 31.

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

19 (b-6) Additionally, payments may be made by the Department  
20 of Human Services from its appropriations, or any other State  
21 agency from its appropriations with the approval of the  
22 Department of Human Services, from the Immigration Reform and  
23 Control Fund for purposes authorized pursuant to the  
24 Immigration Reform and Control Act of 1986, without regard to  
25 any fiscal year limitations, except as required by subsection  
26 (j) of this Section. Beginning on June 30, 2021, payments made



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

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

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

1 30, 2021, payments made by the Department of Public Health, the  
2 Department of Human Services, and the Department of Healthcare  
3 and Family Services from their respective appropriations for  
4 grants for medical care to or on behalf of persons suffering  
5 from chronic renal disease, persons suffering from hemophilia,  
6 rape victims, and premature and high-mortality risk infants and  
7 their mothers and for grants for supplemental food supplies  
8 provided under the United States Department of Agriculture  
9 Women, Infants and Children Nutrition Program payable from  
10 appropriations that have otherwise expired may be paid out of  
11 the expiring appropriations during the 4-month period ending at  
12 the close of business on October 31.

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

25 (e) The Department of Healthcare and Family Services, the  
26 Department of Human Services (acting as successor to the

1 Department of Public Aid), and the Department of Human Services  
2 making fee-for-service payments relating to substance abuse  
3 treatment services provided during a previous fiscal year shall  
4 each annually submit to the State Comptroller, Senate  
5 President, Senate Minority Leader, Speaker of the House, House  
6 Minority Leader, the respective Chairmen and Minority  
7 Spokesmen of the Appropriations Committees of the Senate and  
8 the House, on or before November 30, a report that shall  
9 document by program or service category those expenditures from  
10 the most recently completed fiscal year used to pay for (i)  
11 services provided in prior fiscal years and (ii) services for  
12 which claims were received in prior fiscal years.

13 (f) The Department of Human Services (as successor to the  
14 Department of Public Aid) shall annually submit to the State  
15 Comptroller, Senate President, Senate Minority Leader, Speaker  
16 of the House, House Minority Leader, and the respective  
17 Chairmen and Minority Spokesmen of the Appropriations  
18 Committees of the Senate and the House, on or before December  
19 31, a report of fiscal year funds used to pay for services  
20 (other than medical care) provided in any prior fiscal year.  
21 This report shall document by program or service category those  
22 expenditures from the most recently completed fiscal year used  
23 to pay for services provided in prior fiscal years.

24 (g) In addition, each annual report required to be  
25 submitted by the Department of Healthcare and Family Services  
26 under subsection (e) shall include the following information

1 with respect to the State's Medicaid program:

2 (1) Explanations of the exact causes of the variance  
3 between the previous year's estimated and actual  
4 liabilities.

5 (2) Factors affecting the Department of Healthcare and  
6 Family Services' liabilities, including but not limited to  
7 numbers of aid recipients, levels of medical service  
8 utilization by aid recipients, and inflation in the cost of  
9 medical services.

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

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

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

20 (1) billing user agencies in advance for payments or  
21 authorized inter-fund transfers based on estimated charges  
22 for goods or services;

23 (2) issuing credits, refunding through inter-fund  
24 transfers, or reducing future inter-fund transfers during  
25 the subsequent fiscal year for all user agency payments or  
26 authorized inter-fund transfers received during the prior

1 fiscal year which were in excess of the final amounts owed  
2 by the user agency for that period; and

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

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

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

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

7 (1) \$6,000,000,000 for outstanding liabilities related  
8 to fiscal year 2012;

9 (2) \$5,300,000,000 for outstanding liabilities related  
10 to fiscal year 2013;

11 (3) \$4,600,000,000 for outstanding liabilities related  
12 to fiscal year 2014;

13 (4) \$4,000,000,000 for outstanding liabilities related  
14 to fiscal year 2015;

15 (5) \$3,300,000,000 for outstanding liabilities related  
16 to fiscal year 2016;

17 (6) \$2,600,000,000 for outstanding liabilities related  
18 to fiscal year 2017;

19 (7) \$2,000,000,000 for outstanding liabilities related  
20 to fiscal year 2018;

21 (8) \$1,300,000,000 for outstanding liabilities related  
22 to fiscal year 2019;

23 (9) \$600,000,000 for outstanding liabilities related  
24 to fiscal year 2020; and

25 (10) \$0 for outstanding liabilities related to fiscal  
26 year 2021 and fiscal years thereafter.

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

7       (Source: P.A. 96-928, eff. 6-15-10; 96-958, eff. 7-1-10;  
8 96-1501, eff. 1-25-11; 97-75, eff. 6-30-11; 97-333, eff.  
9 8-12-11.)

10       Section 20. The Illinois Procurement Code is amended by  
11 changing Section 20-80 as follows:

12       (30 ILCS 500/20-80)

13       Sec. 20-80. Contract files.

14       (a) Written determinations. All written determinations  
15 required under this Article shall be placed in the contract  
16 file maintained by the chief procurement officer.

17       (b) Filing with Comptroller. Whenever a grant, defined  
18 pursuant to accounting standards established by the  
19 Comptroller, or a contract liability, except for: (1) contracts  
20 paid from personal services, or (2) contracts between the State  
21 and its employees to defer compensation in accordance with  
22 Article 24 of the Illinois Pension Code, exceeding \$20,000  
23 ~~\$10,000~~ is incurred by any State agency, a copy of the  
24 contract, purchase order, grant, or lease shall be filed with

1 the Comptroller within 30 ~~15~~ days thereafter. Beginning January  
2 1, 2013, the Comptroller may require that contracts and grants  
3 required to be filed with the Comptroller under this Section  
4 shall be filed electronically, unless the agency is incapable  
5 of filing the contract or grant electronically because it does  
6 not possess the necessary technology or equipment. Any agency  
7 that is incapable of electronically filing its contracts or  
8 grants shall submit a written statement to the Governor and to  
9 the Comptroller attesting to the reasons for its inability to  
10 comply. This statement shall include a discussion of what the  
11 agency needs in order to effectively comply with this Section.  
12 Prior to requiring electronic filing, the Comptroller shall  
13 consult with the Governor as to the feasibility of establishing  
14 mutually agreeable technical standards for the electronic  
15 document imaging, storage, and transfer of contracts and  
16 grants, taking into consideration the technology available to  
17 that agency, best practices, and the technological  
18 capabilities of State agencies. Nothing in this amendatory Act  
19 of the 97th General Assembly shall be construed to impede the  
20 implementation of an Enterprise Resource Planning (ERP)  
21 system. For each State contract for goods, supplies, or  
22 services awarded on or after July 1, 2010, the contracting  
23 agency shall provide the applicable rate and unit of  
24 measurement of the goods, supplies, or services on the contract  
25 obligation document as required by the Comptroller. If the  
26 contract obligation document that is submitted to the



1 Comptroller contains the rate and unit of measurement of the  
2 goods, supplies, or services, the Comptroller shall provide  
3 that information on his or her official website. Any  
4 cancellation or modification to any such contract liability  
5 shall be filed with the Comptroller within 30 ~~15~~ days of its  
6 execution.

7 (c) Late filing affidavit. When a contract, purchase order,  
8 grant, or lease required to be filed by this Section has not  
9 been filed within 30 days of execution, the Comptroller shall  
10 refuse to issue a warrant for payment thereunder until the  
11 agency files with the Comptroller the contract, purchase order,  
12 grant, or lease and an affidavit, signed by the chief executive  
13 officer of the agency or his or her designee, setting forth an  
14 explanation of why the contract liability was not filed within  
15 30 days of execution. A copy of this affidavit shall be filed  
16 with the Auditor General.

17 (d) Timely execution of contracts. No voucher shall be  
18 submitted to the Comptroller for a warrant to be drawn for the  
19 payment of money from the State treasury or from other funds  
20 held by the State Treasurer on account of any contract unless  
21 the contract is reduced to writing before the services are  
22 performed and filed with the Comptroller. Vendors shall not be  
23 paid for any goods that were received or services that were  
24 rendered before the contract was reduced to writing and signed  
25 by all necessary parties. A chief procurement officer may  
26 request an exception to this subsection by submitting a written

1 statement to the Comptroller and Treasurer setting forth the  
2 circumstances and reasons why the contract could not be reduced  
3 to writing before the supplies were received or services were  
4 performed. A waiver of this subsection must be approved by the  
5 Comptroller and Treasurer. This Section shall not apply to  
6 emergency purchases if notice of the emergency purchase is  
7 filed with the Procurement Policy Board and published in the  
8 Bulletin as required by this Code.

9 (e) Method of source selection. When a contract is filed  
10 with the Comptroller under this Section, the Comptroller's file  
11 shall identify the method of source selection used in obtaining  
12 the contract.

13 (Source: P.A. 96-794, eff. 1-1-10; 96-795, eff. 7-1-10 (see  
14 Section 5 of P.A. 96-793 for the effective date of changes made  
15 by P.A. 96-795); 96-1000, eff. 7-2-10.)

16 Section 25. The State Prompt Payment Act is amended by  
17 changing Section 3-2 as follows:

18 (30 ILCS 540/3-2)

19 Sec. 3-2. Beginning July 1, 1993, in any instance where a  
20 State official or agency is late in payment of a vendor's bill  
21 or invoice for goods or services furnished to the State, as  
22 defined in Section 1, properly approved in accordance with  
23 rules promulgated under Section 3-3, the State official or  
24 agency shall pay interest to the vendor in accordance with the

1 following:

2 (1) Any bill, except a bill submitted under Article V  
3 of the Illinois Public Aid Code and except as provided  
4 under paragraph (1.05) of this Section, approved for  
5 payment under this Section must be paid or the payment  
6 issued to the payee within 60 days of receipt of a proper  
7 bill or invoice. If payment is not issued to the payee  
8 within this 60-day period, an interest penalty of 1.0% of  
9 any amount approved and unpaid shall be added for each  
10 month or fraction thereof after the end of this 60-day  
11 period, until final payment is made. Any bill, except a  
12 bill for pharmacy or nursing facility services or goods,  
13 and except as provided under paragraph (1.05) ~~1.05~~ of this  
14 Section, submitted under Article V of the Illinois Public  
15 Aid Code approved for payment under this Section must be  
16 paid or the payment issued to the payee within 60 days  
17 after receipt of a proper bill or invoice, and, if payment  
18 is not issued to the payee within this 60-day period, an  
19 interest penalty of 2.0% of any amount approved and unpaid  
20 shall be added for each month or fraction thereof after the  
21 end of this 60-day period, until final payment is made. Any  
22 bill for pharmacy or nursing facility services or goods  
23 submitted under Article V of the Illinois Public Aid Code,  
24 except as provided under paragraph (1.05) of this Section,  
25 and approved for payment under this Section must be paid or  
26 the payment issued to the payee within 60 days of receipt

1 of a proper bill or invoice. If payment is not issued to  
2 the payee within this 60-day period, an interest penalty of  
3 1.0% of any amount approved and unpaid shall be added for  
4 each month or fraction thereof after the end of this 60-day  
5 period, until final payment is made.

6 (1.05) For State fiscal year 2012 and future fiscal  
7 years, any bill approved for payment under this Section  
8 must be paid or the payment issued to the payee within 90  
9 days of receipt of a proper bill or invoice. If payment is  
10 not issued to the payee within this 90-day period, an  
11 interest penalty of 1.0% of any amount approved and unpaid  
12 shall be added for each month, or 00.0033% (1/30%) of any  
13 amount approved and unpaid for each day, ~~fraction thereof~~  
14 after the end of this 90-day period, until final payment is  
15 made.

16 (1.1) A State agency shall review in a timely manner  
17 each bill or invoice after its receipt. If the State agency  
18 determines that the bill or invoice contains a defect  
19 making it unable to process the payment request, the agency  
20 shall notify the vendor requesting payment as soon as  
21 possible after discovering the defect pursuant to rules  
22 promulgated under Section 3-3; provided, however, that the  
23 notice for construction related bills or invoices must be  
24 given not later than 30 days after the bill or invoice was  
25 first submitted. The notice shall identify the defect and  
26 any additional information necessary to correct the

1 defect. If one or more items on a construction related bill  
2 or invoice are disapproved, but not the entire bill or  
3 invoice, then the portion that is not disapproved shall be  
4 paid.

5 (2) Where a State official or agency is late in payment  
6 of a vendor's bill or invoice properly approved in  
7 accordance with this Act, and different late payment terms  
8 are not reduced to writing as a contractual agreement, the  
9 State official or agency shall automatically pay interest  
10 penalties required by this Section amounting to \$50 or more  
11 to the appropriate vendor. Each agency shall be responsible  
12 for determining whether an interest penalty is owed and for  
13 paying the interest to the vendor. Except as provided in  
14 paragraph (4), an individual interest payment amounting to  
15 \$5 or less shall not be paid by the State. Interest due to  
16 a vendor that amounts to greater than \$5 and less than \$50  
17 shall not be paid but shall be accrued until all interest  
18 due the vendor for all similar warrants exceeds \$50, at  
19 which time the accrued interest shall be payable and  
20 interest will begin accruing again, except that interest  
21 accrued as of the end of the fiscal year that does not  
22 exceed \$50 shall be payable at that time. In the event an  
23 individual has paid a vendor for services in advance, the  
24 provisions of this Section shall apply until payment is  
25 made to that individual.

26 (3) The provisions of Public Act 96-1501 reducing the

1 interest rate on pharmacy claims under Article V of the  
2 Illinois Public Aid Code to 1.0% per month shall apply to  
3 any pharmacy bills for services and goods under Article V  
4 of the Illinois Public Aid Code received on or after the  
5 date 60 days before January 25, 2011 (the effective date of  
6 Public Act 96-1501) except as provided under paragraph  
7 (1.05) of this Section.

8 (4) Interest amounting to less than \$5 shall not be  
9 paid by the State, except for claims (i) to the Department  
10 of Healthcare and Family Services or the Department of  
11 Human Services, (ii) pursuant to Article V of the Illinois  
12 Public Aid Code, the Covering ALL KIDS Health Insurance  
13 Act, or the Children's Health Insurance Program Act, and  
14 (iii) made (A) by pharmacies for prescriptive services or  
15 (B) by any federally qualified health center for  
16 prescriptive services or any other services.

17 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;  
18 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.  
19 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.  
20 6-30-11; 97-348, eff. 8-12-11; revised 9-7-11.)

21 Section 30. The Governmental Account Audit Act is amended  
22 by changing Section 2 as follows:

23 (50 ILCS 310/2) (from Ch. 85, par. 702)

24 Sec. 2. Except as otherwise provided in Section 3, the

1 governing body of each governmental unit shall cause an audit  
2 of the accounts of the unit to be made by a licensed public  
3 accountant. Such audit shall be made annually and shall cover  
4 the immediately preceding fiscal year of the governmental unit.  
5 The audit shall include all the accounts and funds of the  
6 governmental unit, including the accounts of any officer of the  
7 governmental unit who receives fees or handles funds of the  
8 unit or who spends money of the unit. The audit shall begin as  
9 soon as possible after the close of the last fiscal year to  
10 which it pertains, and shall be completed and the audit report  
11 filed with the Comptroller within 6 months after the close of  
12 such fiscal year unless an extension of time is granted by the  
13 Comptroller in writing. An audit report which fails to meet the  
14 requirements of this Act shall be rejected by the Comptroller  
15 and returned to the governing body of the governmental unit for  
16 corrective action. The licensed public accountant making the  
17 audit shall submit not less than 3 copies of the audit report  
18 to the governing body of the governmental unit being audited.

19 Any financial report under this Section shall include the  
20 name of the purchasing agent who oversees all competitively bid  
21 contracts. If there is no purchasing agent, the name of the  
22 person responsible for oversight of all competitively bid  
23 contracts shall be listed.

24 (Source: P.A. 85-1000.)

25 Section 35. The Counties Code is amended by changing

1 Section 6-31003 as follows:

2 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

3 Sec. 6-31003. Annual audits and reports. In counties having  
4 a population of over 10,000 but less than 500,000, the county  
5 board of each county shall cause an audit of all of the funds  
6 and accounts of the county to be made annually by an accountant  
7 or accountants chosen by the county board or by an accountant  
8 or accountants retained by the Comptroller, as hereinafter  
9 provided. In addition, each county having a population of less  
10 than 500,000 shall file with the Comptroller a financial report  
11 containing information required by the Comptroller. Such  
12 financial report shall be on a form so designed by the  
13 Comptroller as not to require professional accounting services  
14 for its preparation.

15 Any financial report under this Section shall include the  
16 name of the purchasing agent who oversees all competitively bid  
17 contracts. If there is no purchasing agent, the name of the  
18 person responsible for oversight of all competitively bid  
19 contracts shall be listed.

20 The audit shall commence as soon as possible after the  
21 close of each fiscal year and shall be completed within 6  
22 months after the close of such fiscal year, unless an extension  
23 of time is granted by the Comptroller in writing. Such  
24 extension of time shall not exceed 60 days. When the accountant  
25 or accountants have completed the audit a full report thereof



1 shall be made and not less than 2 copies of each audit report  
2 shall be submitted to the county board. Each audit report shall  
3 be signed by the accountant making the audit and shall include  
4 only financial information, findings and conclusions that are  
5 adequately supported by evidence in the auditor's working  
6 papers to demonstrate or prove, when called upon, the basis for  
7 the matters reported and their correctness and reasonableness.  
8 In connection with this, each county board shall retain the  
9 right of inspection of the auditor's working papers and shall  
10 make them available to the Comptroller, or his designee, upon  
11 request.

12 Within 60 days of receipt of an audit report, each county  
13 board shall file one copy of each audit report and each  
14 financial report with the Comptroller and any comment or  
15 explanation that the county board may desire to make concerning  
16 such audit report may be attached thereto. An audit report  
17 which fails to meet the requirements of this Division shall be  
18 rejected by the Comptroller and returned to the county board  
19 for corrective action. One copy of each such report shall be  
20 filed with the county clerk of the county so audited.

21 (Source: P.A. 86-962.)

22 Section 40. The Illinois Municipal Code is amended by  
23 changing Section 8-8-3 as follows:

24 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

1           Sec. 8-8-3. Audit requirements.

2           (a) The corporate authorities of each municipality coming  
3 under the provisions of this Division 8 shall cause an audit of  
4 the funds and accounts of the municipality to be made by an  
5 accountant or accountants employed by such municipality or by  
6 an accountant or accountants retained by the Comptroller, as  
7 hereinafter provided.

8           (b) The accounts and funds of each municipality having a  
9 population of 800 or more or having a bonded debt or owning or  
10 operating any type of public utility shall be audited annually.  
11 The audit herein required shall include all of the accounts and  
12 funds of the municipality. Such audit shall be begun as soon as  
13 possible after the close of the fiscal year, and shall be  
14 completed and the report submitted within 6 months after the  
15 close of such fiscal year, unless an extension of time shall be  
16 granted by the Comptroller in writing. The accountant or  
17 accountants making the audit shall submit not less than 2  
18 copies of the audit report to the corporate authorities of the  
19 municipality being audited. Municipalities not operating  
20 utilities may cause audits of the accounts of municipalities to  
21 be made more often than herein provided, by an accountant or  
22 accountants. The audit report of such audit when filed with the  
23 Comptroller together with an audit report covering the  
24 remainder of the period for which an audit is required to be  
25 filed hereunder shall satisfy the requirements of this section.

26           (c) Municipalities of less than 800 population which do not

1 own or operate public utilities and do not have bonded debt,  
2 shall file annually with the Comptroller a financial report  
3 containing information required by the Comptroller. Such  
4 annual financial report shall be on forms devised by the  
5 Comptroller in such manner as to not require professional  
6 accounting services for its preparation.

7 (d) In addition to any audit report required, all  
8 municipalities, except municipalities of less than 800  
9 population which do not own or operate public utilities and do  
10 not have bonded debt, shall file annually with the Comptroller  
11 a supplemental report on forms devised and approved by the  
12 Comptroller.

13 (e) Notwithstanding any provision of law to the contrary,  
14 if a municipality (i) has a population of less than 200, (ii)  
15 has bonded debt in the amount of \$50,000 or less, and (iii)  
16 owns or operates a public utility, then the municipality shall  
17 cause an audit of the funds and accounts of the municipality to  
18 be made by an accountant employed by the municipality or  
19 retained by the Comptroller for fiscal year 2011 and every  
20 fourth fiscal year thereafter or until the municipality has a  
21 population of 200 or more, has bonded debt in excess of  
22 \$50,000, or no longer owns or operates a public utility.  
23 Nothing in this subsection shall be construed as limiting the  
24 municipality's duty to file an annual financial report with the  
25 Comptroller or to comply with the filing requirements  
26 concerning the county clerk.

1       (f) Any financial report under this Section shall include  
2       the name of the purchasing agent who oversees all competitively  
3       bid contracts. If there is no purchasing agent, the name of the  
4       person responsible for oversight of all competitively bid  
5       contracts shall be listed.

6       (Source: P.A. 96-1309, eff. 7-27-10.)

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