



Rep. Barbara Flynn Currie

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1 AMENDMENT TO HOUSE BILL 4601

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4601 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Records Act is amended by changing  
5 Section 9 as follows:

6 (5 ILCS 160/9) (from Ch. 116, par. 43.12)

7 Sec. 9. The head of each agency shall establish, and  
8 maintain an active, continuing program for the economical and  
9 efficient management of the records of the agency.

10 Such program:

11 (1) shall provide for effective controls over the creation,  
12 maintenance, and use of records in the conduct of current  
13 business and shall ensure that agency electronic records, as  
14 specified in Section 5-135 of the Electronic Commerce Security  
15 Act, are retained in a trustworthy manner so that the records,  
16 and the information contained in the records, are accessible

1 and usable for reference for the duration of the retention  
2 period; all computer tape or disk maintenance and preservation  
3 procedures must be fully applied and, if equipment or programs  
4 providing access to the records are updated or replaced, the  
5 existing data must remain accessible in the successor format  
6 for the duration of the approved retention period;

7 (2) shall provide for cooperation with the Secretary in  
8 appointing a records officer and in applying standards,  
9 procedures, and techniques to improve the management of  
10 records, promote the maintenance and security of records deemed  
11 appropriate for preservation, and facilitate the segregation  
12 and disposal of records of temporary value; and

13 (3) shall provide for compliance with the provisions of  
14 this Act and the rules and regulations issued thereunder.

15 If an agency has delegated its authority to retain records  
16 to another agency, then the delegate agency shall maintain the  
17 same, or a more diligent, record retention methodology and  
18 record retention period as the original agency's program. If  
19 the delegate is from the legislative or judicial branch, then  
20 the delegate may use the same record retention methodology and  
21 record retention period that the delegate uses for similar  
22 records.

23 (Source: P.A. 92-866, eff. 1-3-03.)

24 Section 10. The Comptroller's Records Act is amended by  
25 changing Section 7 as follows:

1 (15 ILCS 415/7) (from Ch. 15, par. 31)

2 Sec. 7. Certificate of destruction. Before the destruction  
3 of any warrants or records pursuant to this Act, the State  
4 Comptroller shall have prepared a certificate setting forth by  
5 summary description the warrants or records and the manner,  
6 time and place of their destruction. The certificate ~~shall be~~  
7 ~~signed by at least 2 witnesses of such destruction and~~ shall be  
8 kept in the permanent files of the Comptroller.

9 (Source: P.A. 78-592.)

10 Section 15. The State Finance Act is amended by changing  
11 Sections 12 and 25 as follows:

12 (30 ILCS 105/12) (from Ch. 127, par. 148)

13 Sec. 12. Each voucher for traveling expenses shall indicate  
14 the purpose of the travel as required by applicable travel  
15 regulations, shall be itemized and shall be accompanied by all  
16 receipts specified in the applicable travel regulations and by  
17 a certificate, signed by the person incurring such expense,  
18 certifying that the amount is correct and just; that the  
19 detailed items charged for subsistence were actually paid; that  
20 the expenses were occasioned by official business or  
21 unavoidable delays requiring the stay of such person at hotels  
22 for the time specified; that the journey was performed with all  
23 practicable dispatch by the shortest route usually traveled in

1 the customary reasonable manner; and that such person has not  
2 been furnished with transportation or money in lieu thereof;  
3 for any part of the journey therein charged for.

4 Upon written approval by the office of the Comptroller, a  
5 State agency may maintain the original travel voucher, the  
6 receipts, and the proof of the traveler's signature on the  
7 traveler's certification statement at the office of the State  
8 agency. However, nothing in this Section shall be construed to  
9 exempt a State agency from submitting a detailed travel voucher  
10 as prescribed by the office of the Comptroller.

11 An information copy of each voucher covering a claim by a  
12 person subject to the official travel regulations promulgated  
13 under Section 12-2 for travel reimbursement involving an  
14 exception to the general restrictions of such travel  
15 regulations shall be filed with the applicable travel control  
16 board which shall consider these vouchers, or a report thereof,  
17 for approval. Amounts disbursed for travel reimbursement  
18 claims which are disapproved by the applicable travel control  
19 board shall be refunded by the traveler and deposited in the  
20 fund or account from which payment was made.

21 (Source: P.A. 84-345.)

22 (30 ILCS 105/25) (from Ch. 127, par. 161)

23 Sec. 25. Fiscal year limitations.

24 (a) All appropriations shall be available for expenditure  
25 for the fiscal year or for a lesser period if the Act making

1 that appropriation so specifies. A deficiency or emergency  
2 appropriation shall be available for expenditure only through  
3 June 30 of the year when the Act making that appropriation is  
4 enacted unless that Act otherwise provides.

5 (b) Outstanding liabilities as of June 30, payable from  
6 appropriations which have otherwise expired, may be paid out of  
7 the expiring appropriations during the 2-month period ending at  
8 the close of business on August 31. Any service involving  
9 professional or artistic skills or any personal services by an  
10 employee whose compensation is subject to income tax  
11 withholding must be performed as of June 30 of the fiscal year  
12 in order to be considered an "outstanding liability as of June  
13 30" that is thereby eligible for payment out of the expiring  
14 appropriation.

15 (b-1) However, payment of tuition reimbursement claims  
16 under Section 14-7.03 or 18-3 of the School Code may be made by  
17 the State Board of Education from its appropriations for those  
18 respective purposes for any fiscal year, even though the claims  
19 reimbursed by the payment may be claims attributable to a prior  
20 fiscal year, and payments may be made at the direction of the  
21 State Superintendent of Education from the fund from which the  
22 appropriation is made without regard to any fiscal year  
23 limitations, except as required by subsection (j) of this  
24 Section. Beginning on June 30, 2021, payment of tuition  
25 reimbursement claims under Section 14-7.03 or 18-3 of the  
26 School Code as of June 30, payable from appropriations that

1 have otherwise expired, may be paid out of the expiring  
2 appropriation during the 4-month period ending at the close of  
3 business on October 31.

4 (b-2) All outstanding liabilities as of June 30, 2010,  
5 payable from appropriations that would otherwise expire at the  
6 conclusion of the lapse period for fiscal year 2010, and  
7 interest penalties payable on those liabilities under the State  
8 Prompt Payment Act, may be paid out of the expiring  
9 appropriations until December 31, 2010, without regard to the  
10 fiscal year in which the payment is made, as long as vouchers  
11 for the liabilities are received by the Comptroller no later  
12 than August 31, 2010.

13 (b-2.5) All outstanding liabilities as of June 30, 2011,  
14 payable from appropriations that would otherwise expire at the  
15 conclusion of the lapse period for fiscal year 2011, and  
16 interest penalties payable on those liabilities under the State  
17 Prompt Payment Act, may be paid out of the expiring  
18 appropriations until December 31, 2011, without regard to the  
19 fiscal year in which the payment is made, as long as vouchers  
20 for the liabilities are received by the Comptroller no later  
21 than August 31, 2011.

22 (b-2.6) For fiscal years 2012 and 2013, interest penalties  
23 payable under the State Prompt Payment Act associated with a  
24 voucher for which payment is issued after June 30 may be paid  
25 out of the next fiscal year's appropriation. The future year  
26 appropriation must be for the same purpose and from the same

1 fund as the original payment. An interest penalty voucher  
2 submitted against a future year appropriation must be submitted  
3 within 60 days after the issuance of the associated voucher,  
4 and the Comptroller must issue the interest payment within 60  
5 days after acceptance of the interest voucher.

6 (b-3) Medical payments may be made by the Department of  
7 Veterans' Affairs from its appropriations for those purposes  
8 for any fiscal year, without regard to the fact that the  
9 medical services being compensated for by such payment may have  
10 been rendered in a prior fiscal year, except as required by  
11 subsection (j) of this Section. Beginning on June 30, 2021,  
12 medical payments payable from appropriations that have  
13 otherwise expired may be paid out of the expiring appropriation  
14 during the 4-month period ending at the close of business on  
15 October 31.

16 (b-4) Medical payments may be made by the Department of  
17 Healthcare and Family Services and medical payments and child  
18 care payments may be made by the Department of Human Services  
19 (as successor to the Department of Public Aid) from  
20 appropriations for those purposes for any fiscal year, without  
21 regard to the fact that the medical or child care services  
22 being compensated for by such payment may have been rendered in  
23 a prior fiscal year; and payments may be made at the direction  
24 of the Department of Healthcare and Family Services from the  
25 Health Insurance Reserve Fund and the Local Government Health  
26 Insurance Reserve Fund without regard to any fiscal year

1 limitations, except as required by subsection (j) of this  
2 Section. Beginning on June 30, 2021, medical payments made by  
3 the Department of Healthcare and Family Services, child care  
4 payments made by the Department of Human Services, and payments  
5 made at the discretion of the Department of Healthcare and  
6 Family Services from the Health Insurance Reserve Fund and the  
7 Local Government Health Insurance Reserve Fund payable from  
8 appropriations that have otherwise expired may be paid out of  
9 the expiring appropriation during the 4-month period ending at  
10 the close of business on October 31.

11 (b-5) Medical payments may be made by the Department of  
12 Human Services from its appropriations relating to substance  
13 abuse treatment services for any fiscal year, without regard to  
14 the fact that the medical services being compensated for by  
15 such payment may have been rendered in a prior fiscal year,  
16 provided the payments are made on a fee-for-service basis  
17 consistent with requirements established for Medicaid  
18 reimbursement by the Department of Healthcare and Family  
19 Services, except as required by subsection (j) of this Section.  
20 Beginning on June 30, 2021, medical payments made by the  
21 Department of Human Services relating to substance abuse  
22 treatment services payable from appropriations that have  
23 otherwise expired may be paid out of the expiring appropriation  
24 during the 4-month period ending at the close of business on  
25 October 31.

26 (b-6) Additionally, payments may be made by the Department



1 of Human Services from its appropriations, or any other State  
2 agency from its appropriations with the approval of the  
3 Department of Human Services, from the Immigration Reform and  
4 Control Fund for purposes authorized pursuant to the  
5 Immigration Reform and Control Act of 1986, without regard to  
6 any fiscal year limitations, except as required by subsection  
7 (j) of this Section. Beginning on June 30, 2021, payments made  
8 by the Department of Human Services from the Immigration Reform  
9 and Control Fund for purposes authorized pursuant to the  
10 Immigration Reform and Control Act of 1986 payable from  
11 appropriations that have otherwise expired may be paid out of  
12 the expiring appropriation during the 4-month period ending at  
13 the close of business on October 31.

14 (b-7) Payments may be made in accordance with a plan  
15 authorized by paragraph (11) or (12) of Section 405-105 of the  
16 Department of Central Management Services Law from  
17 appropriations for those payments without regard to fiscal year  
18 limitations.

19 (c) Further, payments may be made by the Department of  
20 Public Health, the Department of Human Services (acting as  
21 successor to the Department of Public Health under the  
22 Department of Human Services Act), and the Department of  
23 Healthcare and Family Services from their respective  
24 appropriations for grants for medical care to or on behalf of  
25 persons suffering from chronic renal disease, persons  
26 suffering from hemophilia, rape victims, and premature and

1 high-mortality risk infants and their mothers and for grants  
2 for supplemental food supplies provided under the United States  
3 Department of Agriculture Women, Infants and Children  
4 Nutrition Program, for any fiscal year without regard to the  
5 fact that the services being compensated for by such payment  
6 may have been rendered in a prior fiscal year, except as  
7 required by subsection (j) of this Section. Beginning on June  
8 30, 2021, payments made by the Department of Public Health, the  
9 Department of Human Services, and the Department of Healthcare  
10 and Family Services from their respective appropriations for  
11 grants for medical care to or on behalf of persons suffering  
12 from chronic renal disease, persons suffering from hemophilia,  
13 rape victims, and premature and high-mortality risk infants and  
14 their mothers and for grants for supplemental food supplies  
15 provided under the United States Department of Agriculture  
16 Women, Infants and Children Nutrition Program payable from  
17 appropriations that have otherwise expired may be paid out of  
18 the expiring appropriations during the 4-month period ending at  
19 the close of business on October 31.

20 (d) The Department of Public Health and the Department of  
21 Human Services (acting as successor to the Department of Public  
22 Health under the Department of Human Services Act) shall each  
23 annually submit to the State Comptroller, Senate President,  
24 Senate Minority Leader, Speaker of the House, House Minority  
25 Leader, and the respective Chairmen and Minority Spokesmen of  
26 the Appropriations Committees of the Senate and the House, on

1 or before December 31, a report of fiscal year funds used to  
2 pay for services provided in any prior fiscal year. This report  
3 shall document by program or service category those  
4 expenditures from the most recently completed fiscal year used  
5 to pay for services provided in prior fiscal years.

6 (e) The Department of Healthcare and Family Services, the  
7 Department of Human Services (acting as successor to the  
8 Department of Public Aid), and the Department of Human Services  
9 making fee-for-service payments relating to substance abuse  
10 treatment services provided during a previous fiscal year shall  
11 each annually submit to the State Comptroller, Senate  
12 President, Senate Minority Leader, Speaker of the House, House  
13 Minority Leader, the respective Chairmen and Minority  
14 Spokesmen of the Appropriations Committees of the Senate and  
15 the House, on or before November 30, a report that shall  
16 document by program or service category those expenditures from  
17 the most recently completed fiscal year used to pay for (i)  
18 services provided in prior fiscal years and (ii) services for  
19 which claims were received in prior fiscal years.

20 (f) The Department of Human Services (as successor to the  
21 Department of Public Aid) shall annually submit to the State  
22 Comptroller, Senate President, Senate Minority Leader, Speaker  
23 of the House, House Minority Leader, and the respective  
24 Chairmen and Minority Spokesmen of the Appropriations  
25 Committees of the Senate and the House, on or before December  
26 31, a report of fiscal year funds used to pay for services

1 (other than medical care) provided in any prior fiscal year.  
2 This report shall document by program or service category those  
3 expenditures from the most recently completed fiscal year used  
4 to pay for services provided in prior fiscal years.

5 (g) In addition, each annual report required to be  
6 submitted by the Department of Healthcare and Family Services  
7 under subsection (e) shall include the following information  
8 with respect to the State's Medicaid program:

9 (1) Explanations of the exact causes of the variance  
10 between the previous year's estimated and actual  
11 liabilities.

12 (2) Factors affecting the Department of Healthcare and  
13 Family Services' liabilities, including but not limited to  
14 numbers of aid recipients, levels of medical service  
15 utilization by aid recipients, and inflation in the cost of  
16 medical services.

17 (3) The results of the Department's efforts to combat  
18 fraud and abuse.

19 (h) As provided in Section 4 of the General Assembly  
20 Compensation Act, any utility bill for service provided to a  
21 General Assembly member's district office for a period  
22 including portions of 2 consecutive fiscal years may be paid  
23 from funds appropriated for such expenditure in either fiscal  
24 year.

25 (i) An agency which administers a fund classified by the  
26 Comptroller as an internal service fund may issue rules for:

1           (1) billing user agencies in advance for payments or  
2 authorized inter-fund transfers based on estimated charges  
3 for goods or services;

4           (2) issuing credits, refunding through inter-fund  
5 transfers, or reducing future inter-fund transfers during  
6 the subsequent fiscal year for all user agency payments or  
7 authorized inter-fund transfers received during the prior  
8 fiscal year which were in excess of the final amounts owed  
9 by the user agency for that period; and

10          (3) issuing catch-up billings to user agencies during  
11 the subsequent fiscal year for amounts remaining due when  
12 payments or authorized inter-fund transfers received from  
13 the user agency during the prior fiscal year were less than  
14 the total amount owed for that period.

15 User agencies are authorized to reimburse internal service  
16 funds for catch-up billings by vouchers drawn against their  
17 respective appropriations for the fiscal year in which the  
18 catch-up billing was issued or by increasing an authorized  
19 inter-fund transfer during the current fiscal year. For the  
20 purposes of this Act, "inter-fund transfers" means transfers  
21 without the use of the voucher-warrant process, as authorized  
22 by Section 9.01 of the State Comptroller Act.

23          (i-1) Beginning on July 1, 2021, all outstanding  
24 liabilities, not payable during the 4-month lapse period as  
25 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and  
26 (c) of this Section, that are made from appropriations for that

1 purpose for any fiscal year, without regard to the fact that  
2 the services being compensated for by those payments may have  
3 been rendered in a prior fiscal year, are limited to only those  
4 claims that have been incurred but for which a proper bill or  
5 invoice as defined by the State Prompt Payment Act has not been  
6 received by September 30th following the end of the fiscal year  
7 in which the service was rendered.

8 (j) Notwithstanding any other provision of this Act, the  
9 aggregate amount of payments to be made without regard for  
10 fiscal year limitations as contained in subsections (b-1),  
11 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and  
12 determined by using Generally Accepted Accounting Principles,  
13 shall not exceed the following amounts:

14 (1) \$6,000,000,000 for outstanding liabilities related  
15 to fiscal year 2012;

16 (2) \$5,300,000,000 for outstanding liabilities related  
17 to fiscal year 2013;

18 (3) \$4,600,000,000 for outstanding liabilities related  
19 to fiscal year 2014;

20 (4) \$4,000,000,000 for outstanding liabilities related  
21 to fiscal year 2015;

22 (5) \$3,300,000,000 for outstanding liabilities related  
23 to fiscal year 2016;

24 (6) \$2,600,000,000 for outstanding liabilities related  
25 to fiscal year 2017;

26 (7) \$2,000,000,000 for outstanding liabilities related

1 to fiscal year 2018;

2 (8) \$1,300,000,000 for outstanding liabilities related  
3 to fiscal year 2019;

4 (9) \$600,000,000 for outstanding liabilities related  
5 to fiscal year 2020; and

6 (10) \$0 for outstanding liabilities related to fiscal  
7 year 2021 and fiscal years thereafter.

8 (k) The Comptroller must issue payments against  
9 outstanding liabilities that were received prior to the lapse  
10 period deadlines set forth in this Section as soon thereafter  
11 as practical, but no payment may be issued after the 4 months  
12 following the lapse period deadline without the signed  
13 authorization of the Comptroller and the Governor.

14 (Source: P.A. 96-928, eff. 6-15-10; 96-958, eff. 7-1-10;  
15 96-1501, eff. 1-25-11; 97-75, eff. 6-30-11; 97-333, eff.  
16 8-12-11.)

17 Section 20. The Illinois Procurement Code is amended by  
18 changing Section 20-80 as follows:

19 (30 ILCS 500/20-80)

20 Sec. 20-80. Contract files.

21 (a) Written determinations. All written determinations  
22 required under this Article shall be placed in the contract  
23 file maintained by the chief procurement officer.

24 (b) Filing with Comptroller. Whenever a grant, defined

1 pursuant to accounting standards established by the  
2 Comptroller, or a contract liability, except for: (1) contracts  
3 paid from personal services, or (2) contracts between the State  
4 and its employees to defer compensation in accordance with  
5 Article 24 of the Illinois Pension Code, exceeding \$20,000  
6 ~~\$10,000~~ is incurred by any State agency, a copy of the  
7 contract, purchase order, grant, or lease shall be filed with  
8 the Comptroller within 30 ~~45~~ days thereafter. The Comptroller  
9 may require that grants and contracts that must be filed with  
10 the Comptroller under this Section shall be filed  
11 electronically. For each State contract for goods, supplies, or  
12 services awarded on or after July 1, 2010, the contracting  
13 agency shall provide the applicable rate and unit of  
14 measurement of the goods, supplies, or services on the contract  
15 obligation document as required by the Comptroller. If the  
16 contract obligation document that is submitted to the  
17 Comptroller contains the rate and unit of measurement of the  
18 goods, supplies, or services, the Comptroller shall provide  
19 that information on his or her official website. Any  
20 cancellation or modification to any such contract liability  
21 shall be filed with the Comptroller within 30 ~~45~~ days of its  
22 execution.

23 (c) Late filing affidavit. When a contract, purchase order,  
24 grant, or lease required to be filed by this Section has not  
25 been filed within 30 days of execution, the Comptroller shall  
26 refuse to issue a warrant for payment thereunder until the



1 agency files with the Comptroller the contract, purchase order,  
2 grant, or lease and an affidavit, signed by the chief executive  
3 officer of the agency or his or her designee, setting forth an  
4 explanation of why the contract liability was not filed within  
5 30 days of execution. A copy of this affidavit shall be filed  
6 with the Auditor General.

7 (d) Timely execution of contracts. No voucher shall be  
8 submitted to the Comptroller for a warrant to be drawn for the  
9 payment of money from the State treasury or from other funds  
10 held by the State Treasurer on account of any contract unless  
11 the contract is reduced to writing before the services are  
12 performed and filed with the Comptroller. Vendors shall not be  
13 paid for any goods that were received or services that were  
14 rendered before the contract was reduced to writing and signed  
15 by all necessary parties. A chief procurement officer may  
16 request an exception to this subsection by submitting a written  
17 statement to the Comptroller and Treasurer setting forth the  
18 circumstances and reasons why the contract could not be reduced  
19 to writing before the supplies were received or services were  
20 performed. A waiver of this subsection must be approved by the  
21 Comptroller and Treasurer. This Section shall not apply to  
22 emergency purchases if notice of the emergency purchase is  
23 filed with the Procurement Policy Board and published in the  
24 Bulletin as required by this Code.

25 (e) Method of source selection. When a contract is filed  
26 with the Comptroller under this Section, the Comptroller's file

1 shall identify the method of source selection used in obtaining  
2 the contract.

3 (Source: P.A. 96-794, eff. 1-1-10; 96-795, eff. 7-1-10 (see  
4 Section 5 of P.A. 96-793 for the effective date of changes made  
5 by P.A. 96-795); 96-1000, eff. 7-2-10.)

6 Section 25. The State Prompt Payment Act is amended by  
7 changing Section 3-2 as follows:

8 (30 ILCS 540/3-2)

9 Sec. 3-2. Beginning July 1, 1993, in any instance where a  
10 State official or agency is late in payment of a vendor's bill  
11 or invoice for goods or services furnished to the State, as  
12 defined in Section 1, properly approved in accordance with  
13 rules promulgated under Section 3-3, the State official or  
14 agency shall pay interest to the vendor in accordance with the  
15 following:

16 (1) Any bill, except a bill submitted under Article V  
17 of the Illinois Public Aid Code and except as provided  
18 under paragraph (1.05) of this Section, approved for  
19 payment under this Section must be paid or the payment  
20 issued to the payee within 60 days of receipt of a proper  
21 bill or invoice. If payment is not issued to the payee  
22 within this 60-day period, an interest penalty of 1.0% of  
23 any amount approved and unpaid shall be added for each  
24 month or fraction thereof after the end of this 60-day

1 period, until final payment is made. Any bill, except a  
2 bill for pharmacy or nursing facility services or goods,  
3 and except as provided under paragraph (1.05) ~~1.05~~ of this  
4 Section, submitted under Article V of the Illinois Public  
5 Aid Code approved for payment under this Section must be  
6 paid or the payment issued to the payee within 60 days  
7 after receipt of a proper bill or invoice, and, if payment  
8 is not issued to the payee within this 60-day period, an  
9 interest penalty of 2.0% of any amount approved and unpaid  
10 shall be added for each month or fraction thereof after the  
11 end of this 60-day period, until final payment is made. Any  
12 bill for pharmacy or nursing facility services or goods  
13 submitted under Article V of the Illinois Public Aid Code,  
14 except as provided under paragraph (1.05) of this Section,  
15 and approved for payment under this Section must be paid or  
16 the payment issued to the payee within 60 days of receipt  
17 of a proper bill or invoice. If payment is not issued to  
18 the payee within this 60-day period, an interest penalty of  
19 1.0% of any amount approved and unpaid shall be added for  
20 each month or fraction thereof after the end of this 60-day  
21 period, until final payment is made.

22 (1.05) For State fiscal year 2012 and future fiscal  
23 years, any bill approved for payment under this Section  
24 must be paid or the payment issued to the payee within 90  
25 days of receipt of a proper bill or invoice. If payment is  
26 not issued to the payee within this 90-day period, an

1 interest penalty of 1.0% of any amount approved and unpaid  
2 shall be added for each month, or 00.0033% (1/30%) of any  
3 amount approved and unpaid for each day, ~~fraction thereof~~  
4 after the end of this 90-day period, until final payment is  
5 made.

6 (1.1) A State agency shall review in a timely manner  
7 each bill or invoice after its receipt. If the State agency  
8 determines that the bill or invoice contains a defect  
9 making it unable to process the payment request, the agency  
10 shall notify the vendor requesting payment as soon as  
11 possible after discovering the defect pursuant to rules  
12 promulgated under Section 3-3; provided, however, that the  
13 notice for construction related bills or invoices must be  
14 given not later than 30 days after the bill or invoice was  
15 first submitted. The notice shall identify the defect and  
16 any additional information necessary to correct the  
17 defect. If one or more items on a construction related bill  
18 or invoice are disapproved, but not the entire bill or  
19 invoice, then the portion that is not disapproved shall be  
20 paid.

21 (2) Where a State official or agency is late in payment  
22 of a vendor's bill or invoice properly approved in  
23 accordance with this Act, and different late payment terms  
24 are not reduced to writing as a contractual agreement, the  
25 State official or agency shall automatically pay interest  
26 penalties required by this Section amounting to \$50 or more

1 to the appropriate vendor. Each agency shall be responsible  
2 for determining whether an interest penalty is owed and for  
3 paying the interest to the vendor. Except as provided in  
4 paragraph (4), an individual interest payment amounting to  
5 \$5 or less shall not be paid by the State. Interest due to  
6 a vendor that amounts to greater than \$5 and less than \$50  
7 shall not be paid but shall be accrued until all interest  
8 due the vendor for all similar warrants exceeds \$50, at  
9 which time the accrued interest shall be payable and  
10 interest will begin accruing again, except that interest  
11 accrued as of the end of the fiscal year that does not  
12 exceed \$50 shall be payable at that time. In the event an  
13 individual has paid a vendor for services in advance, the  
14 provisions of this Section shall apply until payment is  
15 made to that individual.

16 (3) The provisions of Public Act 96-1501 reducing the  
17 interest rate on pharmacy claims under Article V of the  
18 Illinois Public Aid Code to 1.0% per month shall apply to  
19 any pharmacy bills for services and goods under Article V  
20 of the Illinois Public Aid Code received on or after the  
21 date 60 days before January 25, 2011 (the effective date of  
22 Public Act 96-1501) except as provided under paragraph  
23 (1.05) of this Section.

24 (4) Interest amounting to less than \$5 shall not be  
25 paid by the State, except for claims (i) to the Department  
26 of Healthcare and Family Services or the Department of

1 Human Services, (ii) pursuant to Article V of the Illinois  
2 Public Aid Code, the Covering ALL KIDS Health Insurance  
3 Act, or the Children's Health Insurance Program Act, and  
4 (iii) made (A) by pharmacies for prescriptive services or  
5 (B) by any federally qualified health center for  
6 prescriptive services or any other services.

7 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;  
8 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.  
9 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.  
10 6-30-11; 97-348, eff. 8-12-11; revised 9-7-11.)

11 Section 30. The Governmental Account Audit Act is amended  
12 by changing Section 2 as follows:

13 (50 ILCS 310/2) (from Ch. 85, par. 702)

14 Sec. 2. Except as otherwise provided in Section 3, the  
15 governing body of each governmental unit shall cause an audit  
16 of the accounts of the unit to be made by a licensed public  
17 accountant. Such audit shall be made annually and shall cover  
18 the immediately preceding fiscal year of the governmental unit.  
19 The audit shall include all the accounts and funds of the  
20 governmental unit, including the accounts of any officer of the  
21 governmental unit who receives fees or handles funds of the  
22 unit or who spends money of the unit. The audit shall begin as  
23 soon as possible after the close of the last fiscal year to  
24 which it pertains, and shall be completed and the audit report

1 filed with the Comptroller within 6 months after the close of  
2 such fiscal year unless an extension of time is granted by the  
3 Comptroller in writing. An audit report which fails to meet the  
4 requirements of this Act shall be rejected by the Comptroller  
5 and returned to the governing body of the governmental unit for  
6 corrective action. The licensed public accountant making the  
7 audit shall submit not less than 3 copies of the audit report  
8 to the governing body of the governmental unit being audited.

9 Any financial report under this Section shall include the  
10 name of the purchasing agent who oversees all competitively bid  
11 contracts. If there is no purchasing agent, the name of the  
12 person responsible for oversight of all competitively bid  
13 contracts shall be listed.

14 (Source: P.A. 85-1000.)

15 Section 35. The Counties Code is amended by changing  
16 Section 6-31003 as follows:

17 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

18 Sec. 6-31003. Annual audits and reports. In counties having  
19 a population of over 10,000 but less than 500,000, the county  
20 board of each county shall cause an audit of all of the funds  
21 and accounts of the county to be made annually by an accountant  
22 or accountants chosen by the county board or by an accountant  
23 or accountants retained by the Comptroller, as hereinafter  
24 provided. In addition, each county having a population of less

1 than 500,000 shall file with the Comptroller a financial report  
2 containing information required by the Comptroller. Such  
3 financial report shall be on a form so designed by the  
4 Comptroller as not to require professional accounting services  
5 for its preparation.

6 Any financial report under this Section shall include the  
7 name of the purchasing agent who oversees all competitively bid  
8 contracts. If there is no purchasing agent, the name of the  
9 person responsible for oversight of all competitively bid  
10 contracts shall be listed.

11 The audit shall commence as soon as possible after the  
12 close of each fiscal year and shall be completed within 6  
13 months after the close of such fiscal year, unless an extension  
14 of time is granted by the Comptroller in writing. Such  
15 extension of time shall not exceed 60 days. When the accountant  
16 or accountants have completed the audit a full report thereof  
17 shall be made and not less than 2 copies of each audit report  
18 shall be submitted to the county board. Each audit report shall  
19 be signed by the accountant making the audit and shall include  
20 only financial information, findings and conclusions that are  
21 adequately supported by evidence in the auditor's working  
22 papers to demonstrate or prove, when called upon, the basis for  
23 the matters reported and their correctness and reasonableness.  
24 In connection with this, each county board shall retain the  
25 right of inspection of the auditor's working papers and shall  
26 make them available to the Comptroller, or his designee, upon



1 request.

2       Within 60 days of receipt of an audit report, each county  
3 board shall file one copy of each audit report and each  
4 financial report with the Comptroller and any comment or  
5 explanation that the county board may desire to make concerning  
6 such audit report may be attached thereto. An audit report  
7 which fails to meet the requirements of this Division shall be  
8 rejected by the Comptroller and returned to the county board  
9 for corrective action. One copy of each such report shall be  
10 filed with the county clerk of the county so audited.

11 (Source: P.A. 86-962.)

12       Section 40. The Illinois Municipal Code is amended by  
13 changing Section 8-8-3 as follows:

14       (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

15       Sec. 8-8-3. Audit requirements.

16       (a) The corporate authorities of each municipality coming  
17 under the provisions of this Division 8 shall cause an audit of  
18 the funds and accounts of the municipality to be made by an  
19 accountant or accountants employed by such municipality or by  
20 an accountant or accountants retained by the Comptroller, as  
21 hereinafter provided.

22       (b) The accounts and funds of each municipality having a  
23 population of 800 or more or having a bonded debt or owning or  
24 operating any type of public utility shall be audited annually.

1 The audit herein required shall include all of the accounts and  
2 funds of the municipality. Such audit shall be begun as soon as  
3 possible after the close of the fiscal year, and shall be  
4 completed and the report submitted within 6 months after the  
5 close of such fiscal year, unless an extension of time shall be  
6 granted by the Comptroller in writing. The accountant or  
7 accountants making the audit shall submit not less than 2  
8 copies of the audit report to the corporate authorities of the  
9 municipality being audited. Municipalities not operating  
10 utilities may cause audits of the accounts of municipalities to  
11 be made more often than herein provided, by an accountant or  
12 accountants. The audit report of such audit when filed with the  
13 Comptroller together with an audit report covering the  
14 remainder of the period for which an audit is required to be  
15 filed hereunder shall satisfy the requirements of this section.

16 (c) Municipalities of less than 800 population which do not  
17 own or operate public utilities and do not have bonded debt,  
18 shall file annually with the Comptroller a financial report  
19 containing information required by the Comptroller. Such  
20 annual financial report shall be on forms devised by the  
21 Comptroller in such manner as to not require professional  
22 accounting services for its preparation.

23 (d) In addition to any audit report required, all  
24 municipalities, except municipalities of less than 800  
25 population which do not own or operate public utilities and do  
26 not have bonded debt, shall file annually with the Comptroller

1 a supplemental report on forms devised and approved by the  
2 Comptroller.

3 (e) Notwithstanding any provision of law to the contrary,  
4 if a municipality (i) has a population of less than 200, (ii)  
5 has bonded debt in the amount of \$50,000 or less, and (iii)  
6 owns or operates a public utility, then the municipality shall  
7 cause an audit of the funds and accounts of the municipality to  
8 be made by an accountant employed by the municipality or  
9 retained by the Comptroller for fiscal year 2011 and every  
10 fourth fiscal year thereafter or until the municipality has a  
11 population of 200 or more, has bonded debt in excess of  
12 \$50,000, or no longer owns or operates a public utility.  
13 Nothing in this subsection shall be construed as limiting the  
14 municipality's duty to file an annual financial report with the  
15 Comptroller or to comply with the filing requirements  
16 concerning the county clerk.

17 (f) Any financial report under this Section shall include  
18 the name of the purchasing agent who oversees all competitively  
19 bid contracts. If there is no purchasing agent, the name of the  
20 person responsible for oversight of all competitively bid  
21 contracts shall be listed.

22 (Source: P.A. 96-1309, eff. 7-27-10.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law."