**Section 7000.300 Grant, Cooperative, Interagency and Intergovernmental Agreements**

a) This Subpart applies to grants issued from State and federal pass-through funds.

b) The State agency shall decide on the appropriate instrument for the award (i.e., Grant Agreement or Cooperative Agreement):

1) Grant Agreements, Interagency and Intergovernmental Agreements

A) A State awarding agency shall use the Uniform Grant Agreement (see Section 7000.370) as the legal instrument reflecting a relationship between the State and an awardee when:

i) The principal purpose of the relationship is to transfer a thing of value to the awardee to carry out a public purpose of support or stimulation authorized by State or federal law; and

ii) Substantial involvement is not expected between the State agency and the awardee when carrying out the activity contemplated in the Grant Agreement.

B) A State awarding agency shall use the Uniform Grant Agreement when issuing a grant to another government entity, such as a State agency or department, constitutional office, city, municipality, or county health department.

C) The State awarding agency must not use the Uniform Grant Agreement for an interagency agreement or intergovernmental agreement which pledges support of joint effort on a project, establishes data sharing, or establishes an employment or personal services relationship.

2) Cooperative Agreements

A State agency shall use a Cooperative Agreement as the legal instrument reflecting a relationship between the State and a recipient when:

A) The principal purpose of the relationship is to transfer a thing of value to the recipient to carry out a public purpose of support or stimulation authorized by State law instead of acquiring (by purchase, lease or barter) property or services for the direct benefit or use of the State government; and

B) Substantial involvement is expected between the State agency and the recipient when carrying out the activity contemplated in the Cooperative Agreement.

3) Multiple Agreements

A State awarding agency is not limited to establishing only one Grant Agreement or Cooperative Agreement between the State and an awardee on a jointly financed project involving amounts from more than one program or appropriation when different agreements would otherwise be appropriate for different parts of the project.

(Source: Amended at 47 Ill. Reg. 7893, effective May 26, 2023)