

1 AN ACT concerning State government.

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

4 Section 5. The State Officials and Employees Ethics Act is  
5 amended by changing Section 5-20 as follows:

6 (5 ILCS 430/5-20)

7 Sec. 5-20. Public service announcements; other promotional  
8 material.

9 (a) Beginning January 1, 2004, no public service  
10 announcement or advertisement that is on behalf of any State  
11 administered program and contains the proper name, image, or  
12 voice of any executive branch constitutional officer or member  
13 of the General Assembly shall be (i) broadcast or aired on  
14 radio or television, (ii) printed in a commercial newspaper or  
15 a commercial magazine, or (iii) displayed on a billboard or  
16 electronic message board at any time.

17 (b) The proper name or image of any executive branch  
18 constitutional officer or member of the General Assembly may  
19 not appear on any (i) bumper stickers, (ii) commercial  
20 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)  
21 stickers, and (vi) other similar promotional items, that are  
22 not in furtherance of the person's official State duties or  
23 governmental and public service functions, if designed, paid

1 for, prepared, or distributed using public dollars. This  
2 subsection does not apply to stocks of items existing on the  
3 effective date of this amendatory Act of the 93rd General  
4 Assembly.

5 (b-5) During the period beginning September 1 of the year  
6 of a general election and ending the day after the general  
7 election, the proper name or image of any executive branch  
8 constitutional officer or member of the General Assembly shall  
9 not be included in a public announcement on behalf of an  
10 officer, member, or State agency related to any contract or  
11 grant awarded by a State agency. Nothing in this subsection  
12 (b-5) prohibits a State agency from issuing notification of the  
13 award or grant of a contract, provided the notification does  
14 not include the proper name or image of any executive branch  
15 constitutional officer or member of the General Assembly. This  
16 subsection (b-5) does not prohibit an executive branch  
17 constitutional officer or member of the General Assembly from  
18 attending any public or private event associated with the award  
19 or grant of contract or from being included on a list of  
20 attendees disseminated to the public.

21 (c) This Section does not apply to communications funded  
22 through expenditures required to be reported under Article 9 of  
23 the Election Code.

24 (Source: P.A. 97-13, eff. 6-16-11.)

25 Section 10. The Governor's Office of Management and Budget

1 Act is amended by adding Sections 2.11 and 2.12 as follows:

2 (20 ILCS 3005/2.11 new)

3 Sec. 2.11. Stop payment orders. Upon a request for a stop  
4 payment order from a State grant-making agency for a recipient  
5 or subrecipient, the Office of the Comptroller shall notify the  
6 Grant Accountability and Transparency Unit within 30 days of  
7 the request.

8 (20 ILCS 3005/2.12 new)

9 Sec. 2.12. Improper payment elimination recommendations.  
10 Pursuant to Section 15.5 of the Grant Funds Recovery Act, the  
11 Governor's Office of Management and Budget, in conjunction with  
12 the Illinois Single Audit Commission, shall research and  
13 provide recommendations to the General Assembly regarding the  
14 adoption of legislation, in accordance with the federal  
15 Improper Payments Elimination and Recovery Improvement Act of  
16 2012. The recommendations shall be included in the Annual  
17 Report of the Commission to be submitted to the General  
18 Assembly on January 1, 2020. This Section is repealed January  
19 1, 2021.

20 Section 15. The State Finance Act is amended by changing  
21 Section 35 as follows:

22 (30 ILCS 105/35) (from Ch. 127, par. 167.03)

1           Sec. 35. As used in this Section, "state agency" is defined  
2 as provided in the Illinois State Auditing Act, except that  
3 this Section does not apply to state colleges and universities,  
4 the Illinois Mathematics and Science Academy, and their  
5 respective governing boards.

6           When any State agency receives a grant or contract from  
7 itself or another State agency from appropriated funds the  
8 recipient agency shall be restricted in the expenditure of  
9 these funds to the period during which the grantor agency was  
10 so restricted and to the terms and conditions under which such  
11 other agency received the appropriation.7 The restrictions  
12 shall include: any applicable restrictions in Section 25 of  
13 this Act, applicable federal regulations, and ~~to~~ the terms,  
14 conditions and limitations of the appropriations to the other  
15 agency, even if the funds are deposited or interfund  
16 transferred for use in a non-appropriated fund. No State agency  
17 may accept or expend funds under a grant or contract for any  
18 purpose, program or activity not within the scope of the  
19 agency's powers and duties under Illinois law.

20           (Source: P.A. 88-9.)

21           Section 20. The Illinois Grant Funds Recovery Act is  
22 amended by adding Section 15.5 as follows:

23           (30 ILCS 705/15.5 new)

24           Sec. 15.5. Recommendations of the Illinois Single Audit

1 Commission regarding the elimination and recovery of improper  
2 payments. The Illinois Single Audit Commission, in conjunction  
3 with the Governor's Office of Management and Budget, shall  
4 research and provide recommendations to the General Assembly  
5 regarding the adoption of legislation in accordance with the  
6 federal Improper Payments Elimination and Recovery Improvement  
7 Act of 2012. The recommendations shall be included in the  
8 Annual Report of the Commission to be submitted to the General  
9 Assembly on January 1, 2020. This Section is repealed January  
10 1, 2021.

11 Section 25. The Grant Accountability and Transparency Act  
12 is amended by changing Sections 15, 25, 50, 55, and 95 and by  
13 adding Sections 105, 110, 115, 120, 125, 130, and 520 as  
14 follows:

15 (30 ILCS 708/15)

16 (Section scheduled to be repealed on July 16, 2020)

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

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

19 (1) the costs are reasonable and necessary for the  
20 performance of the award;

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

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

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

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

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

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

13 (8) the costs of one State or federal grant are not  
14 used to meet the match requirements of another State or  
15 federal grant; and

16 (9) the costs are adequately documented.

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

19 "Auditor" means an auditor who is a public accountant or a  
20 federal, State, or local government audit organization that  
21 meets the general standards specified in generally-accepted  
22 government auditing standards. "Auditor" does not include  
23 internal auditors of nonprofit organizations.

24 "Auditor General" means the Auditor General of the State of  
25 Illinois.

26 "Award" means financial assistance that provides support

1 or stimulation to accomplish a public purpose. "Awards" include  
2 grants and other agreements in the form of money, or property  
3 in lieu of money, by the State or federal government to an  
4 eligible recipient. "Award" does not include: technical  
5 assistance that provides services instead of money; other  
6 assistance in the form of loans, loan guarantees, interest  
7 subsidies, or insurance; direct payments of any kind to  
8 individuals; or contracts that must be entered into and  
9 administered under State or federal procurement laws and  
10 regulations.

11 "Budget" means the financial plan for the project or  
12 program that the awarding agency or pass-through entity  
13 approves during the award process or in subsequent amendments  
14 to the award. It may include the State or federal and  
15 non-federal share or only the State or federal share, as  
16 determined by the awarding agency or pass-through entity.

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

20 "Catalog of Federal Domestic Assistance number" or "CFDA  
21 number" means the number assigned to a federal program in the  
22 CFDA.

23 "Catalog of State Financial Assistance" means the single,  
24 authoritative, statewide, comprehensive source document of  
25 State financial assistance program information maintained by  
26 the Governor's Office of Management and Budget.

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

5 "Cluster of programs" means a grouping of closely related  
6 programs that share common compliance requirements. The types  
7 of clusters of programs are research and development, student  
8 financial aid, and other clusters. A "cluster of programs"  
9 shall be considered as one program for determining major  
10 programs and, with the exception of research and development,  
11 whether a program-specific audit may be elected.

12 "Cognizant agency for audit" means the federal agency  
13 designated to carry out the responsibilities described in 2 CFR  
14 200.513(a).

15 "Contract" means a legal instrument by which a non-federal  
16 entity purchases property or services needed to carry out the  
17 project or program under an award. "Contract" does not include  
18 a legal instrument, even if the non-federal entity considers it  
19 a contract, when the substance of the transaction meets the  
20 definition of an award or subaward.

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

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

25 (1) is used to enter into a relationship with the  
26 principal purpose of transferring anything of value from

1 the awarding agency or pass-through entity to the  
2 non-federal entity to carry out a public purpose authorized  
3 by law, but is not used to acquire property or services for  
4 the awarding agency's or pass-through entity's direct  
5 benefit or use; and

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

10 "Cooperative agreement" does not include a cooperative  
11 research and development agreement, nor an agreement that  
12 provides only direct cash assistance to an individual, a  
13 subsidy, a loan, a loan guarantee, or insurance.

14 "Corrective action" means action taken by the auditee that  
15 (i) corrects identified deficiencies, (ii) produces  
16 recommended improvements, or (iii) demonstrates that audit  
17 findings are either invalid or do not warrant auditee action.

18 "Cost objective" means a program, function, activity,  
19 award, organizational subdivision, contract, or work unit for  
20 which cost data is desired and for which provision is made to  
21 accumulate and measure the cost of processes, products, jobs,  
22 and capital projects. A "cost objective" may be a major  
23 function of the non-federal entity, a particular service or  
24 project, an award, or an indirect cost activity.

25 "Cost sharing" means the portion of project costs not paid  
26 by State or federal funds, unless otherwise authorized by

1 statute.

2 "Development" is the systematic use of knowledge and  
3 understanding gained from research directed toward the  
4 production of useful materials, devices, systems, or methods,  
5 including design and development of prototypes and processes.

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

11 "Direct costs" means costs that can be identified  
12 specifically with a particular final cost objective, such as a  
13 State or federal or federal pass-through award or a particular  
14 sponsored project, an instructional activity, or any other  
15 institutional activity, or that can be directly assigned to  
16 such activities relatively easily with a high degree of  
17 accuracy.

18 "Equipment" means tangible personal property (including  
19 information technology systems) having a useful life of more  
20 than one year and a per-unit acquisition cost that equals or  
21 exceeds the lesser of the capitalization level established by  
22 the non-federal entity for financial statement purposes, or  
23 \$5,000.

24 "Executive branch" means that branch of State government  
25 that is under the jurisdiction of the Governor.

26 "Federal agency" has the meaning provided for "agency"

1 under 5 U.S.C. 551(1) together with the meaning provided for  
2 "agency" by 5 U.S.C. 552(f).

3 "Federal award" means:

4 (1) the federal financial assistance that a  
5 non-federal entity receives directly from a federal  
6 awarding agency or indirectly from a pass-through entity;

7 (2) the cost-reimbursement contract under the Federal  
8 Acquisition Regulations that a non-federal entity receives  
9 directly from a federal awarding agency or indirectly from  
10 a pass-through entity; or

11 (3) the instrument setting forth the terms and  
12 conditions when the instrument is the grant agreement,  
13 cooperative agreement, other agreement for assistance  
14 covered in paragraph (b) of 20 CFR 200.40, or the  
15 cost-reimbursement contract awarded under the Federal  
16 Acquisition Regulations.

17 "Federal award" does not include other contracts that a  
18 federal agency uses to buy goods or services from a contractor  
19 or a contract to operate federal government owned,  
20 contractor-operated facilities.

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

23 "Federal interest" means, for purposes of 2 CFR 200.329 or  
24 when used in connection with the acquisition or improvement of  
25 real property, equipment, or supplies under a federal award,  
26 the dollar amount that is the product of the federal share of

1 total project costs and current fair market value of the  
2 property, improvements, or both, to the extent the costs of  
3 acquiring or improving the property were included as project  
4 costs.

5 "Federal program" means any of the following:

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

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

11 (3) Notwithstanding paragraphs (1) and (2) of this  
12 definition, a cluster of programs. The types of clusters of  
13 programs are:

14 (A) research and development;

15 (B) student financial aid; and

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

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

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

25 "Financial assistance" means the following:

26 (1) For grants and cooperative agreements, "financial

1 assistance" means assistance that non-federal entities  
2 receive or administer in the form of:

3 (A) grants;

4 (B) cooperative agreements;

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

7 (D) direct appropriations;

8 (E) food commodities; and

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

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

14 (3) "Financial assistance" does not include amounts  
15 received as reimbursement for services rendered to  
16 individuals.

17 "Fixed amount awards" means a type of grant agreement under  
18 which the awarding agency or pass-through entity provides a  
19 specific level of support without regard to actual costs  
20 incurred under the award. "Fixed amount awards" reduce some of  
21 the administrative burden and record-keeping requirements for  
22 both the non-federal entity and awarding agency or pass-through  
23 entity. Accountability is based primarily on performance and  
24 results.

25 "Foreign public entity" means:

26 (1) a foreign government or foreign governmental

1 entity;

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

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

8 (4) any other entity consisting wholly or partially of  
9 one or more foreign governments or foreign governmental  
10 entities.

11 "Foreign organization" means an entity that is:

12 (1) a public or private organization located in a  
13 country other than the United States and its territories  
14 that are subject to the laws of the country in which it is  
15 located, irrespective of the citizenship of project staff  
16 or place of performance;

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

20 (3) a charitable organization located in a country  
21 other than the United States that is nonprofit and tax  
22 exempt under the laws of its country of domicile and  
23 operation, but is not a university, college, accredited  
24 degree-granting institution of education, private  
25 foundation, hospital, organization engaged exclusively in  
26 research or scientific activities, church, synagogue,

1 mosque, or other similar entity organized primarily for  
2 religious purposes; or

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

5 "Generally Accepted Accounting Principles" has the meaning  
6 provided in accounting standards issued by the Government  
7 Accounting Standards Board and the Financial Accounting  
8 Standards Board.

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

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

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

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

1 "Grant agreement" does not include an agreement that  
2 provides only direct cash assistance to an individual, a  
3 subsidy, a loan, a loan guarantee, or insurance.

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

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

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

16 ~~"Indian tribe" (or "federally recognized Indian tribe")~~  
17 ~~means any Indian tribe, band, nation, or other organized group~~  
18 ~~or community, including any Alaska Native village or regional~~  
19 ~~or village corporation as defined in or established pursuant to~~  
20 ~~the federal Alaska Native Claims Settlement Act (43 U.S.C.~~  
21 ~~1601, et seq.) that is recognized as eligible for the special~~  
22 ~~programs and services provided by the United States to Indians~~  
23 ~~because of their status as Indians under 25 U.S.C. 450b(c), as~~  
24 ~~set forth in the annually published Bureau of Indian Affairs~~  
25 ~~list of Indian Entities Recognized and Eligible to Receive~~  
26 ~~Services.~~

1 "Indirect cost" means those costs incurred for a common or  
2 joint purpose benefitting more than one cost objective and not  
3 readily assignable to the cost objectives specifically  
4 benefitted without effort disproportionate to the results  
5 achieved.

6 "Inspector General" means the Office of the Executive  
7 Inspector General for Executive branch agencies.

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

11 "Loan guarantee" means any State or federal government  
12 guarantee, insurance, or other pledge with respect to the  
13 payment of all or a part of the principal or interest on any  
14 debt obligation of a non-federal borrower to a non-federal  
15 lender, but does not include the insurance of deposits, shares,  
16 or other withdrawable accounts in financial institutions.

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

20 "Major program" means a federal program determined by the  
21 auditor to be a major program in accordance with 2 CFR 200.518  
22 or a program identified as a major program by a federal  
23 awarding agency or pass-through entity in accordance with 2 CFR  
24 200.503(e).

25 "Non-federal entity" means a state, local government,  
26 Indian tribe, institution of higher education, or

1 organization, whether nonprofit or for-profit, that carries  
2 out a State or federal award as a recipient or subrecipient.

3 "Nonprofit organization" means any corporation, trust,  
4 association, cooperative, or other organization, not including  
5 institutions of higher education, that:

6 (1) is operated primarily for scientific, educational,  
7 service, charitable, or similar purposes in the public  
8 interest;

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

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

12 "Obligations", when used in connection with a non-federal  
13 entity's utilization of funds under an award, means orders  
14 placed for property and services, contracts and subawards made,  
15 and similar transactions during a given period that require  
16 payment by the non-federal entity during the same or a future  
17 period.

18 "Office of Management and Budget" means the Office of  
19 Management and Budget of the Executive Office of the President.

20 "Other clusters" has the meaning provided by the federal  
21 Office of Management and Budget in the compliance supplement or  
22 has the meaning as it is designated by a state for federal  
23 awards the state provides to its subrecipients that meet the  
24 definition of a cluster of programs. When designating an "other  
25 cluster", a state must identify the federal awards included in  
26 the cluster and advise the subrecipients of compliance

1 requirements applicable to the cluster.

2 "Oversight agency for audit" means the federal awarding  
3 agency that provides the predominant amount of funding directly  
4 to a non-federal entity not assigned a cognizant agency for  
5 audit. When there is no direct funding, the awarding agency  
6 that is the predominant source of pass-through funding must  
7 assume the oversight responsibilities. The duties of the  
8 oversight agency for audit and the process for any  
9 reassignments are described in 2 CFR 200.513(b).

10 "Pass-through entity" means a non-federal entity that  
11 provides a subaward to a subrecipient to carry out part of a  
12 program.

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

16 "Property" means real property or personal property.

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

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

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

25 "Research and Development" means all research activities,  
26 both basic and applied, and all development activities that are

1 performed by non-federal entities.

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

4 "State agency" means an Executive branch agency. For  
5 purposes of this Act, "State agency" does not include public  
6 institutions of higher education.

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

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

13 "State grant-making agency" has the same meaning as "State  
14 awarding agency".

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

22 "State program" means any of the following:

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

25 (2) When no Catalog of State Financial Assistance  
26 number is assigned, all State awards to non-federal

1 entities from the same agency made for the same purpose are  
2 considered one program.

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

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

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

12 "Stop payment procedure" means the procedure created by the  
13 Office of the Comptroller which effects a stop payment order  
14 and the lifting of a stop payment order upon the request of the  
15 State grant-making agency.

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

25 "Subaward" means a State or federal award provided by a  
26 pass-through entity to a subrecipient for the subrecipient to

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

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

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

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

23 "Voluntary committed cost sharing" means cost sharing  
24 specifically pledged on a voluntary basis in the proposal's  
25 budget or the award on the part of the non-federal entity and  
26 that becomes a binding requirement of the award.

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

2 (30 ILCS 708/25)

3 (Section scheduled to be repealed on July 16, 2020)

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

8 (1) Criteria to define mandatory formula-based grants  
9 and discretionary grants.

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

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

14 (4) The issuance of grants, including:

15 (A) public notice of announcements of funding  
16 opportunities;

17 (B) the development of uniform grant applications;

18 (C) State agency review of merit of proposals and  
19 risk posed by applicants;

20 (D) specific conditions for individual recipients  
21 (requiring the use of a fiscal agent and additional  
22 corrective conditions);

23 (E) certifications and representations;

24 (F) pre-award costs;

25 (G) performance measures and statewide prioritized

1 goals under Section 50-25 of the State Budget Law of  
2 the Civil Administrative Code of Illinois, commonly  
3 referred to as "Budgeting for Results"; and

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

8 (5) The development of uniform budget requirements,  
9 which shall include:

10 (A) mandatory submission of budgets as part of the  
11 grant application process;

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

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

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

23 (E) caps on the amount of salaries that may be  
24 charged to grants based on the limitations imposed by  
25 federal agencies.

26 (6) The development of pre-qualification requirements

1 for applicants, including the fiscal condition of the  
2 organization and the provision of the following  
3 information:

4 (A) organization name;

5 (B) Federal Employee Identification Number;

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

7 (D) fiscal condition;

8 (E) whether the applicant is in good standing with  
9 the Secretary of State;

10 (F) past performance in administering grants;

11 (G) whether the applicant is ~~or has ever been~~ on  
12 the Debarred and Suspended List maintained by the  
13 Governor's Office of Management and Budget;

14 (H) whether the applicant is ~~or has ever been~~ on  
15 the federal Excluded Parties List; and

16 (I) whether the applicant is ~~or has ever been~~ on  
17 the Sanctioned Party List maintained by the Illinois  
18 Department of Healthcare and Family Services.

19 Nothing in this Act affects the provisions of the Fiscal  
20 Control and Internal Auditing Act nor the requirement that the  
21 management of each State agency is responsible for maintaining  
22 effective internal controls under that Act.

23 For public institutions of higher education, the  
24 provisions of this Section 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 (Source: P.A. 98-706, eff. 7-16-14; 99-523, eff. 6-30-16.)

2 (30 ILCS 708/50)

3 (Section scheduled to be repealed on July 16, 2020)

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

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

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

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

19 (1) require its recipients and subrecipients to relate  
20 financial data to performance accomplishments of the award  
21 and, when applicable, must require recipients and  
22 subrecipients to provide cost information to demonstrate  
23 cost-effective practices. The recipient's and  
24 subrecipient's performance should be measured in a way that  
25 will help the State agency to improve program outcomes,

1 share lessons learned, and spread the adoption of promising  
2 practices; and

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

11 (c-5) Each State grant-making agency shall, when it is in  
12 the best interests of the State, request that the Office of the  
13 Comptroller issue a stop payment order in accordance with  
14 Section 105 of this Act.

15 (c-6) Upon notification by the Grant Transparency and  
16 Accountability Unit that a stop payment order has been  
17 requested by a State grant-making agency, each State  
18 grant-making agency who has issued a grant to that recipient or  
19 subrecipient shall determine if it remains in the best  
20 interests of the State to continue to issue payments to the  
21 recipient or subrecipient.

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

26 (e) In accordance with this Act and the Illinois State

1 Collection Act of 1986, refunds required under the Grant Funds  
2 Recovery Act may be referred to the Comptroller's offset  
3 system.

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

5 (30 ILCS 708/55)

6 (Section scheduled to be repealed on July 16, 2020)

7 Sec. 55. The Governor's Office of Management and Budget  
8 responsibilities.

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

10 (1) provide technical assistance and interpretations  
11 of policy requirements in order to ensure effective and  
12 efficient implementation of this Act by State grant-making  
13 agencies; and

14 (2) have authority to approve any exceptions to the  
15 requirements of this Act and shall adopt rules governing  
16 the criteria to be considered when an exception is  
17 requested; exceptions shall only be made in particular  
18 cases where adequate justification is presented.

19 (b) The Governor's Office of Management and Budget shall,  
20 on or before July 1, 2016, establish a centralized unit within  
21 the Governor's Office of Management and Budget. The centralized  
22 unit shall be known as the Grant Accountability and  
23 Transparency Unit and shall be funded with a portion of the  
24 administrative funds provided under existing and future State  
25 and federal pass-through grants. The amounts charged will be

1 allocated based on the actual cost of the services provided to  
2 State grant-making agencies and public institutions of higher  
3 education in accordance with the applicable federal cost  
4 principles contained in 2 CFR 200 and this Act will not cause  
5 the reduction in the amount of any State or federal grant  
6 awards that have been or will be directed towards State  
7 agencies or public institutions of higher education.

8 (c) The Governor's Office of Management and Budget, in  
9 conjunction with the Illinois Single Audit Commission, shall  
10 research and provide recommendations to the General Assembly  
11 regarding the adoption of legislation in accordance with the  
12 federal Improper Payments Elimination and Recovery Improvement  
13 Act of 2012. The recommendations shall be included in the  
14 Annual Report of the Commission to be submitted to the General  
15 Assembly on January 1, 2020. This subsection (c) is inoperative  
16 on and after January 1, 2021.

17 (Source: P.A. 98-706, eff. 7-16-14; 99-523, eff. 6-30-16.)

18 (30 ILCS 708/95)

19 (Section scheduled to be repealed on July 16, 2020)

20 Sec. 95. Annual report. Effective January 1, 2016 and each  
21 January 1 thereafter, the Governor's Office of Management and  
22 Budget, in conjunction with the Illinois Single Audit  
23 Commission, shall submit to the Governor and the General  
24 Assembly a report that demonstrates the efficiencies, cost  
25 savings, and reductions in fraud, waste, and abuse as a result

1 of the implementation of this Act and the rules adopted by the  
2 Governor's Office of Management and Budget in accordance with  
3 the provisions of this Act. The report shall include, but not  
4 be limited to:

5 (1) the number of entities placed on the Illinois  
6 Debarred and Suspended List;

7 (2) any savings realized as a result of the  
8 implementation of this Act;

9 (3) any reduction in the number of duplicative audit  
10 report reviews ~~audits~~;

11 (4) the number of persons trained to assist grantees  
12 and subrecipients; and

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

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

16 (30 ILCS 708/105 new)

17 Sec. 105. Stop payment procedures.

18 (a) On or before July 1, 2019, the Governor's Office of  
19 Management and Budget shall adopt rules pertaining to the  
20 following:

21 (1) factors to be considered in determining whether to  
22 issue a stop payment order shall include whether or not a  
23 stop payment order is in the best interests of the State;

24 (2) factors to be considered in determining whether a  
25 stop payment order should be lifted; and

1           (3) procedures for notification to the recipient or  
2           subrecipient of the issuance of a stop payment order, the  
3           lifting of a stop payment order, and any other related  
4           information.

5           (b) On or before December 31, 2019, the Governor's Office  
6           of Management and Budget shall, in conjunction with State  
7           grant-making agencies, adopt rules pertaining to the  
8           following:

9           (1) policies regarding the issuance of stop payment  
10           orders;

11           (2) policies regarding the lifting of stop payment  
12           orders;

13           (3) policies regarding corrective actions required of  
14           recipients and subrecipients in the event a stop payment  
15           order is issued; and

16           (4) policies regarding the coordination of  
17           communications between the Office of the Comptroller and  
18           State grant-making agencies regarding the issuance of stop  
19           payment orders and the lifting of such orders.

20           (c) On or before July 1, 2020, the Office of the  
21           Comptroller shall establish stop payment procedures that shall  
22           cause the cessation of payments to a recipient or subrecipient.  
23           Such a temporary or permanent cessation of payments will occur  
24           pursuant to a stop payment order requested by a State  
25           grant-making agency and implemented by the Office of the  
26           Comptroller.

1       (d) The State grant-making agency shall maintain a file  
2 pertaining to all stop payment orders which shall include, at a  
3 minimum:

4           (1) The notice to the recipient or subrecipient that a  
5 stop payment order has been issued. The notice shall  
6 include:

7                   (A) The name of the grant.

8                   (B) The grant number.

9                   (C) The name of the State agency that issued the  
10 grant.

11                   (D) The reasons for the stop payment order.

12                   (E) Any other relevant information.

13           (2) The order lifting the stop payment order, if  
14 applicable.

15       (e) The Grant Accountability and Transparency Unit shall  
16 determine and disseminate factors that State agencies shall  
17 consider when determining whether it is in the best interests  
18 of the State to permanently or temporarily cease payments to a  
19 recipient or subrecipient who has had a stop payment order  
20 requested by another State agency.

21       (f) The Office of the Comptroller and the Governor's Office  
22 of Management and Budget grant systems shall determine if the  
23 recipient or subrecipient has received grants from other State  
24 grant-making agencies.

25       (g) Upon notice from the Office of the Comptroller, the  
26 Grant Accountability and Transparency Unit shall notify all

1 State grant-making agencies who have issued grants to a  
2 recipient or subrecipient whose payments have been subject to a  
3 stop payment order that a stop payment order has been requested  
4 by another State grant-making agency.

5 (h) Upon notice from the Grant Accountability and  
6 Transparency Unit, each State grant-making agency who has  
7 issued a grant to a recipient or subrecipient whose payments  
8 have been subject to a stop payment order shall review and  
9 assess all grants issued to that recipient or subrecipient.  
10 State agencies shall use factors provided by the Governor's  
11 Office of Management and Budget or the Grant Accountability and  
12 Transparency Unit to determine whether it is the best interests  
13 of the State to request a stop payment order.

14 (30 ILCS 708/110 new)

15 Sec. 110. Documentation of award decisions. Each award that  
16 is granted pursuant to an application process must include  
17 documentation to support the award.

18 (a) For each State or federal pass-through award that is  
19 granted following an application process, the State  
20 grant-making agency shall create a grant award file. The grant  
21 award file shall contain, at a minimum:

22 (1) A description of the grant.

23 (2) The Notice of Opportunity, if applicable.

24 (3) All applications received in response to the Notice  
25 of Opportunity, if applicable.

1           (4) Copies of any written communications between an  
2           applicant and the State grant-making agency, if  
3           applicable.

4           (5) The criteria used to evaluate the applications, if  
5           applicable.

6           (6) The scores assigned to each applicant according to  
7           the criteria, if applicable.

8           (7) A written determination, signed by an authorized  
9           representative of the State grant-making agency, setting  
10          forth the reason for the grant award decision, if  
11          applicable.

12          (8) The Notice of Award.

13          (9) Any other pre-award documents.

14          (10) The grant agreement and any renewals, if  
15          applicable;

16          (11) All post-award, administration, and close-out  
17          documents relating to the grant.

18          (12) Any other information relevant to the grant award.

19          (b) The grant file shall not include trade secrets or other  
20          competitively sensitive, confidential, or proprietary  
21          information.

22          (c) Each grant file shall be maintained by the State  
23          grant-making agency and, subject to the provisions of the  
24          Freedom of Information Act, shall be available for public  
25          inspection and copying within 7 calendar days following award  
26          of the grant.

1 (30 ILCS 708/115 new)

2 Sec. 115. Certifications and representations. Unless  
3 prohibited by State or federal statute, regulation, or  
4 administrative rule, each State awarding agency or  
5 pass-through entity is authorized to require the recipient or  
6 subrecipient to submit certifications and representations  
7 required by State or federal statute, regulation, or  
8 administrative rule.

9 (30 ILCS 708/120 new)

10 Sec. 120. Required certifications. To assure that  
11 expenditures are proper and in accordance with the terms and  
12 conditions of the grant award and approved project budgets, all  
13 periodic and final financial reports, and all payment requests  
14 under the grant agreement, must include a certification, signed  
15 by an official who is authorized to legally bind the grantee or  
16 subrecipient, that reads as follows:

17 "By signing this report and/or payment request, I  
18 certify to the best of my knowledge and belief that this  
19 report is true, complete, and accurate; that the  
20 expenditures, disbursements, and cash receipts are for the  
21 purposes and objectives set forth in the terms and  
22 conditions of the State or federal pass-through award; and  
23 that supporting documentation has been submitted as  
24 required by the grant agreement. I acknowledge that

1 approval for any item or expenditure described herein shall  
2 be considered conditional subject to further review and  
3 verification in accordance with the monitoring and records  
4 retention provisions of the grant agreement. I am aware  
5 that any false, fictitious, or fraudulent information, or  
6 the omission of any material fact, may subject me to  
7 criminal, civil or administrative penalties for fraud,  
8 false statements, false claims or otherwise. (18 U.S.C.  
9 §1001; 31 U.S.C. §§3729-3730 and §§3801-3812; 30 ILCS 708/  
10 120.)"

11 (30 ILCS 708/125 new)

12 Sec. 125. Expenditures prior to grant execution; reporting  
13 requirements.

14 (a) In the event that a recipient or subrecipient incurs  
15 expenses related to the grant award prior to the execution of  
16 the grant agreement but within the term of the grant, and the  
17 grant agreement is executed more than 30 days after the  
18 effective date of the grant, the recipient or subrecipient must  
19 submit to the State grant-making agency a report that accounts  
20 for eligible grant expenditures and project activities from the  
21 effective date of the grant up to and including the date of  
22 execution of the grant agreement.

23 (b) The recipient or subrecipient must submit the report to  
24 the State grant-making agency within 30 days of execution of  
25 the grant agreement.

1       (c) Only those expenses that are reasonable, allowable, and  
2 in furtherance of the purpose of the grant award shall be  
3 reimbursed.

4       (d) The State grant-making agency must approve the report  
5 prior to issuing any payment to the recipient or subrecipient.

6       (30 ILCS 708/130 new)

7       Sec. 130. Travel costs.

8       (a) General. Travel costs are the expenses for  
9 transportation, lodging, subsistence, and related items  
10 incurred by the employees of the recipient or subrecipient who  
11 are in travel status on official business of the recipient or  
12 subrecipient. Such costs may only be charged to a State or  
13 federal pass-through grant on a per diem or mileage basis in  
14 accordance with the rules of the Governor's Travel Control  
15 Board.

16       (b) Lodging and subsistence. Costs incurred for travel,  
17 including costs of lodging, other subsistence, and incidental  
18 expenses, must be considered reasonable and otherwise  
19 allowable only to the extent such costs do not exceed charges  
20 normally allowed by the rules of the Governor's Travel Control  
21 Board. In addition, if these costs are charged directly to the  
22 State or federal pass-through award documentation must justify  
23 that:

24       (1) participation of the individual is necessary to the  
25 State or federal pass-through award; and

1           (2) the costs are reasonable and consistent with the  
2           rules of the Governor's Travel Control Board.

3           (c) Commercial air travel. Airfare costs in excess of the  
4           basic least expensive unrestricted accommodations class  
5           offered by commercial airlines are unallowable except when such  
6           accommodations would:

7                   (1) require circuitous routing;

8                   (2) require travel during unreasonable hours;

9                   (3) excessively prolong travel;

10                   (4) result in additional costs that would offset the  
11           transportation savings; or

12                   (5) offer accommodations not reasonably adequate for  
13           the traveler's medical needs.

14           (30 ILCS 708/520 new)

15           Sec. 520. Separate accounts for State grant funds.  
16           Notwithstanding any provision of law to the contrary, all  
17           grants made and any grant agreement entered into, renewed, or  
18           extended on or after the effective date of this amendatory Act  
19           of the 100th General Assembly, between a State grant-making  
20           agency and a nonprofit organization, shall require the  
21           nonprofit organization receiving grant funds to maintain those  
22           funds in an account which is separate and distinct from any  
23           account holding non-grant funds. Except as otherwise provided  
24           in an agreement between a State grant-making agency and a  
25           nonprofit organization, the grant funds held in a separate

1 account by a nonprofit organization shall not be used for  
2 non-grant-related activities, and any unused grant funds shall  
3 be returned to the State grant-making agency.

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