



Sen. Jason A. Barickman

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LRB100 15500 RJF 39059 a

1 AMENDMENT TO SENATE BILL 2540

2 AMENDMENT NO. _____. Amend Senate Bill 2540 by replacing
3 everything after the enacting clause with the following:

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.

1 (b) The proper name or image of any executive branch
2 constitutional officer or member of the General Assembly may
3 not appear on any (i) bumper stickers, (ii) commercial
4 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
5 stickers, and (vi) other similar promotional items, that are
6 not in furtherance of the person's official State duties or
7 governmental and public service functions, if designed, paid
8 for, prepared, or distributed using public dollars. This
9 subsection does not apply to stocks of items existing on the
10 effective date of this amendatory Act of the 93rd General
11 Assembly.

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

1 attendees disseminated to the public.

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

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

6 Section 10. The Governor's Office of Management and Budget
7 Act is amended by adding Sections 2.11 and 2.12 as follows:

8 (20 ILCS 3005/2.11 new)

9 Sec. 2.11. Stop payment orders. Upon a request for a stop
10 payment order from a State grant-making agency for a recipient
11 or subrecipient, the Office of the Comptroller shall notify the
12 Grant Accountability and Transparency Unit within 30 days of
13 the request.

14 (20 ILCS 3005/2.12 new)

15 Sec. 2.12. Improper payment elimination recommendations.
16 Pursuant to Section 15.5 of the Grant Funds Recovery Act, the
17 Governor's Office of Management and Budget, in conjunction with
18 the Illinois Single Audit Commission, shall research and
19 provide recommendations to the General Assembly regarding the
20 adoption of legislation, in accordance with the federal
21 Improper Payments Elimination and Recovery Improvement Act of
22 2012. The recommendations shall be included in the Annual
23 Report of the Commission to be submitted to the General

1 Assembly on January 1, 2020. This Section is repealed January
2 1, 2021.

3 Section 15. The State Finance Act is amended by changing
4 Section 35 as follows:

5 (30 ILCS 105/35) (from Ch. 127, par. 167.03)

6 Sec. 35. As used in this Section, "state agency" is defined
7 as provided in the Illinois State Auditing Act, except that
8 this Section does not apply to state colleges and universities,
9 the Illinois Mathematics and Science Academy, and their
10 respective governing boards.

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

1 (Source: P.A. 88-9.)

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

4 (30 ILCS 705/15.5 new)

5 Sec. 15.5. Recommendations of the Illinois Single Audit
6 Commission regarding the elimination and recovery of improper
7 payments. The Illinois Single Audit Commission, in conjunction
8 with the Governor's Office of Management and Budget, shall
9 research and provide recommendations to the General Assembly
10 regarding the adoption of legislation in accordance with the
11 federal Improper Payments Elimination and Recovery Improvement
12 Act of 2012. The recommendations shall be included in the
13 Annual Report of the Commission to be submitted to the General
14 Assembly on January 1, 2020. This Section is repealed January
15 1, 2021.

16 Section 25. The Grant Accountability and Transparency Act
17 is amended by changing Sections 15, 25, 50, 55, and 95 and by
18 adding Sections 105, 110, 115, 120, 125, 130, and 520 as
19 follows:

20 (30 ILCS 708/15)

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

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

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

2 (1) the costs are reasonable and necessary for the
3 performance of the award;

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

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

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

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

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

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

20 (8) the costs of one State or federal grant are not
21 used to meet the match requirements of another State or
22 federal grant; and

23 (9) the costs are adequately documented.

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

26 "Auditor" means an auditor who is a public accountant or a

1 federal, State, or local government audit organization that
2 meets the general standards specified in generally-accepted
3 government auditing standards. "Auditor" does not include
4 internal auditors of nonprofit organizations.

5 "Auditor General" means the Auditor General of the State of
6 Illinois.

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

18 "Budget" means the financial plan for the project or
19 program that the awarding agency or pass-through entity
20 approves during the award process or in subsequent amendments
21 to the award. It may include the State or federal and
22 non-federal share or only the State or federal share, as
23 determined by the awarding agency or pass-through entity.

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

1 "Catalog of Federal Domestic Assistance number" or "CFDA
2 number" means the number assigned to a federal program in the
3 CFDA.

4 "Catalog of State Financial Assistance" means the single,
5 authoritative, statewide, comprehensive source document of
6 State financial assistance program information maintained by
7 the Governor's Office of Management and Budget.

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

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

19 "Cognizant agency for audit" means the federal agency
20 designated to carry out the responsibilities described in 2 CFR
21 200.513(a).

22 "Contract" means a legal instrument by which a non-federal
23 entity purchases property or services needed to carry out the
24 project or program under an award. "Contract" does not include
25 a legal instrument, even if the non-federal entity considers it
26 a contract, when the substance of the transaction meets the

1 definition of an award or subaward.

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

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

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

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

17 "Cooperative agreement" does not include a cooperative
18 research and development agreement, nor an agreement that
19 provides only direct cash assistance to an individual, a
20 subsidy, a loan, a loan guarantee, or insurance.

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

25 "Cost objective" means a program, function, activity,
26 award, organizational subdivision, contract, or work unit for

1 which cost data is desired and for which provision is made to
2 accumulate and measure the cost of processes, products, jobs,
3 and capital projects. A "cost objective" may be a major
4 function of the non-federal entity, a particular service or
5 project, an award, or an indirect cost activity.

6 "Cost sharing" means the portion of project costs not paid
7 by State or federal funds, unless otherwise authorized by
8 statute.

9 "Development" is the systematic use of knowledge and
10 understanding gained from research directed toward the
11 production of useful materials, devices, systems, or methods,
12 including design and development of prototypes and processes.

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

18 "Direct costs" means costs that can be identified
19 specifically with a particular final cost objective, such as a
20 State or federal or federal pass-through award or a particular
21 sponsored project, an instructional activity, or any other
22 institutional activity, or that can be directly assigned to
23 such activities relatively easily with a high degree of
24 accuracy.

25 "Equipment" means tangible personal property (including
26 information technology systems) having a useful life of more

1 than one year and a per-unit acquisition cost that equals or
2 exceeds the lesser of the capitalization level established by
3 the non-federal entity for financial statement purposes, or
4 \$5,000.

5 "Executive branch" means that branch of State government
6 that is under the jurisdiction of the Governor.

7 "Federal agency" has the meaning provided for "agency"
8 under 5 U.S.C. 551(1) together with the meaning provided for
9 "agency" by 5 U.S.C. 552(f).

10 "Federal award" means:

11 (1) the federal financial assistance that a
12 non-federal entity receives directly from a federal
13 awarding agency or indirectly from a pass-through entity;

14 (2) the cost-reimbursement contract under the Federal
15 Acquisition Regulations that a non-federal entity receives
16 directly from a federal awarding agency or indirectly from
17 a pass-through entity; or

18 (3) the instrument setting forth the terms and
19 conditions when the instrument is the grant agreement,
20 cooperative agreement, other agreement for assistance
21 covered in paragraph (b) of 20 CFR 200.40, or the
22 cost-reimbursement contract awarded under the Federal
23 Acquisition Regulations.

24 "Federal award" does not include other contracts that a
25 federal agency uses to buy goods or services from a contractor
26 or a contract to operate federal government owned,

1 contractor-operated facilities.

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

4 "Federal interest" means, for purposes of 2 CFR 200.329 or
5 when used in connection with the acquisition or improvement of
6 real property, equipment, or supplies under a federal award,
7 the dollar amount that is the product of the federal share of
8 total project costs and current fair market value of the
9 property, improvements, or both, to the extent the costs of
10 acquiring or improving the property were included as project
11 costs.

12 "Federal program" means any of the following:

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

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

18 (3) Notwithstanding paragraphs (1) and (2) of this
19 definition, a cluster of programs. The types of clusters of
20 programs are:

21 (A) research and development;

22 (B) student financial aid; and

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

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

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

6 "Financial assistance" means the following:

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

10 (A) grants;

11 (B) cooperative agreements;

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

14 (D) direct appropriations;

15 (E) food commodities; and

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

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

21 (3) "Financial assistance" does not include amounts
22 received as reimbursement for services rendered to
23 individuals.

24 "Fixed amount awards" means a type of grant agreement under
25 which the awarding agency or pass-through entity provides a
26 specific level of support without regard to actual costs

1 incurred under the award. "Fixed amount awards" reduce some of
2 the administrative burden and record-keeping requirements for
3 both the non-federal entity and awarding agency or pass-through
4 entity. Accountability is based primarily on performance and
5 results.

6 "Foreign public entity" means:

7 (1) a foreign government or foreign governmental
8 entity;

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

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

15 (4) any other entity consisting wholly or partially of
16 one or more foreign governments or foreign governmental
17 entities.

18 "Foreign organization" means an entity that is:

19 (1) a public or private organization located in a
20 country other than the United States and its territories
21 that are subject to the laws of the country in which it is
22 located, irrespective of the citizenship of project staff
23 or place of performance;

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

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

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

12 "Generally Accepted Accounting Principles" has the meaning
13 provided in accounting standards issued by the Government
14 Accounting Standards Board and the Financial Accounting
15 Standards Board.

16 "Generally Accepted Government Auditing Standards" means
17 generally accepted government auditing standards issued by the
18 Comptroller General of the United States that are applicable to
19 financial audits.

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

23 (1) is used to enter into a relationship, the principal
24 purpose of which is to transfer anything of value from the
25 awarding agency or pass-through entity to the non-federal
26 entity to carry out a public purpose authorized by law and

1 not to acquire property or services for the awarding agency
2 or pass-through entity's direct benefit or use; and

3 (2) is distinguished from a cooperative agreement in
4 that it does not provide for substantial involvement
5 between the awarding agency or pass-through entity and the
6 non-federal entity in carrying out the activity
7 contemplated by the award.

8 "Grant agreement" does not include an agreement that
9 provides only direct cash assistance to an individual, a
10 subsidy, a loan, a loan guarantee, or insurance.

11 "Grant application" means a specified form that is
12 completed by a non-federal entity in connection with a request
13 for a specific funding opportunity or a request for financial
14 support of a project or activity.

15 "Hospital" means a facility licensed as a hospital under
16 the law of any state or a facility operated as a hospital by
17 the United States, a state, or a subdivision of a state.

18 "Illinois Debarred and Suspended List" means the list
19 maintained by the Governor's Office of Management and Budget
20 that contains the names of those individuals and entities that
21 are ineligible, either temporarily or permanently, from
22 receiving an award of grant funds from the State.

23 ~~"Indian tribe" (or "federally recognized Indian tribe")~~
24 ~~means any Indian tribe, band, nation, or other organized group~~
25 ~~or community, including any Alaska Native village or regional~~
26 ~~or village corporation as defined in or established pursuant to~~

1 ~~the federal Alaska Native Claims Settlement Act (43 U.S.C.~~
2 ~~1601, et seq.) that is recognized as eligible for the special~~
3 ~~programs and services provided by the United States to Indians~~
4 ~~because of their status as Indians under 25 U.S.C. 450b(c), as~~
5 ~~set forth in the annually published Bureau of Indian Affairs~~
6 ~~list of Indian Entities Recognized and Eligible to Receive~~
7 ~~Services.~~

8 "Indirect cost" means those costs incurred for a common or
9 joint purpose benefitting more than one cost objective and not
10 readily assignable to the cost objectives specifically
11 benefitted without effort disproportionate to the results
12 achieved.

13 "Inspector General" means the Office of the Executive
14 Inspector General for Executive branch agencies.

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

18 "Loan guarantee" means any State or federal government
19 guarantee, insurance, or other pledge with respect to the
20 payment of all or a part of the principal or interest on any
21 debt obligation of a non-federal borrower to a non-federal
22 lender, but does not include the insurance of deposits, shares,
23 or other withdrawable accounts in financial institutions.

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

1 "Major program" means a federal program determined by the
2 auditor to be a major program in accordance with 2 CFR 200.518
3 or a program identified as a major program by a federal
4 awarding agency or pass-through entity in accordance with 2 CFR
5 200.503(e).

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

10 "Nonprofit organization" means any corporation, trust,
11 association, cooperative, or other organization, not including
12 institutions of higher education, that:

13 (1) is operated primarily for scientific, educational,
14 service, charitable, or similar purposes in the public
15 interest;

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

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

19 "Obligations", when used in connection with a non-federal
20 entity's utilization of funds under an award, means orders
21 placed for property and services, contracts and subawards made,
22 and similar transactions during a given period that require
23 payment by the non-federal entity during the same or a future
24 period.

25 "Office of Management and Budget" means the Office of
26 Management and Budget of the Executive Office of the President.

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

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

17 "Pass-through entity" means a non-federal entity that
18 provides a subaward to a subrecipient to carry out part of a
19 program.

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

23 "Property" means real property or personal property.

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

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

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

6 "Research and Development" means all research activities,
7 both basic and applied, and all development activities that are
8 performed by non-federal entities.

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

11 "State agency" means an Executive branch agency. For
12 purposes of this Act, "State agency" does not include public
13 institutions of higher education.

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

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

20 "State grant-making agency" has the same meaning as "State
21 awarding agency".

22 "State interest" means the acquisition or improvement of
23 real property, equipment, or supplies under a State award, the
24 dollar amount that is the product of the State share of the
25 total project costs and current fair market value of the
26 property, improvements, or both, to the extent the costs of

1 acquiring or improving the property were included as project
2 costs.

3 "State program" means any of the following:

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

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

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

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

13 "Stop payment order" means a communication from a State
14 grant-making agency to the Office of the Comptroller, following
15 procedures set out by the Office of the Comptroller, causing
16 the cessation of payments to a recipient or subrecipient as a
17 result of the recipient's or subrecipient's failure to comply
18 with one or more terms of the grant or subaward.

19 "Stop payment procedure" means the procedure created by the
20 Office of the Comptroller which effects a stop payment order
21 and the lifting of a stop payment order upon the request of the
22 State grant-making agency.

23 "Student Financial Aid" means federal awards under those
24 programs of general student assistance, such as those
25 authorized by Title IV of the Higher Education Act of 1965, as
26 amended (20 U.S.C. 1070-1099d), that are administered by the

1 United States Department of Education and similar programs
2 provided by other federal agencies. "Student Financial Aid"
3 does not include federal awards under programs that provide
4 fellowships or similar federal awards to students on a
5 competitive basis or for specified studies or research.

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

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

21 "Suspension" means a post-award action by the State or
22 federal agency or pass-through entity that temporarily
23 withdraws the State or federal agency's or pass-through
24 entity's financial assistance sponsorship under an award,
25 pending corrective action by the recipient or subrecipient or
26 pending a decision to terminate the award.

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

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

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

9 (30 ILCS 708/25)

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

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

15 (1) Criteria to define mandatory formula-based grants
16 and discretionary grants.

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

18 (3) The award of competitive grants in 3-year terms
19 (one-year initial terms with the option to renew for up to
20 2 additional years) to coincide with the federal award.

21 (4) The issuance of grants, including:

22 (A) public notice of announcements of funding
23 opportunities;

24 (B) the development of uniform grant applications;

25 (C) State agency review of merit of proposals and

1 risk posed by applicants;

2 (D) specific conditions for individual recipients
3 (requiring the use of a fiscal agent and additional
4 corrective conditions);

5 (E) certifications and representations;

6 (F) pre-award costs;

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

11 (H) for mandatory formula grants, the merit of the
12 proposal and the risk posed should result in additional
13 reporting, monitoring, or measures such as
14 reimbursement-basis only.

15 (5) The development of uniform budget requirements,
16 which shall include:

17 (A) mandatory submission of budgets as part of the
18 grant application process;

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

23 (C) a requirement that the budget allow
24 flexibility to add lines describing costs that are
25 common for the services provided as outlined in the
26 grant application;

1 (D) a requirement that the budget include
2 information necessary for analyzing cost and
3 performance for use in Budgeting for Results; and

4 (E) caps on the amount of salaries that may be
5 charged to grants based on the limitations imposed by
6 federal agencies.

7 (6) The development of pre-qualification requirements
8 for applicants, including the fiscal condition of the
9 organization and the provision of the following
10 information:

11 (A) organization name;

12 (B) Federal Employee Identification Number;

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

14 (D) fiscal condition;

15 (E) whether the applicant is in good standing with
16 the Secretary of State;

17 (F) past performance in administering grants;

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

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

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

26 Nothing in this Act affects the provisions of the Fiscal

1 Control and Internal Auditing Act nor the requirement that the
2 management of each State agency is responsible for maintaining
3 effective internal controls under that Act.

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

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

9 (30 ILCS 708/50)

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

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

12 (a) The specific requirements and responsibilities of
13 State grant-making agencies and non-federal entities are set
14 forth in this Act. State agencies making State awards to
15 non-federal entities must adopt by rule the language in 2 CFR
16 200, Subpart C through Subpart F unless different provisions
17 are required by law.

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

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

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

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

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

22 (c-6) Upon notification by the Grant Transparency and
23 Accountability Unit that a stop payment order has been
24 requested by a State grant-making agency, each State
25 grant-making agency who has issued a grant to that recipient or
26 subrecipient shall determine if it remains in the best

1 interests of the State to continue to issue payments to the
2 recipient or subrecipient.

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

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

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

12 (30 ILCS 708/55)

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

14 Sec. 55. The Governor's Office of Management and Budget
15 responsibilities.

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

17 (1) provide technical assistance and interpretations
18 of policy requirements in order to ensure effective and
19 efficient implementation of this Act by State grant-making
20 agencies; and

21 (2) have authority to approve any exceptions to the
22 requirements of this Act and shall adopt rules governing
23 the criteria to be considered when an exception is
24 requested; exceptions shall only be made in particular
25 cases where adequate justification is presented.

1 (b) The Governor's Office of Management and Budget shall,
2 on or before July 1, 2016, establish a centralized unit within
3 the Governor's Office of Management and Budget. The centralized
4 unit shall be known as the Grant Accountability and
5 Transparency Unit and shall be funded with a portion of the
6 administrative funds provided under existing and future State
7 and federal pass-through grants. The amounts charged will be
8 allocated based on the actual cost of the services provided to
9 State grant-making agencies and public institutions of higher
10 education in accordance with the applicable federal cost
11 principles contained in 2 CFR 200 and this Act will not cause
12 the reduction in the amount of any State or federal grant
13 awards that have been or will be directed towards State
14 agencies or public institutions of higher education.

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

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

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

2 Sec. 95. Annual report. Effective January 1, 2016 and each
3 January 1 thereafter, the Governor's Office of Management and
4 Budget, in conjunction with the Illinois Single Audit
5 Commission, shall submit to the Governor and the General
6 Assembly a report that demonstrates the efficiencies, cost
7 savings, and reductions in fraud, waste, and abuse as a result
8 of the implementation of this Act and the rules adopted by the
9 Governor's Office of Management and Budget in accordance with
10 the provisions of this Act. The report shall include, but not
11 be limited to:

12 (1) the number of entities placed on the Illinois
13 Debarred and Suspended List;

14 (2) any savings realized as a result of the
15 implementation of this Act;

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

18 (4) the number of persons trained to assist grantees
19 and subrecipients; and

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

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

23 (30 ILCS 708/105 new)

24 Sec. 105. Stop payment procedures.

25 (a) On or before July 1, 2019, the Governor's Office of

1 Management and Budget shall adopt rules pertaining to the
2 following:

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

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

8 (3) procedures for notification to the recipient or
9 subrecipient of the issuance of a stop payment order, the
10 lifting of a stop payment order, and any other related
11 information.

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

16 (1) policies regarding the issuance of stop payment
17 orders;

18 (2) policies regarding the lifting of stop payment
19 orders;

20 (3) policies regarding corrective actions required of
21 recipients and subrecipients in the event a stop payment
22 order is issued; and

23 (4) policies regarding the coordination of
24 communications between the Office of the Comptroller and
25 State grant-making agencies regarding the issuance of stop
26 payment orders and the lifting of such orders.

1 (c) On or before July 1, 2020, the Office of the
2 Comptroller shall establish stop payment procedures that shall
3 cause the cessation of payments to a recipient or subrecipient.
4 Such a temporary or permanent cessation of payments will occur
5 pursuant to a stop payment order requested by a State
6 grant-making agency and implemented by the Office of the
7 Comptroller.

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

11 (1) The notice to the recipient or subrecipient that a
12 stop payment order has been issued. The notice shall
13 include:

14 (A) The name of the grant.

15 (B) The grant number.

16 (C) The name of the State agency that issued the
17 grant.

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

19 (E) Any other relevant information.

20 (2) The order lifting the stop payment order, if
21 applicable.

22 (e) The Grant Accountability and Transparency Unit shall
23 determine and disseminate factors that State agencies shall
24 consider when determining whether it is in the best interests
25 of the State to permanently or temporarily cease payments to a
26 recipient or subrecipient who has had a stop payment order

1 requested by another State agency.

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

6 (g) Upon notice from the Office of the Comptroller, the
7 Grant Accountability and Transparency Unit shall notify all
8 State grant-making agencies who have issued grants to a
9 recipient or subrecipient whose payments have been subject to a
10 stop payment order that a stop payment order has been requested
11 by another State grant-making agency.

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

21 (30 ILCS 708/110 new)

22 Sec. 110. Documentation of award decisions. Each award that
23 is granted pursuant to an application process must include
24 documentation to support the award.

25 (a) For each State or federal pass-through award that is

1 granted following an application process, the State
2 grant-making agency shall create a grant award file. The grant
3 award file shall contain, at a minimum:

4 (1) A description of the grant.

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

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

8 (4) Copies of any written communications between an
9 applicant and the State grant-making agency, if
10 applicable.

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

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

15 (7) A written determination, signed by an authorized
16 representative of the State grant-making agency, setting
17 forth the reason for the grant award decision, if
18 applicable.

19 (8) The Notice of Award.

20 (9) Any other pre-award documents.

21 (10) The grant agreement and any renewals, if
22 applicable;

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

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

26 (b) The grant file shall not include trade secrets or other

1 competitively sensitive, confidential, or proprietary
2 information.

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

8 (30 ILCS 708/115 new)

9 Sec. 115. Certifications and representations. Unless
10 prohibited by State or federal statute, regulation, or
11 administrative rule, each State awarding agency or
12 pass-through entity is authorized to require the recipient or
13 subrecipient to submit certifications and representations
14 required by State or federal statute, regulation, or
15 administrative rule.

16 (30 ILCS 708/120 new)

17 Sec. 120. Required certifications. To assure that
18 expenditures are proper and in accordance with the terms and
19 conditions of the grant award and approved project budgets, all
20 periodic and final financial reports, and all payment requests
21 under the grant agreement, must include a certification, signed
22 by an official who is authorized to legally bind the grantee or
23 subrecipient, that reads as follows:

24 "By signing this report and/or payment request, I

1 certify to the best of my knowledge and belief that this
2 report is true, complete, and accurate; that the
3 expenditures, disbursements, and cash receipts are for the
4 purposes and objectives set forth in the terms and
5 conditions of the State or federal pass-through award; and
6 that supporting documentation has been submitted as
7 required by the grant agreement. I acknowledge that
8 approval for any item or expenditure described herein shall
9 be considered conditional subject to further review and
10 verification in accordance with the monitoring and records
11 retention provisions of the grant agreement. I am aware
12 that any false, fictitious, or fraudulent information, or
13 the omission of any material fact, may subject me to
14 criminal, civil or administrative penalties for fraud,
15 false statements, false claims or otherwise. (18 U.S.C.
16 §1001; 31 U.S.C. §§3729-3730 and §§3801-3812; 30 ILCS 708/
17 120.)"

18 (30 ILCS 708/125 new)

19 Sec. 125. Expenditures prior to grant execution; reporting
20 requirements.

21 (a) In the event that a recipient or subrecipient incurs
22 expenses related to the grant award prior to the execution of
23 the grant agreement but within the term of the grant, and the
24 grant agreement is executed more than 30 days after the
25 effective date of the grant, the recipient or subrecipient must

1 submit to the State grant-making agency a report that accounts
2 for eligible grant expenditures and project activities from the
3 effective date of the grant up to and including the date of
4 execution of the grant agreement.

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

8 (c) Only those expenses that are reasonable, allowable, and
9 in furtherance of the purpose of the grant award shall be
10 reimbursed.

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

13 (30 ILCS 708/130 new)

14 Sec. 130. Travel costs.

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

23 (b) Lodging and subsistence. Costs incurred for travel,
24 including costs of lodging, other subsistence, and incidental
25 expenses, must be considered reasonable and otherwise

1 allowable only to the extent such costs do not exceed charges
2 normally allowed by the rules of the Governor's Travel Control
3 Board. In addition, if these costs are charged directly to the
4 State or federal pass-through award documentation must justify
5 that:

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

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

10 (c) Commercial air travel. Airfare costs in excess of the
11 basic least expensive unrestricted accommodations class
12 offered by commercial airlines are unallowable except when such
13 accommodations would:

14 (1) require circuitous routing;

15 (2) require travel during unreasonable hours;

16 (3) excessively prolong travel;

17 (4) result in additional costs that would offset the
18 transportation savings; or

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

21 (30 ILCS 708/520 new)

22 Sec. 520. Separate accounts for State grant funds.
23 Notwithstanding any provision of law to the contrary, all
24 grants made and any grant agreement entered into, renewed, or
25 extended on or after the effective date of this amendatory Act

1 of the 100th General Assembly, between a State grant-making
2 agency and a nonprofit organization, shall require the
3 nonprofit organization receiving grant funds to maintain those
4 funds in an account which is separate and distinct from any
5 account holding non-grant funds. Except as otherwise provided
6 in an agreement between a State grant-making agency and a
7 nonprofit organization, the grant funds held in a separate
8 account by a nonprofit organization shall not be used for
9 non-grant-related activities, and any unused grant funds shall
10 be returned to the State grant-making agency.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law."