

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 1. Short title. This Act may be cited as the Grant
5 Accountability and Transparency Act.

6 Section 5. Legislative intent.

7 (a) This Act, which is the product of the work of the
8 Illinois Single Audit Commission, created by Public Act 98-47,
9 is intended to comply with the General Assembly's directives to
10 (1) develop a coordinated, non-redundant process for the
11 provision of effective and efficient oversight of the selection
12 and monitoring of grant recipients, thereby ensuring quality
13 programs and limiting fraud, waste, and abuse, and (2) define
14 the purpose, scope, applicability, and responsibilities in the
15 life cycle of a grant.

16 (b) This Act is intended to increase the accountability and
17 transparency in the use of grant funds from whatever source and
18 to reduce administrative burdens on both State agencies and
19 grantees by adopting federal guidance and regulations
20 applicable to such grant funds; specifically, the Uniform
21 Administrative Requirements, Cost Principles, and Audit
22 Requirements for Federal Awards ("Uniform Guidance"), codified
23 at 2 CFR 200.

1 (c) This Act is consistent with the State's focus on
2 improving performance and outcomes while ensuring transparency
3 and the financial integrity of taxpayer dollars through such
4 initiatives as the Management Improvement Initiative Committee
5 created by Section 1-37a of the Department of Human Services
6 Act, the State prioritized goals created under Section 50-25 of
7 the State Budget Law (also known as "Budgeting for Results"),
8 and the Grant Information Collection Act.

9 (d) This Act is not intended to affect the provisions of
10 the Illinois State Auditing Act and does not address the
11 external audit function of the Auditor General.

12 Section 10. Purpose. The purpose of this Act is to
13 establish uniform administrative requirements, cost
14 principles, and audit requirements for State and federal
15 pass-through awards to non-federal entities. State awarding
16 agencies shall not impose additional or inconsistent
17 requirements, except as provided in 2 CFR 200.102, unless
18 specifically required by State or federal statute. This Act and
19 the rules adopted under this Act do not apply to private
20 awards.

21 This Act and the rules adopted under this Act provide the
22 basis for a systematic and periodic collection and uniform
23 submission to the Governor's Office of Management and Budget of
24 information of all State and federal financial assistance
25 programs by State grant-making agencies. This Act also

1 establishes policies related to the delivery of this
2 information to the public, including through the use of
3 electronic media.

4 Section 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 cost
15 may not be assigned to a State or federal award as a direct
16 cost if any other cost incurred for the same purpose in
17 like circumstances has been allocated to the award as an
18 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 "Auditee" means any non-federal entity that expends State
4 or federal awards that must be audited.

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

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

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

23 "Budget" means the financial plan for the project or
24 program that the awarding agency or pass-through entity
25 approves during the award process or in subsequent amendments
26 to the award. It may include the State or federal and

1 non-federal share or only the State or federal share, as
2 determined by the awarding agency or pass-through entity.

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

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

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

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

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

24 "Cognizant agency for audit" means the federal agency
25 designated to carry out the responsibilities described in 2 CFR
26 200.513(a).

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

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

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

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

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

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

26 "Corrective action" means action taken by the auditee that

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

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

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

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

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

23 "Direct costs" means costs that can be identified
24 specifically with a particular final cost objective, such as a
25 State or federal or federal pass-through award or a particular
26 sponsored project, an instructional activity, or any other

1 institutional activity, or that can be directly assigned to
2 such activities relatively easily with a high degree of
3 accuracy.

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

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

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

15 "Federal award" means:

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

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

23 (3) the instrument setting forth the terms and
24 conditions when the instrument is the grant agreement,
25 cooperative agreement, other agreement for assistance
26 covered in paragraph (b) of 20 CFR 200.40, or the

1 cost-reimbursement contract awarded under the Federal
2 Acquisition Regulations.

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

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

9 "Federal interest" means, for purposes of 2 CFR 200.329 or
10 when used in connection with the acquisition or improvement of
11 real property, equipment, or supplies under a federal award,
12 the dollar amount that is the product of the federal share of
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 "Federal program" means any of the following:

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

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

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

26 (A) research and development;

1 (B) student financial aid; and

2 (C) "other clusters", as described in the
3 definition of "cluster of programs".

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

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

11 "Financial assistance" means the following:

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

15 (A) grants;

16 (B) cooperative agreements;

17 (C) non-cash contributions or donations of
18 property, including donated surplus property;

19 (D) direct appropriations;

20 (E) food commodities; and

21 (F) other financial assistance, except assistance
22 listed in paragraph (2) of this definition.

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

26 (3) "Financial assistance" does not include amounts

1 received as reimbursement for services rendered to
2 individuals.

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

11 "Foreign public entity" means:

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

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

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

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

23 "Foreign organization" means an entity that is:

24 (1) a public or private organization located in a
25 country other than the United States and its territories
26 that are subject to the laws of the country in which it is

1 located, irrespective of the citizenship of project staff
2 or place of performance;

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

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

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

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

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

25 "Grant agreement" means a legal instrument of financial
26 assistance between an awarding agency or pass-through entity

1 and a non-federal entity that:

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

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

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

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

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

23 "Illinois Debarred and Suspended List" means the list
24 maintained by the Governor's Office of Management and Budget
25 that contains the names of those individuals and entities that
26 are ineligible, either temporarily or permanently, from

1 receiving an award of grant funds from the State.

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

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

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

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

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

1 lender, but does not include the insurance of deposits, shares,
2 or other withdrawable accounts in financial institutions.

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

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

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

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

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

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

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

24 "Obligations", when used in connection with a non-federal
25 entity's utilization of funds under an award, means orders
26 placed for property and services, contracts and subawards made,

1 and similar transactions during a given period that require
2 payment by the non-federal entity during the same or a future
3 period.

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

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

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

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

25 "Private award" means an award from a person or entity
26 other than a State or federal entity. Private awards are not

1 subject to the provisions of this Act.

2 "Property" means real property or personal property.

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

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

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

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

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

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

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

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

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

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

8 "State program" means any of the following:

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

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

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

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

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

1 "Subaward" means a State or federal award provided by a
2 pass-through entity to a subrecipient for the subrecipient to
3 carry out part of a federal award received by the pass-through
4 entity. "Subaward" does not include payments to a contractor or
5 payments to an individual that is a beneficiary of a federal
6 program. A "subaward" may be provided through any form of legal
7 agreement, including an agreement that the pass-through entity
8 considers a contract.

9 "Subrecipient" means a non-federal entity that receives a
10 State or federal subaward from a pass-through entity to carry
11 out part of a federal program. "Subrecipient" does not include
12 an individual that is a beneficiary of such program. A
13 "subrecipient" may also be a recipient of other State or
14 federal awards directly from a State or federal awarding
15 agency.

16 "Suspension" means a post-award action by the State or
17 federal agency or pass-through entity that temporarily
18 withdraws the State or federal agency's or pass-through
19 entity's financial assistance sponsorship under an award,
20 pending corrective action by the recipient or subrecipient or
21 pending a decision to terminate the award.

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

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 Section 20. Adoption of federal rules applicable to grants.

4 (a) On or before July 1, 2015, the Governor's Office of
5 Management and Budget, with the advice and technical assistance
6 of the Illinois Single Audit Commission, shall adopt rules
7 which adopt the Uniform Guidance at 2 CFR 200. The rules, which
8 shall apply to all State and federal pass-through awards
9 effective on and after July 1, 2015, shall include the
10 following:

11 (1) Administrative requirements. In accordance with
12 Subparts B through D of 2 CFR 200, the rules shall set
13 forth the uniform administrative requirements for grant
14 and cooperative agreements, including the requirements for
15 the management by State awarding agencies of federal grant
16 programs before State and federal pass-through awards have
17 been made and requirements that State awarding agencies may
18 impose on non-federal entities in State and federal
19 pass-through awards.

20 (2) Cost principles. In accordance with Subpart E of 2
21 CFR 200, the rules shall establish principles for
22 determining the allowable costs incurred by non-federal
23 entities under State and federal pass-through awards. The
24 principles are intended for cost determination, but are not
25 intended to identify the circumstances or dictate the

1 extent of State or federal pass-through participation in
2 financing a particular program or project. The principles
3 shall provide that State and federal awards bear their fair
4 share of cost recognized under these principles, except
5 where restricted or prohibited by State or federal law.

6 (3) Audit and single audit requirements and audit
7 follow-up. In accordance with Subpart F of 2 CFR 200 and
8 the federal Single Audit Act Amendments of 1996, the rules
9 shall set forth standards to obtain consistency and
10 uniformity among State and federal pass-through awarding
11 agencies for the audit of non-federal entities expending
12 State and federal awards. These provisions shall also set
13 forth the policies and procedures for State and federal
14 pass-through entities when using the results of these
15 audits.

16 The provisions of this item (3) do not apply to
17 for-profit subrecipients because for-profit subrecipients
18 are not subject to the requirements of OMB Circular A-133,
19 Audits of States, Local and Non-Profit Organizations.
20 Audits of for-profit subrecipients must be conducted
21 pursuant to a Program Audit Guide issued by the Federal
22 awarding agency. If a Program Audit Guide is not available,
23 the State awarding agency must prepare a Program Audit
24 Guide in accordance with the OMB Circular A-133 Compliance
25 Supplement. For-profit entities are subject to all other
26 general administrative requirements and cost principles

1 applicable to grants.

2 (b) This Act addresses only State and federal pass-through
3 auditing functions and does not address the external audit
4 function of the Auditor General.

5 (c) For public institutions of higher education, the
6 provisions of this Section apply only to awards funded by State
7 appropriations and federal pass-through awards from a State
8 agency to public institutions of higher education. Federal
9 pass-through awards from a State agency to public institutions
10 of higher education are governed by and must comply with
11 federal guidelines under 2 CFR 200.

12 (d) The State grant-making agency is responsible for
13 establishing requirements, as necessary, to ensure compliance
14 by for-profit subrecipients. The agreement with the for-profit
15 subrecipient shall describe the applicable compliance
16 requirements and the for-profit subrecipient's compliance
17 responsibility. Methods to ensure compliance for State and
18 federal pass-through awards made to for-profit subrecipients
19 shall include pre-award, audits, monitoring during the
20 agreement, and post-award audits. The Governor's Office of
21 Management and Budget shall provide such advice and technical
22 assistance to the State grant-making agency as is necessary or
23 indicated.

24 Section 25. Supplemental rules. On or before July 1, 2015,
25 the Governor's Office of Management and Budget, with the advice

1 and technical assistance of the Illinois Single Audit
2 Commission, shall adopt supplemental rules pertaining to the
3 following:

4 (1) Criteria to define mandatory formula-based grants
5 and discretionary grants.

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

7 (3) The award of competitive grants in 3-year terms
8 (one-year initial terms with the option to renew for up to
9 2 additional years) to coincide with the federal award.

10 (4) The issuance of grants, including:

11 (A) public notice of announcements of funding
12 opportunities;

13 (B) the development of uniform grant applications;

14 (C) State agency review of merit of proposals and
15 risk posed by applicants;

16 (D) specific conditions for individual recipients
17 (requiring the use of a fiscal agent and additional
18 corrective conditions);

19 (E) certifications and representations;

20 (F) pre-award costs;

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

25 (H) for mandatory formula grants, the merit of the
26 proposal and the risk posed should result in additional

1 reporting, monitoring, or measures such as
2 reimbursement-basis only.

3 (5) The development of uniform budget requirements,
4 which shall include:

5 (A) mandatory submission of budgets as part of the
6 grant application process;

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

11 (C) a requirement that the budget allow
12 flexibility to add lines describing costs that are
13 common for the services provided as outlined in the
14 grant application;

15 (D) a requirement that the budget include
16 information necessary for analyzing cost and
17 performance for use in the Budgeting for Results
18 initiative; and

19 (E) caps on the amount of salaries that may be
20 charged to grants based on the limitations imposed by
21 federal agencies.

22 (6) The development of pre-qualification requirements
23 for applicants, including the fiscal condition of the
24 organization and the provision of the following
25 information:

26 (A) organization name;

- 1 (B) Federal Employee Identification Number;
- 2 (C) Data Universal Numbering System (DUNS) number;
- 3 (D) fiscal condition;
- 4 (E) whether the applicant is in good standing with
- 5 the Secretary of State;
- 6 (F) past performance in administering grants;
- 7 (G) whether the applicant is or has ever been on
- 8 the Debarred and Suspended List maintained by the
- 9 Governor's Office of Management and Budget;
- 10 (H) whether the applicant is or has ever been on
- 11 the federal Excluded Parties List; and
- 12 (I) whether the applicant is or has ever been on
- 13 the Sanctioned Party List maintained by the Illinois
- 14 Department of Healthcare and Family Services.

15 Nothing in this Act affects the provisions of the Fiscal

16 Control and Internal Auditing Act nor the requirement that the

17 management of each State agency is responsible for maintaining

18 effective internal controls under that Act.

19 For public institutions of higher education, the

20 provisions of this Section apply only to awards funded by State

21 appropriations and federal pass-through awards from a State

22 agency to public institutions of higher education.

23 Section 30. Catalog of State Financial Assistance.

24 The Catalog of State Financial Assistance is a single,

25 authoritative, statewide, comprehensive source document of

1 State financial assistance program information. The Catalog
2 shall contain, at a minimum, the following information:

3 (1) An introductory section that contains Catalog
4 highlights, an explanation of how to use the Catalog, an
5 explanation of the Catalog and its contents, and suggested
6 grant proposal writing methods and grant application
7 procedures.

8 (2) A comprehensive indexing system that categorizes
9 programs by issuing agency, eligible applicant,
10 application deadlines, function, popular name, and subject
11 area.

12 (3) Comprehensive appendices showing State assistance
13 programs that require coordination through this Act and
14 regulatory, legislative, and Executive Order authority for
15 each program, commonly used abbreviations and acronyms,
16 agency regional and local office addresses, and sources of
17 additional information.

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

21 (5) Program number, title, and popular name, if
22 applicable.

23 (6) The name of the State department or agency or
24 independent agency and primary organization sub-unit
25 administering the program.

26 (7) The enabling legislation, including popular name

1 of the Act, titles and Sections, Public Act number, and
2 citation to the Illinois Compiled Statutes.

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

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

6 (10) Eligibility requirements, including applicant
7 eligibility criteria, beneficiary eligibility criteria,
8 and required credentials and documentation.

9 (11) Objectives and goals of the program.

10 (12) Information regarding application and award
11 processing; application deadlines; range of approval or
12 disapproval time; appeal procedure; and availability of a
13 renewal or extension of assistance.

14 (13) Assistance considerations, including an
15 explanation of the award formula, matching requirements,
16 and the length and time phasing of the assistance.

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

19 (15) Program accomplishments (where available)
20 describing quantitative measures of program performance.

21 (16) Regulations, guidelines, and literature
22 containing citations to the Illinois Administrative Code,
23 the Code of Federal Regulations, and other pertinent
24 informational materials.

25 (17) The names, telephone numbers, and e-mail
26 addresses of persons to be contacted for detailed program

1 information at the headquarters, regional, and local
2 levels.

3 Section 35. Conflicts of interest. The Governor's Office of
4 Management and Budget shall adopt rules regarding conflict of
5 interest policies for awards. A non-federal entity must
6 disclose in writing any potential conflict of interest to the
7 pass-through entity in accordance with applicable awarding
8 agency policy.

9 Section 40. Mandatory disclosures. The Governor's Office
10 of Management and Budget, with the advice and technical
11 assistance of the Illinois Single Audit Commission, shall adopt
12 rules requiring that the applicant for an award disclose, in a
13 timely manner and in writing to the pass-through entity, all
14 violations of State or federal criminal law involving fraud,
15 bribery, or gratuity violations potentially affecting the
16 award. Failure to make the required disclosures may result in
17 any of the following remedial actions:

18 (1) The temporary withholding of cash payments pending
19 correction of the deficiency by the awarding agency or
20 non-federal entity or more severe enforcement action by the
21 pass-through entity.

22 (2) Disallowance of (that is, denial of both use of
23 funds and any applicable matching credit for) all or part
24 of the cost of the activity or action not in compliance.

1 (3) Whole or partial suspension or termination of the
2 award.

3 (4) Initiation of suspension or debarment proceedings
4 as authorized under rules adopted under subsection (a) of
5 Section 20 of this Act and awarding agency regulations (or,
6 in the case of a pass-through entity, recommendation that
7 such a proceeding be initiated by the awarding agency).

8 (5) Withholding further awards for the project or
9 program.

10 (6) Taking any other remedial action that may be
11 legally available.

12 Section 45. Applicability.

13 (a) The requirements established under this Act apply to
14 State grant-making agencies that make State and federal
15 pass-through awards to non-federal entities. These
16 requirements apply to all costs related to State and federal
17 pass-through awards. The requirements established under this
18 Act do not apply to private awards.

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

21 (b) The terms and conditions of State, federal, and
22 pass-through awards apply to subawards and subrecipients
23 unless a particular Section of this Act or the terms and
24 conditions of the State or federal award specifically indicate
25 otherwise. Non-federal entities shall comply with requirements

1 of this Act regardless of whether the non-federal entity is a
2 recipient or subrecipient of a State or federal pass-through
3 award. Pass-through entities shall comply with the
4 requirements set forth under the rules adopted under subsection
5 (a) of Section 20 of this Act, but not to any requirements in
6 this Act directed towards State or federal awarding agencies,
7 unless the requirements of the State or federal awards indicate
8 otherwise.

9 When a non-federal entity is awarded a cost-reimbursement
10 contract, only 2 CFR 200.330 through 200.332 are incorporated
11 by reference into the contract. However, when the Cost
12 Accounting Standards are applicable to the contract, they take
13 precedence over the requirements of this Act unless they are in
14 conflict with Subpart F of 2 CFR 200. In addition, costs that
15 are made unallowable under 10 U.S.C. 2324(e) and 41 U.S.C.
16 4304(a), as described in the Federal Acquisition Regulations,
17 subpart 31.2 and subpart 31.603, are always unallowable. For
18 requirements other than those covered in Subpart D of 2 CFR
19 200.330 through 200.332, the terms of the contract and the
20 Federal Acquisition Regulations apply.

21 With the exception of Subpart F of 2 CFR 200, which is
22 required by the Single Audit Act, in any circumstances where
23 the provisions of federal statutes or regulations differ from
24 the provisions of this Act, the provision of the federal
25 statutes or regulations govern. This includes, for agreements
26 with Indian tribes, the provisions of the Indian

1 Self-Determination and Education and Assistance Act, as
2 amended, 25 U.S.C. 450-458ddd-2.

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

10 (d) Except for 2 CFR 200.202 and 200.330 through 200.332,
11 the requirements in Subparts C, D, and E of 2 CFR 200 do not
12 apply to the following programs:

13 (1) The block grant awards authorized by the Omnibus
14 Budget Reconciliation Act of 1981 (including Community
15 Services; Preventive Health and Health Services; Alcohol,
16 Drug Abuse, and Mental Health Services; Maternal and Child
17 Health Services; Social Services; Low-Income Home Energy
18 Assistance; States' Program of Community Development Block
19 Grant Awards for Small Cities; and Elementary and Secondary
20 Education, other than programs administered by the
21 Secretary of Education under Title V, Subtitle D, Chapter
22 2, Section 583 - the Secretary's discretionary award
23 program) and both the Alcohol and Drug Abuse Treatment and
24 Rehabilitation Block Grant Award (42 U.S.C. 300x-21 to
25 300x-35 and 42 U.S.C. 300x-51 to 300x-64) and the Mental
26 Health Service for the Homeless Block Grant Award (42

1 U.S.C. 300x to 300x-9) under the Public Health Services
2 Act.

3 (2) Federal awards to local education agencies under 20
4 U.S.C. 7702 through 7703b (portions of the Impact Aid
5 program).

6 (3) Payments under the Department of Veterans Affairs'
7 State Home Per Diem Program (38 U.S.C. 1741).

8 (4) Federal awards authorized under the Child Care and
9 Development Block Grant Act of 1990, as amended, including
10 the following:

11 (A) Child Care and Development Block Grant (42
12 U.S.C. 9858).

13 (B) Child Care Mandatory and Matching Funds of the
14 Child Care and Development Fund (42 U.S.C. 9858).

15 (e) Except for the 2 CFR 200.202 requirement to provide
16 public notice of federal financial assistance programs, the
17 guidance in Subpart C Pre-federal Award Requirements and
18 Contents of Federal Awards does not apply to the following
19 programs:

20 (1) Entitlement federal awards to carry out the
21 following programs of the Social Security Act:

22 (A) Temporary Assistance to Needy Families (Title
23 IV-A of the Social Security Act, 42 U.S.C. 601-619);

24 (B) Child Support Enforcement and Establishment of
25 Paternity (Title IV-D of the Social Security Act, 42
26 U.S.C. 651-669b);

1 (C) Foster Care and Adoption Assistance (Title
2 IV-E of the Act, 42 U.S.C. 670-679c);

3 (D) Aid to the Aged, Blind, and Disabled (Titles I,
4 X, XIV, and XVI - AABD of the Act, as amended); and

5 (E) Medical Assistance (Medicaid) (42 U.S.C.
6 1396-1396w-5), not including the State Medicaid Fraud
7 Control program authorized by Section 1903(a)(6)(B) of
8 the Social Security Act (42 U.S.C. 1396b(a)(6)(B)).

9 (2) A federal award for an experimental, pilot, or
10 demonstration project that is also supported by a federal
11 award listed in paragraph (1) of subsection (e) of this
12 Section.

13 (3) Federal awards under subsection 412(e) of the
14 Immigration and Nationality Act of 1965 and Section 501(a)
15 of the Refugee Education Assistance Act of 1980 for cash
16 assistance, medical assistance, and supplemental security
17 income benefits to refugees and entrants and the
18 administrative costs of providing the assistance and
19 benefits under 8 U.S.C. 1522(e).

20 (4) Entitlement awards under the following programs of
21 The National School Lunch Act:

22 (A) National School Lunch Program (42 U.S.C.
23 1753);

24 (B) Commodity Assistance (42 U.S.C. 1755);

25 (C) Special Meal Assistance (42 U.S.C. 1759a);

26 (D) Summer Food Service Program for Children (42

1 U.S.C. 1761); and

2 (E) Child and Adult Care Food Program (42 U.S.C.
3 1766).

4 (5) Entitlement awards under the following programs of
5 The Child Nutrition Act of 1966:

6 (A) Special Milk Program (42 U.S.C. 1772);

7 (B) School Breakfast Program (42 U.S.C. 1773); and

8 (C) State Administrative Expenses (42 U.S.C.
9 1776).

10 (6) Entitlement awards for State Administrative
11 Expenses under The Food and Nutrition Act of 2008 (7 U.S.C.
12 2025).

13 (7) Non-discretionary federal awards under the
14 following non-entitlement programs:

15 (A) Special Supplemental Nutrition Program for
16 Women, Infants and Children under the Child Nutrition
17 Act of 1966 (42 U.S.C. 1786);

18 (B) The Emergency Food Assistance Programs
19 (Emergency Food Assistance Act of 1983) (7 U.S.C.
20 7501); and

21 (C) Commodity Supplemental Food Program (7 U.S.C.
22 612c).

23 (f) For public institutions of higher education, the
24 provisions of this Act apply only to awards funded by State
25 appropriations and federal pass-through awards from a State
26 agency to public institutions of higher education.

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

7 Section 50. State grant-making agency responsibilities.

8 (a) The specific requirements and responsibilities of
9 State grant-making agencies and non-federal entities are set
10 forth in this Act. State agencies making State awards to
11 non-federal entities must adopt by rule the language in 2 CFR
12 200, Subpart C through Subpart F unless different provisions
13 are required by law.

14 (b) Each State grant-making agency shall appoint a Chief
15 Accountability Officer who shall serve as a liaison to the
16 Grant Accountability and Transparency Unit and who shall be
17 responsible for the State agency's implementation of and
18 compliance with the rules.

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

22 (1) require its recipients and subrecipients to relate
23 financial data to performance accomplishments of the award
24 and, when applicable, must require recipients and
25 subrecipients to provide cost information to demonstrate

1 cost-effective practices. The recipient's and
2 subrecipient's performance should be measured in a way that
3 will help the State agency to improve program outcomes,
4 share lessons learned, and spread the adoption of promising
5 practices; and

6 (2) provide recipients and subrecipients with clear
7 performance goals, indicators, and milestones and must
8 establish performance reporting frequency and content to
9 not only allow the State agency to understand the
10 recipient's progress, but also to facilitate
11 identification of promising practices among recipients and
12 subrecipients and build the evidence upon which the State
13 agency's program and performance decisions are made.

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

18 Section 55. The Governor's Office of Management and Budget
19 responsibilities.

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

21 (1) provide technical assistance and interpretations
22 of policy requirements in order to ensure effective and
23 efficient implementation of this Act by State grant-making
24 agencies; and

25 (2) have authority to approve any exceptions to the

1 requirements of this Act and shall adopt rules governing
2 the criteria to be considered when an exception is
3 requested; exceptions shall only be made in particular
4 cases where adequate justification is presented.

5 (b) The Governor's Office of Management and Budget shall,
6 on or before July 1, 2014, establish a centralized unit within
7 the Governor's Office of Management and Budget. The centralized
8 unit shall be known as the Grant Accountability and
9 Transparency Unit and shall be funded with a portion of the
10 administrative funds provided under existing and future State
11 and federal pass-through grants. The amounts charged will be
12 allocated based on the actual cost of the services provided to
13 State grant-making agencies and public institutions of higher
14 education in accordance with the applicable federal cost
15 principles contained in 2 CFR 200 and this Act will not cause
16 the reduction in the amount of any State or federal grant
17 awards that have been or will be directed towards State
18 agencies or public institutions of higher education.

19 Section 60. Grant Accountability and Transparency Unit
20 responsibilities.

21 (a) The Grant Accountability and Transparency Unit within
22 the Governor's Office of Management and Budget shall be
23 responsible for:

24 (1) The development of minimum requirements applicable
25 to the staff of grant applicants to manage and execute

1 grant awards for programmatic and administrative purposes,
2 including grant management specialists with:

3 (A) general and technical competencies;

4 (B) programmatic expertise;

5 (C) fiscal expertise and systems necessary to
6 adequately account for the source and application of
7 grant funds for each program; and

8 (D) knowledge of compliance requirements.

9 (2) The development of minimum training requirements,
10 including annual training requirements.

11 (3) Accurate, current, and complete disclosure of the
12 financial results of each funded award, as set forth in the
13 financial monitoring and reporting Section of 2 CFR 200.

14 (4) Development of criteria for requiring the
15 retention of a fiscal agent and for becoming a fiscal
16 agent.

17 (5) Development of disclosure requirements in the
18 grant application pertaining to:

19 (A) related-party status between grantees and
20 grant-making agencies;

21 (B) past employment of applicant officers and
22 grant managers;

23 (C) disclosure of current or past employment of
24 members of immediate family; and

25 (D) disclosure of senior management of grantee
26 organization and their relationships with contracted

1 vendors.

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

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

13 (8) Maintenance of an Illinois Debarred and Suspended
14 List that contains the names of those individuals and
15 entities that are ineligible, either temporarily or
16 permanently, to receive an award of grant funds from the
17 State.

18 (9) Ensuring the adoption of standardized rules for the
19 implementation of this Act by State grant-making agencies.
20 The Grant Accountability and Transparency Unit shall
21 provide such advice and technical assistance to the State
22 grant-making agencies as is necessary or indicated in order
23 to ensure compliance with this Act.

24 (10) Coordination of financial and Single Audit
25 reviews.

26 (11) Coordination of on-site reviews of grantees and

1 subrecipients.

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

6 (b) The Grant Accountability and Transparency Unit shall
7 have no power or authority regarding the approval, disapproval,
8 management, or oversight of grants entered into or awarded by a
9 State agency or by a public institution of higher education.
10 The power or authority existing under law to grant or award
11 grants by a State agency or by a public institution of higher
12 education shall remain with that State agency or public
13 institution of higher education. The Unit shall be responsible
14 for reviewing and approving amendments to the Administrative
15 Code proposed by State grant agencies in connection with the
16 implementation of this Act and shall be responsible for
17 establishing standardized policies and procedures for State
18 grant-making agencies in order to ensure compliance with the
19 Uniform Administrative Requirements, Cost Principles and Audit
20 Requirements for Federal Awards set forth in 2 CFR Part 200,
21 all of which must be adhered to by the State grant-making
22 agencies throughout the life cycle of the grant.

23 (c) The powers and functions of grant making by State
24 agencies or public institutions of higher education may not be
25 transferred to, nor may prior grant approval be transferred to,
26 any other person, office, or entity within the executive branch

1 of State government.

2 Section 65. Audit requirements.

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

7 (b) Books and records must be available for review or audit
8 by appropriate officials of the pass-through entity, and the
9 agency, the Auditor General, the Inspector General,
10 appropriate officials of the agency, and the federal Government
11 Accountability Office.

12 (c) The Governor's Office of Management and Budget, with
13 the advice and technical assistance of the Illinois Single
14 Audit Commission, shall adopt rules for audits of grants from a
15 State or federal pass-through entity that are not subject to
16 the Single Audit Act because the amount of the federal award is
17 less than \$750,000 or the subrecipient is an exempt entity and
18 that are reasonably consistent with 2 CFR 200.

19 (d) This Act does not affect the provisions of the Illinois
20 State Auditing Act and does not address the external audit
21 function of the Auditor General.

22 Section 70. Review date. The Governor's Office of
23 Management and Budget shall review this Act at least once every
24 5 years after December 26, 2014 in conjunction with the federal

1 review of the Uniform Administrative Requirements, Cost
2 Principles, and Audit Requirements for Federal Awards as
3 required by 2 CFR 200.109 in order to determine whether any
4 existing rules need to be revised or new rules adopted.

5 Section 75. State program exceptions.

6 (a) With the exception of the audit requirements set forth
7 in 2 CFR 200.102, exceptions may be allowed for classes of
8 State or federal pass-through awards or non-federal entities
9 subject to the requirements of this Act when such exceptions
10 are not prohibited by State or federal law. However, in the
11 interest of maximum uniformity, exceptions from the
12 requirements of this Act shall be permitted only in unusual or
13 exceptional circumstances.

14 (b) The Governor's Office of Management and Budget, with
15 the advice and technical assistance of the Illinois Single
16 Audit Commission, shall adopt rules governing the criteria that
17 shall be used to determine when an exception may be issued. The
18 Governor's Office of Management and Budget shall publish any
19 allowed exceptions in the Catalogue of State Financial
20 Assistance within 30 days of the exception being allowed.

21 Section 80. Supersession. On and after July 1, 2015, in the
22 event of a conflict with the Grant Funds Recovery Act, the
23 provisions of this Act shall control.

1 Section 85. Implementation date. The Governor's Office of
2 Management and Budget shall adopt all rules required under this
3 Act on or before July 1, 2015.

4 Section 90. Agency implementation. All State grant-making
5 agencies shall implement the rules issued by the Governor's
6 Office of Management and Budget on or before July 1, 2015. The
7 standards set forth in this Act, which affect administration of
8 State and federal pass-through awards issued by State
9 grant-making agencies, become effective once implemented by
10 State grant-making agencies. State grant-making agencies shall
11 implement the policies and procedures applicable to State and
12 federal pass-through awards by adopting rules for non-federal
13 entities that shall take effect for fiscal years on and after
14 December 26, 2014, unless different provisions are required by
15 State or federal statute or federal rule.

16 Section 95. Annual report. Effective January 1, 2016 and
17 each January 1 thereafter, the Governor's Office of Management
18 and Budget, in conjunction with the Illinois Single Audit
19 Commission, shall submit to the Governor and the General
20 Assembly a report that demonstrates the efficiencies, cost
21 savings, and reductions in fraud, waste, and abuse as a result
22 of the implementation of this Act and the rules adopted by the
23 Governor's Office of Management and Budget in accordance with
24 the provisions of this Act. The report shall include, but not

1 be limited to:

2 (1) the number of entities placed on the Illinois
3 Debarred and Suspended List;

4 (2) any savings realized as a result of the
5 implementation of this Act;

6 (3) any reduction in the number of duplicative audits;

7 (4) the number of persons trained to assist grantees
8 and subrecipients; and

9 (5) the number of grantees and subrecipients to whom a
10 fiscal agent was assigned.

11 Section 100. Repeal. This Act is repealed 5 years after the
12 effective date of this Act.

13 Section 505. The Governor's Office of Management and Budget
14 Act is amended by changing Section 2 and by adding Sections
15 2.8, 2.9, and 2.10 as follows:

16 (20 ILCS 3005/2) (from Ch. 127, par. 412)

17 Sec. 2. There is created in the executive office of the
18 Governor an Office to be known as the Governor's Office of
19 Management and Budget. The Office shall be headed by a
20 Director, who shall be appointed by the Governor. The functions
21 of the Office shall be as prescribed in Sections 2.1 through
22 2.10 ~~2.7~~ of this Act.

23 (Source: P.A. 93-25, eff. 6-20-03.)

1 (20 ILCS 3005/2.8 new)

2 Sec. 2.8. Pursuant to the Grant Accountability and
3 Transparency Act, to create, on or before July 1, 2014, the
4 Grant Accountability and Transparency Unit within the Office.
5 The Grant Accountability and Transparency Unit shall report
6 directly to the Director of the Governor's Office of Management
7 and Budget.

8 (20 ILCS 3005/2.9 new)

9 Sec. 2.9. Pursuant to the Grant Accountability and
10 Transparency Act, to maintain a list of those individuals and
11 entities that are ineligible, either temporarily or
12 permanently, to receive an award of grant funds from the State.

13 (20 ILCS 3005/2.10 new)

14 Sec. 2.10. To adopt rules on or before July 1, 2015
15 necessary to comply with the Grant Accountability and
16 Transparency Act. Should changes to the rules be required by
17 the review mandated by Section 65 of the Grant Accountability
18 and Transparency Act, the Governor's Office of Management and
19 Budget may adopt such peremptory rules as are necessary to
20 comply with changes to corresponding federal rules. All other
21 rules that the Governor's Office of Management and Budget deems
22 necessary to adopt in connection with the Grant Accountability
23 and Transparency Act must proceed through the ordinary

1 rule-making process.

2 (30 ILCS 705/4.2 rep.)

3 Section 510. The Illinois Grant Funds Recovery Act is
4 amended by repealing Section 4.2.

5 Section 515. The Illinois Grant Funds Recovery Act is
6 amended by adding Sections 15.1 and 16 as follows:

7 (30 ILCS 705/15.1 new)

8 Sec. 15.1. Illinois Single Audit Commission.

9 (a) There is created the Illinois Single Audit Commission.

10 The Commission shall assist the Governor's Office of Management
11 and Budget in creating its annual report under Section 90 of
12 the Grant Accountability and Transparency Act.

13 (b) The Commission shall be comprised of one representative
14 from each of the following grant-making agencies who is an
15 expert in grants subject matter, and who shall be appointed by
16 the Governor, one of whom shall be designated as Chairperson:
17 Department on Aging; Department of Children and Family
18 Services; Department of Healthcare and Family Services;
19 Department of Human Services; Department of Public Health;
20 Criminal Justice Information Authority; Department of Commerce
21 and Economic Opportunity; Department of Transportation;
22 Illinois State Board of Education; Illinois Student Assistance
23 Commission; Department of Agriculture; Environmental

1 Protection Agency; and Department of Natural Resources.

2 (c) The Governor may, as he or she deems necessary or
3 appropriate, designate representatives of additional State
4 agencies with grant-making authority to serve as members of the
5 Commission.

6 (d) The Governor may appoint a total of 4 representatives
7 of community organizations, providers, or associations who are
8 experts in grants subject matter to serve as members of the
9 Commission.

10 (e) The Governor may appoint a total of 3 representatives
11 of public institutions of higher education who are experts in
12 grants subject matter to serve as members of the Commission.

13 (f) Should any of the State agencies listed in subsection
14 (b) of this Section deem that additional representation by
15 community organizations, providers, or associations is
16 necessary or appropriate, and the Commission as a whole is in
17 concurrence with this decision, the State agency or agencies
18 may appoint additional members; provided, however, that no more
19 than a total of 4 such additional members may be appointed to
20 the Commission.

21 (g) The Commission shall also include: a representative of
22 the Governor's Office of Management and Budget, appointed by
23 the Governor; 4 members of the General Assembly, one from the
24 House of Representatives Democratic Caucus, one from the House
25 of Representatives Republican Caucus, one from the Senate
26 Democratic Caucus, and one from the Senate Republican Caucus,

1 all of whom shall be appointed by the Governor.

2 (h) The Co-chairpersons of the relevant subcommittees
3 within the Management Initiative Improvement Committee under
4 Section 1-37b of the Department of Human Services Act may be
5 included as members of the Commission if the Commission deems
6 their inclusion necessary for the coordination of its efforts.

7 (i) The Commission shall provide advice and technical
8 assistance to the Governor's Office of Management and Budget in
9 connection with the rules drafted pursuant to the Grant
10 Accountability and Transparency Act.

11 (j) This Section is repealed on July 1, 2019.

12 (30 ILCS 705/16 new)

13 Sec. 16. Supersession. On and after July 1, 2015, in the
14 event of a conflict with the Grant Accountability and
15 Transparency Act, the Grant Accountability and Transparency
16 Act shall control.

17 Section 997. Severability. The provisions of this Act are
18 severable under Section 1.31 of the Statute on Statutes.

19 Section 999. Effective date. This Act takes effect upon
20 becoming law.