



Sen. Pamela J. Althoff

Filed: 4/14/2015

09900SB1057sam001

LRB099 05371 SXM 33704 a

1 AMENDMENT TO SENATE BILL 1057

2 AMENDMENT NO. _____. Amend Senate Bill 1057 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Grant Accountability and Transparency Act
5 is amended by changing Sections 20, 25, 55, 85, 90, and 100 as
6 follows:

7 (30 ILCS 708/20)

8 (Section scheduled to be repealed on July 16, 2019)

9 Sec. 20. Adoption of federal rules applicable to grants.

10 (a) On or before July 1, 2016 ~~2015~~, the Governor's Office
11 of Management and Budget, with the advice and technical
12 assistance of the Illinois Single Audit Commission, shall adopt
13 rules which adopt the Uniform Guidance at 2 CFR 200. The rules,
14 which shall apply to all State and federal pass-through awards
15 effective on and after July 1, 2016 ~~2015~~, shall include the
16 following:

1 (1) Administrative requirements. In accordance with
2 Subparts B through D of 2 CFR 200, the rules shall set
3 forth the uniform administrative requirements for grant
4 and cooperative agreements, including the requirements for
5 the management by State awarding agencies of federal grant
6 programs before State and federal pass-through awards have
7 been made and requirements that State awarding agencies may
8 impose on non-federal entities in State and federal
9 pass-through awards.

10 (2) Cost principles. In accordance with Subpart E of 2
11 CFR 200, the rules shall establish principles for
12 determining the allowable costs incurred by non-federal
13 entities under State and federal pass-through awards. The
14 principles are intended for cost determination, but are not
15 intended to identify the circumstances or dictate the
16 extent of State or federal pass-through participation in
17 financing a particular program or project. The principles
18 shall provide that State and federal awards bear their fair
19 share of cost recognized under these principles, except
20 where restricted or prohibited by State or federal law.

21 (3) Audit and single audit requirements and audit
22 follow-up. In accordance with Subpart F of 2 CFR 200 and
23 the federal Single Audit Act Amendments of 1996, the rules
24 shall set forth standards to obtain consistency and
25 uniformity among State and federal pass-through awarding
26 agencies for the audit of non-federal entities expending

1 State and federal awards. These provisions shall also set
2 forth the policies and procedures for State and federal
3 pass-through entities when using the results of these
4 audits.

5 The provisions of this item (3) do not apply to
6 for-profit subrecipients because for-profit subrecipients
7 are not subject to the requirements of OMB Circular A-133,
8 Audits of States, Local and Non-Profit Organizations.
9 Audits of for-profit subrecipients must be conducted
10 pursuant to a Program Audit Guide issued by the Federal
11 awarding agency. If a Program Audit Guide is not available,
12 the State awarding agency must prepare a Program Audit
13 Guide in accordance with the OMB Circular A-133 Compliance
14 Supplement. For-profit entities are subject to all other
15 general administrative requirements and cost principles
16 applicable to grants.

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

20 (c) For public institutions of higher education, the
21 provisions of this Section apply only to awards funded by State
22 appropriations and federal pass-through awards from a State
23 agency to public institutions of higher education. Federal
24 pass-through awards from a State agency to public institutions
25 of higher education are governed by and must comply with
26 federal guidelines under 2 CFR 200.

1 (d) The State grant-making agency is responsible for
2 establishing requirements, as necessary, to ensure compliance
3 by for-profit subrecipients. The agreement with the for-profit
4 subrecipient shall describe the applicable compliance
5 requirements and the for-profit subrecipient's compliance
6 responsibility. Methods to ensure compliance for State and
7 federal pass-through awards made to for-profit subrecipients
8 shall include pre-award, audits, monitoring during the
9 agreement, and post-award audits. The Governor's Office of
10 Management and Budget shall provide such advice and technical
11 assistance to the State grant-making agency as is necessary or
12 indicated.

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

14 (30 ILCS 708/25)

15 (Section scheduled to be repealed on July 16, 2019)

16 Sec. 25. Supplemental rules. On or before July 1, 2016
17 ~~2015~~, the Governor's Office of Management and Budget, with the
18 advice and technical assistance of the Illinois Single Audit
19 Commission, shall adopt supplemental rules pertaining to the
20 following:

21 (1) Criteria to define mandatory formula-based grants
22 and discretionary grants.

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

24 (3) The award of competitive grants in 3-year terms
25 (one-year initial terms with the option to renew for up to

1 2 additional years) to coincide with the federal award.

2 (4) The issuance of grants, including:

3 (A) public notice of announcements of funding
4 opportunities;

5 (B) the development of uniform grant applications;

6 (C) State agency review of merit of proposals and
7 risk posed by applicants;

8 (D) specific conditions for individual recipients
9 (requiring the use of a fiscal agent and additional
10 corrective conditions);

11 (E) certifications and representations;

12 (F) pre-award costs;

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

17 (H) for mandatory formula grants, the merit of the
18 proposal and the risk posed should result in additional
19 reporting, monitoring, or measures such as
20 reimbursement-basis only.

21 (5) The development of uniform budget requirements,
22 which shall include:

23 (A) mandatory submission of budgets as part of the
24 grant application process;

25 (B) mandatory requirements regarding contents of
26 the budget including, at a minimum, common detail line

1 items specified under guidelines issued by the
2 Governor's Office of Management and Budget;

3 (C) a requirement that the budget allow
4 flexibility to add lines describing costs that are
5 common for the services provided as outlined in the
6 grant application;

7 (D) a requirement that the budget include
8 information necessary for analyzing cost and
9 performance for use in the Budgeting for Results
10 initiative; and

11 (E) caps on the amount of salaries that may be
12 charged to grants based on the limitations imposed by
13 federal agencies.

14 (6) The development of pre-qualification requirements
15 for applicants, including the fiscal condition of the
16 organization and the provision of the following
17 information:

18 (A) organization name;

19 (B) Federal Employee Identification Number;

20 (C) Data Universal Numbering System (DUNS) number;

21 (D) fiscal condition;

22 (E) whether the applicant is in good standing with
23 the Secretary of State;

24 (F) past performance in administering grants;

25 (G) whether the applicant is or has ever been on
26 the Debarred and Suspended List maintained by the

1 Governor's Office of Management and Budget;

2 (H) whether the applicant is or has ever been on
3 the federal Excluded Parties List; and

4 (I) whether the applicant is or has ever been on
5 the Sanctioned Party List maintained by the Illinois
6 Department of Healthcare and Family Services.

7 Nothing in this Act affects the provisions of the Fiscal
8 Control and Internal Auditing Act nor the requirement that the
9 management of each State agency is responsible for maintaining
10 effective internal controls under that Act.

11 For public institutions of higher education, the
12 provisions of this Section apply only to awards funded by State
13 appropriations and federal pass-through awards from a State
14 agency to public institutions of higher education.

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

16 (30 ILCS 708/55)

17 (Section scheduled to be repealed on July 16, 2019)

18 Sec. 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, 2015 ~~2014~~, establish a centralized unit
7 within the Governor's Office of Management and Budget. The
8 centralized 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 (Source: P.A. 98-706, eff. 7-16-14.)

20 (30 ILCS 708/85)

21 (Section scheduled to be repealed on July 16, 2019)

22 Sec. 85. Implementation date. The Governor's Office of
23 Management and Budget shall adopt all rules required under this
24 Act on or before July 1, 2016 ~~2015~~.

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

1 (30 ILCS 708/90)

2 (Section scheduled to be repealed on July 16, 2019)

3 Sec. 90. Agency implementation. All State grant-making
4 agencies shall implement the rules issued by the Governor's
5 Office of Management and Budget on or before July 1, 2017 ~~2015~~.
6 The standards set forth in this Act, which affect
7 administration of State and federal pass-through awards issued
8 by State grant-making agencies, become effective once
9 implemented by State grant-making agencies. State grant-making
10 agencies shall implement the policies and procedures
11 applicable to State and federal pass-through awards by adopting
12 rules for non-federal entities by December 31, 2016 that shall
13 take effect for fiscal years on and after December 26, 2014,
14 unless different provisions are required by State or federal
15 statute or federal rule.

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

17 (30 ILCS 708/100)

18 (Section scheduled to be repealed on July 16, 2019)

19 Sec. 100. Repeal. This Act is repealed on July 16, 2020 ~~5~~
20 ~~years after the effective date of this Act.~~

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