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TITLE 14: COMMERCE
SUBTITLE C: ECONOMIC DEVELOPMENT
CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 700
LOCAL CORONAVIRUS URGENT REMEDIATION EMERGENCY
(OR LOCAL CURE) SUPPORT PROGRAM

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AUTHORITY: Implementing Section 605-1045 and authorized by Sections 605-1045(a), 605-1045(c) of the Local Coronavirus Urgent Remediation Emergency (or Local CURE) Support Program [20 ILCS 605].

SOURCE: Adopted by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; emergency amendment to emergency rule at 44 Ill. Reg. _____, effective _____, for the remainder of the 150 days.

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**Section 700.10 Purpose
EMERGENCY**

The purpose of the Local Coronavirus Urgent Remediation Emergency (or Local CURE) Support Program is to *administer federal funds from the Coronavirus Relief Fund provided to the State pursuant to section 5001 of the federal CARES Act to provide financial support to units of local government for purposes authorized by section 5001 of the CARES Act and related federal guidance and any subsequent guidance issued by the U.S. Department of the Treasury. Upon receipt of those funds, and based on appropriations for their use, the Department shall administer a program to provide financial support to units of local government that have incurred necessary expenditures due to the COVID-19 public health emergency.* [20 ILCS 605/605-1045(a)]

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.20 Definitions
EMERGENCY**

The following definitions are applicable to the Local Coronavirus Urgent Remediation Emergency (or Local CURE) Support Program:

"Business" means a for-profit enterprise or non-profit organization lawfully conducting business in Illinois. This term does not include any business that is prohibited from receiving funds under section 5001(b) of the CARES Act.

"Business Interruption Grant Program" or "BIG Program" means the financial assistance program funding opportunities administered by the Department and implemented in 14 Ill. Adm. Code 690. (See 20 ILCS 605/605-1050.)

"Business participant" means the business that receives financial assistance under the economic support payments grant program.

"CARES Act" means the federal Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136).

"Certified Public Health Department" means a unit of local government that is a local public health department certified by the Illinois Department of Public Health.

"Cost of business interruption" means:

decreases in revenue caused by closing or limiting access to the business establishment to comply with COVID-19 prevention directives or to otherwise prevent the spread of COVID-19 within the business establishment;

decreases in revenue caused by decreased customer demand as a result of the COVID-19 emergency; or

other revenue reductions approved for reimbursement from the CRF by the U.S. Department of the Treasury.

"COVID-19" means the novel coronavirus disease deemed COVID-19 by the World Health Organization on February 11, 2020 [20 ILCS 605/605-1045(d)(1)].

"CRF" means the Coronavirus Relief Fund established by the CARES Act.

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"Department" means the Department of Commerce and Economic Opportunity.

"Disproportionately impacted area" means those ZIP Codes most severely affected by the COVID-19 Crisis, to be determined based on positive COVID-19 case per capita rates, and high rates in at least one of the following poverty-related categories relative to other ZIP Codes within their region:

share of population consisting of children age 6 to 17 in households with income less than 125% of the federal poverty level (FPL);

share of population consisting of adults over age 64 in households with income less than 200% FPL;

share of population in household with income less than 150% FPL; and

share of population consisting of children ages 5 and under in households with income less than 185% FPL.

The Department, using the criteria listed in this definition, may determine, in accordance with the Illinois Administrative Procedure Act (IAPA), different eligibility thresholds when allocating funding for the Allotment Tiers.

"Economic Support Payments Grants" means grants applied for and issued to units of local government under Sections 700.80(e) and 700.120 to provide financial support to businesses that have experienced interruption of business attributable to the COVID-19 public health emergency.

"GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

"GATA Rule" means 44 Ill. Adm. Code 7000.

"Incurred expenses" means services were performed for, or goods were received by, units of local government to respond directly to the COVID-19 public health emergency.

"LGDF formula" means the Local Government Distributive Fund formula established by the Illinois Department of Revenue.

"Local CURE Program" means the Local Coronavirus Urgent Remediation Emergency (or Local CURE) Support Program.

"Local government" or "unit of local government" means any unit of local government as defined in Article VII, Section 1 of the Illinois Constitution [20

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ILCS 605/605-1045(d)(2)].

"Local Health Protection Grant Program Formula" means the methodology established by the Illinois Department of Public Health (see 77 Ill. Adm. Code 615.210).

"Necessary expenditure" means an expenditure of funds that is eligible for reimbursement from CRF and necessary to:

respond to the COVID-19 public health emergency, including, but not limited to, expenditures incurred to allow local governments to respond directly to the emergency, such as by addressing medical or public health needs of the local governments or local businesses; or

reimburse the cost of business interruption.

"Non-profit organization" means an organization that is registered as a non-profit corporation with the Illinois Secretary of State.

"Participating" means municipalities, counties, certified local public health departments or other local governments, as applicable, that received Local CURE Program allotments under Section 700.80(a), (b) or (c).

"Qualifying business" means a business or organization that experienced or is experiencing business interruption due to the COVID-19 public health emergency and for which provision of financial assistance under the Economic Support Payments Grants Program is eligible for reimbursement as prescribed by section 601(a) of the Social Security Act (42 USC) as added by section 5001 of the CARES Act, or other federal legislation addressing the COVID-19 emergency. A qualifying business includes self-employed individuals and independent contractors.

"Substantially dedicated use" means the payroll expenses for employees whose services were focused on mitigating or responding to the COVID-19 public health emergency. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to COVID-19. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to COVID-19 are also included.

"Substantially different use" means costs that include, but are not necessarily

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limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. A public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner.

"Third party administrator" means a service provider selected by the Department to provide operational assistance with the administration of the Local CURE Program [20 ILCS 605/605-1045(d)(3)].

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.30 GATA Requirements
EMERGENCY**

- a) The Department will be excepted from the following Grant Accountability and Transparency Act requirements for funds allotted to local governments under Section 700.80(a), (b) and (c):
 - 1) The Department will not be required to issue a notice of funding opportunity (NOFO);
 - 2) Applications will not be subject to a merit-based review process;
 - 3) In lieu of the Uniform Grant Agreement, the Department will utilize a certification form for the units of local government to complete in order to receive funding.

- b) The Department and units of local government must still comply with the following GATA requirements for funds allotted to local governments under Section 700.80(a), (b) and (c):
 - 1) Local CURE Program payments are considered "other financial assistance" under 2 CFR 200.40(a)(6).
 - 2) The Department shall create a Catalog of State Financial Assistance (CSFA) entry for the disbursement of Local CURE Program funds and shall record on the GATA Grantee Portal the payments made to units of local government.
 - 3) Local CURE Program payments made to local governments are considered to be federal financial assistance subject to the Single Audit Act (31 USC 7501 through 7507) and the following related provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200):
 - A) 2 CFR 200.303 regarding internal controls;
 - B) 2 CFR 200.330 through 200.332 regarding subrecipient monitoring and management;
 - C) subpart E regarding cost eligibility requirements; and
 - D) subpart F regarding audit requirements.

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- 4) Local governments must have a current registration on SAM.gov to receive a reimbursement payment. Local governments do not need to register or be pre-qualified in the GATA Grantee Portal.
 - 5) Local governments shall not use funds received under the Local CURE Program to pay an entity that is listed on the federal or State debarred and suspended list.
- c) All GATA requirements apply to the economic support payments grant program under Sections 700.80(e) and 700.120.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.40 Local Government Eligibility Requirements
EMERGENCY**

- a) Local governments are eligible for Local CURE Program allocations under Section 700.80(a), (b) and (c) if they meet the following criteria:
 - 1) The local government is within the State of Illinois, except that units of local government, or portions thereof, located within the five Illinois counties that received direct allotments from the CARES Act fund will not be included in the Local CURE Program; and
 - 2) The local government incurred necessary expenses due to the COVID-19 public health emergency.

- b) Local governments are eligible for Local CURE Program Economic Support Payments Grants under Sections 700.80(e) and 700.120 if they meet the following criteria:
 - 1) The local government is a municipality or county within the State of Illinois, except that local governments, or portions thereof, located within the five Illinois counties that received direct allotments from the CARES Act fund will not be eligible; and
 - 2) Local government applicants shall have an active GATA registration and shall be pre-qualified on the GATA Grantee Portal at the time of application submission.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.50 Restrictions on the Use of Program Funds
EMERGENCY**

- a) The Local CURE Program expenditures must follow the requirements of the CARES Act. Accordingly, payments to local governments under the Local CURE Program may only be used to cover costs that:
 - 1) Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
 - 2) Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the local government; and
 - 3) Were incurred during the period that begins on March 1, 2020 and ends December 30, 2020.
- b) The deadline set forth in subsection (a)(3) will be extended by the Department, in accordance with the IAPA, if the CARES Act is amended and authorizes a subsequent deadline or the U.S. Department of the Treasury guidance is amended at a later date.
- c) The uses of program funds set forth in subsection (a) will be modified by the Department, in accordance with the IAPA, if the CARES Act or the U.S. Department of the Treasury guidance is amended to authorize different categories of eligible uses that affect the administration of the Local CURE Program.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.60 Eligible and Ineligible Costs for Incurred Expenses
EMERGENCY**

- a) Funding Allotments Under Section 700.80(a), (b) and (c)
 - 1) Eligible incurred expenses for funding allotments received under Section 700.80(a), (b) and (c) include the following five categories of costs and meet the restrictions on use of Local CURE Program funds (see Section 700.50):
 - A) Medical expenses, including, but not limited to, expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, costs of providing COVID-19 testing, and emergency medical response expenses;
 - B) Public health expenses, including, but not limited to, expenses for communication and enforcement by local governments of public health orders related to COVID-19;
 - C) Payroll expenses for public safety, public health, health care, human services, and similar employees whose services were substantially dedicated to mitigating or responding to COVID-19;
 - D) Expenses for actions taken to facilitate compliance with COVID-19 related public health measures, including purchases by local governments to implement public health recommendations at local businesses; and
 - E) Any other COVID-19 related expenses reasonably necessary to the function of government that satisfy the Local CURE Program eligibility criteria (see Section 700.40). Local governments must document how expenses are related to COVID-19.
 - 2) Ineligible costs for incurred expenses by local governments for funding allotments received under Section 700.80(a), (b) and (c) include the following:
 - A) Governmental revenue shortfall replacement;
 - B) Damages covered by insurance;
 - C) Payroll or benefits expenses for employees whose work duties are

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not substantially dedicated to mitigating or responding to the COVID-19 public health emergency;

- D) Expenses associated with the provision of economic support in connection with COVID-19; and
 - E) Reimbursement to donors for donated items or services;
 - F) Workforce bonuses other than hazard pay or overtime;
 - G) Severance pay;
 - H) Legal settlements;
 - I) Indirect costs or administrative costs; and
 - J) Incurred expenses that have been or will be reimbursed through another State or federal funding opportunity.
- b) Economic Support Payments Grants under Sections 700.80(e) and 700.120
- 1) The following business types are excluded from receiving funding from Economic Support Payments Grants:
 - A) a private club or business that limits membership for reasons other than capacity;
 - B) a government-owned business entity (except for businesses owned or controlled by a Native American tribe);
 - C) a business that derives at least 33% of its gross annual revenue from legal gambling activities, unless, subject to the Department's approval, the business is a restaurant with gaming terminals;
 - D) a business engaged in pyramid sales, in which a participant's primary incentive is based on the sales made by an ever-increasing number of participants; or
 - E) payday lenders.
 - 2) A business shall be ineligible to receive funding through an economic support payments grant if it:

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- A) is delinquent on payment of any State of Illinois tax obligation;
 - B) is engaged in a business that is unlawful under Illinois or federal law;
 - C) has already received assistance, or notice of award of assistance, under the BIG Program;
 - D) is on the federal System for Award Management excluded parties list; or
 - E) does not meet any other eligibility criteria established in a financial assistance application.
- 3) Eligible incurred expenses for the Economic Support Payments Grants must meet the restrictions on the use of Local CURE Program funds (see Section 700.50) and reimburse the cost of business interruption.
- 4) Ineligible expenditures under the Economic Support Payments Grants include:
- A) expenses that have been or will be reimbursed under any State, local, or federal program, such as expenses or losses that were reimbursed by a loan forgiven under the CARES Act's Payroll Protection Program;
 - B) damages covered by insurance;
 - C) expenditures prohibited by section 5001(b) of the CARES Act;
 - D) reimbursement to donors for donated items or services;
 - E) workforce bonuses other than hazard pay or overtime;
 - F) severance pay;
 - G) legal settlements;
 - H) indirect costs or administrative costs of the local government; and
 - I) any other expense not reasonably incurred due to the COVID-19 emergency.

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- c) The categories of eligible and ineligible expenditures set forth in this Section will be modified by the Department, in accordance with the IAPA, if the CARES Act or the U.S. Department of the Treasury guidance is amended to authorize different eligible expenditures that affect the administration of the Local CURE Program.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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EMERGENCY**

The Department may enter into agreements with one or more third party administrators to provide operational assistance with the administration of the Local CURE Program, including, but not limited to:

- a) reviewing documentation submitted and recommending approval of financial support payments to local governments; and
- b) providing technical assistance to local governments.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.80 Allocations to Units of Local Government
EMERGENCY**

- a) A portion of the funds (80%) appropriated for the Local CURE Program will be allotted to municipalities and counties based on proportionate population. In consultation with the Illinois Department of Revenue, the method of distribution for this allotment will be utilizing the LGDF formula.
- b) A portion of the funds (5%) appropriated for the Local CURE Program will be allotted to Certified Local Public Health Departments based on the Illinois Department of Public Health's State Fiscal Year 2020 Local Health Protection Grant program formula that is based on proportionate population and poverty rates within the jurisdiction.
- c) A portion of the funds (8%) appropriated for the Local CURE Program will be allotted for units of local government eligible to receive financial support under this Part that do not qualify for an allotment under subsection (a) or (b). These units of local government can apply for reimbursement for eligible Local CURE Program expenses up to an amount of county allotment set by the Department, based on funding availability. The Department will allot funds on a per capita basis by county. Applications may be submitted for a pro rata share with preference going to units of local government located or serving a disproportionately impacted area. Units of local government that qualify for an allotment under subsection (a) or (b) cannot receive an additional allotment under this subsection (c).
- d) Funding allotments assigned to, or requested by, local governments in need of funds under subsections (a), (b) and (c), but for which reimbursement has not been sought in accordance with the deadlines set forth in Sections 700.90 and 700.100, may be forfeited, and additional funding distributed to other local governments in need of funds under subsections (a), (b), (c) and (e). The Department will reallocate funds that are forfeited only within the same category or subcategory of funding from which the allotment originated under subsection (a), (b) or (c), respectively, if there are local governments that are in need of additional eligible funds in the originating allotment category or subcategory. For allotments issued to municipalities and counties pursuant to subsection (a), the first \$15M of funds forfeited from the municipalities and counties will be reallocated to other counties, to the extent there are local governments that are in need of additional eligible funds within the respective municipality or county subcategory, as applicable. In the event that there are more funds forfeited within an allotment category or subcategory (see subsection (a), (b) or (c)) than additional eligible funding requested from local governments within that

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allotment category or subcategory, forfeited funds may be reallocated to another allotment category or subcategory for which there are local governments in need of eligible funding. The Local CURE Program allotments described in this Section 700.80 are contingent upon and subject to the availability of sufficient appropriated funds.

- e) A portion of the funds (7%) appropriated for the Local CURE Program will be allocated by the Department as follows:
- 1) 6% will be allocated for economic support payments grants on a reimbursement basis to eligible municipalities and counties (see Section 700.40(b)) for distribution to qualifying businesses within their jurisdiction to cover *necessary expenditures incurred due to the public health emergency of COVID-19* (see Section 700.120) ; and
 - 2) 1% will be allocated for the costs of the Department associated with the administration of the Local CURE Program, including the third party administrator contract fee.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.90 Certification Process for Allocations Based on Proportionate Population
EMERGENCY**

- a) Eligible local governments, as defined in Section 700.40, will be notified by the Department or third party administrator regarding their maximum allotment based on proportionate population, as described in Section 700.80(a) and (b). A local government does not need to register or be pre-qualified with the GATA Grantee Portal.
- b) Notification of Allotment
 - 1) The notification of allotment will contain a certification form for the local government to complete. The local government will be required to certify, among other things, that, as a recipient of financial support under the Local CURE Program, the local government will:
 - A) use the funds in accordance with the requirements of the Local CURE Program;
 - B) provide access to financial records in accordance with the prescribed audit (see Section 700.30(b)(3)) and record retention (see Section 700.110) requirements;
 - C) only request reimbursement for expenses related to the COVID-19 public health emergency;
 - D) repay to the Department any funds received but not used for the purposes of the Local CURE Program;
 - E) not seek reimbursement for incurred expenses (see Section 700.50) that have been or will be reimbursed through another State or federal funding opportunity;
 - F) comply with all applicable federal and State laws and rules;
 - G) include Local CURE funding in the applicable financial statement and/or audit of the unit of local government;
 - H) not seek reimbursement for costs paid to an entity on the federal or State debarred and suspended list; and
 - I) state whether it intends to spend the full allotment.

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- 2) Units of local government may also be required to complete additional documents required by the State to disburse funds.
- c) Completed certification materials must be signed by the local government's authorized representative and received by the Department, or the Department's authorized third party administrator, by October 1, 2020.
- d) Funds will be paid on a reimbursement basis for eligible costs incurred by units of local government. After the local government submits its completed certification to the Department or the third party administrator, the local government may request funds up to the amount of the stated allotment provided in the notification. To request funds, the local government must submit to the Department or third party administrator:
 - 1) a report certifying the costs, as required by 2 CFR 200.415, and providing the categories set forth in the U.S. Department of the Treasury Office of Inspector General reporting requirements for which reimbursement is sought and the amounts within each category. Local governments shall organize their expenditures by month and expenditure type as follows:
 - A) Payroll for public health and safety employees;
 - B) Budgeted personnel and services diverted to a substantially different use;
 - C) Improvement of telework capabilities of public employees;
 - D) Medical expenses;
 - E) Public health expenses;
 - F) Facilitation of distance learning; and
 - G) Expenditures organized by subcategories for eligible costs (see Section 700.60(a)(1)) not listed in this subsection (d)(1);
 - 2) information regarding whether the local government intends to use its full allotment of funds and whether the local government anticipates additional Local CURE Program eligible costs, incurred by December 30, 2020, that exceed the local government's allotment;

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- 3) support documents for the incurred expenses to demonstrate that the costs meet the eligible expense requirements;
 - 4) proof of payment of the expenses; and
 - 5) documentation regarding how expenses are necessary and related to COVID-19.
- e) The Department or third party administrator will review the documents submitted to ensure the costs are allowed by the Local CURE Program and within the assigned allocation. If the costs submitted are approved, the Department will then process the reimbursement request and disburse funds to the local government pursuant to the payment procedures of the Illinois State Comptroller and State Treasurer.
- f) On or around November 1, 2020, the Department, or its third party administrator, will send a notice to each local government participating in the Local CURE Program indicating that the local government must report by December 1, 2020, in detail, how the remainder of the allotment, not to exceed the amount within the certification, will be utilized for necessary and eligible expenditures through December 30, 2020. The local government also must detail in its report any anticipated eligible expenses through December 30, 2020 in excess of the local government's initial allotment. The Department or its third party administrator will provide follow-up and technical support to the local government to communicate the steps of this report and its results.
- g) If, by December 1, 2020, a local government does not submit the report required by subsection (f) to the Department, or the detailed report submitted reveals that some or all of the allotment will not be utilized by the local government, the Department will redirect, in accordance with Section 700.80(d), the projected unspent balance to other eligible local governments, within the same allotment category or subcategory, that have reported to the Department a need for additional funds reimbursement. The Department will not redirect an allotment for which a local government has submitted definitive plans to use its allotted funds through December 30, 2020.
- h) January 31, 2021 is the deadline for local governments that receive allotments of funds prior to February 1, 2021 to submit requests for reimbursement for costs incurred to the Department's third party administrator for review. All unclaimed allotments as of February 1, 2021 will be redirected, in accordance with Section 700.80(d), to local governments that have expressed remaining needs. The local governments that receive additional allotments on or after February 1, 2021 must submit all reimbursement requests to the Department's third party administrator

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no later than February 28, 2021.

- i) All requests for reimbursement will be processed, and vouchers issued by the Department and/or the third party administrator on or before March 31, 2021.
- j) The deadlines set forth in this Section 700.90 will be extended by the Department, in accordance with the IAPA, if the CARES Act or the U.S. Department of the Treasury guidance is amended to authorize a subsequent deadline and the extension is consistent with the applicable State laws.
- k) Local governments are expected to engage with the Department and/or the third party administrator on an ongoing basis, with updates and reports on their future needs for the unspent balances of their allotment, as well as additional anticipated Local CURE Program eligible expenditures in excess of the allotment received.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.100 Process for Reimbursement Requests Under Section 700.80(c)
EMERGENCY**

- a) For local governments that are applying for Local CURE Program funds pursuant to Section 700.80(c), the Department will announce funding availability and request procedures on its website as funding becomes available. A request must be completed, signed by the local government's authorized representative, and received by the Department or its third party administrator by the deadline to be set by the Department.
- b) Local governments chosen to receive funds shall, in the certification form provided by the Department, certify, among other things, that, as a recipient of financial support under the Local CURE Program, the local government will:
 - 1) use the funds in accordance with the requirements of the Local CURE Program;
 - 2) only request reimbursement for expenses related to the COVID-19 public health emergency;
 - 3) repay to the Department any funds received but not used for the purposes of the Local CURE Program;
 - 4) not seek reimbursement for incurred expenses (see Section 700.50) that have been or will be reimbursed through another State or federal funding opportunity;
 - 5) provide access to financial records in accordance with audit and record retention requirements;
 - 6) include Local CURE funding in the applicable financial statement and/or audit of the local government;
 - 7) not seek reimbursement for costs paid to an entity on the federal or State debarred and suspended list; and
 - 8) comply with all applicable federal and State laws and rules.
- c) In addition to the certification, the local government must submit to the Department or third party administrator:

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- 1) a report certifying its costs, as required by 2 CFR 200.415, detailing the categories set forth in the U.S. Department of the Treasury Office of Inspector General reporting requirements for which reimbursement is sought and the amounts within each category. Local governments will organize their expenditures by month and expenditure type as follows:
 - A) Payroll for public health and safety employees;
 - B) Budgeted personnel and services diverted to a substantially different use;
 - C) Improvement of telework capabilities of public employees;
 - D) Medical expenses;
 - E) Public health expenses;
 - F) Facilitation of distance learning; and
 - G) Expenditures organized by subcategories for eligible costs (see Section 700.60(a)(1)) not listed in this subsection (c)(1);
 - 2) information regarding whether the local government intends to use its full allotment of funds and whether the local government anticipates additional Local CURE Program eligible costs, incurred by December 30, 2020, that exceed the local government's allotment;
 - 3) support documents, for the expenses incurred in compliance with Section 700.60, that will demonstrate the costs meet the eligible expense requirements;
 - 4) proof of payment of the expenses for which reimbursement is sought; and
 - 5) documentation regarding how expenses are necessary and related to COVID-19.
- d) The Department or third party administrator will review the reimbursement request and documents submitted to ensure the costs are allowed by the Local CURE Program and are within the assigned allocation. If the costs submitted are approved, the Department will then process the reimbursement request and disburse funds to the local government pursuant to the payment procedures of the Illinois Comptroller and State Treasurer.

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- e) Local governments receiving allotments pursuant to Section 700.80(c) shall follow the procedures and deadlines set forth in Section 700.90(f) through (j).
- f) Local CURE reimbursements are contingent upon, and subject to, the availability of sufficient appropriated funds.
- g) Local governments are expected to engage with the Department and/or the third party administrator on an ongoing basis, with updates and reports on their future needs for the unspent balances of their allotment, as well as additional anticipated Local CURE Program eligible expenditures in excess of the allotment received.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.110 Monitoring and Records Retention
EMERGENCY**

- a) The Department or a third party administrator will conduct monitoring of the Local CURE Program to ensure funds were spent in accordance with the Local CURE Program statute and this Part.
- b) Local governments shall provide, upon the Department's request, documents and information relevant to any applications, requests, and funds received pursuant to the Local CURE Program. The Department and/or its agents may make site visits as warranted.
- c) The Department reserves the right to seek a refund from the local government if it finds the local government made a false or fraudulent claim for funds or the funds were spent on ineligible expenses. The Department also may seek a refund from a local government if the federal government, the Department, or other State agency finds that the local government did not properly spend the funds, was reimbursed for ineligible costs under Sections 700.50 and 700.60, or received reimbursement under the Local CURE Program of costs that were reimbursed through another federal or State program.
- d) Units of local government that request or receive funds under the Local CURE program shall maintain, for five years from the date of submission of the final request for reimbursement, adequate books, all financial records and supporting documents, statistical records, and all other records pertinent to the Local CURE Program. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken. Business participants in the Economic Support Payments Grants Program shall maintain all records related to the Local CURE Program until at least March 31, 2026, unless a longer retention period is set forth in any financial assistance agreement or certification, or until after the conclusion of all litigation, claims or audit exceptions involving the records have been resolved and final action taken, whichever is latest.

(Source: Added by emergency rulemaking at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; amended by emergency amendment to emergency rule at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)

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**Section 700.120 Economic Support Payments Grants Program
EMERGENCY**

The Department will administer an Economic Support Payments Grants Program available to eligible local governments (see Section 700.40(b)) with the Local CURE Program funding allocated for this purpose (see Section 700.80(e)(1)). The purpose of the grant program is to provide financial support to businesses that have experienced interruption of business attributable to the COVID-19 public health emergency. The funds issued to local governments for the Economic Support Payments Grants shall be provided on a reimbursement basis only and shall follow all processes required by GATA and 2 CFR 200. Local governments that receive grants may be reimbursed for costs incurred by the qualifying businesses for the period March 1, 2020 through December 30, 2020.

- a) **Form of Financial Assistance**
Financial assistance provided from local governments to qualifying businesses may be in the form of a grant, subsidy or expense reimbursement only. Regardless of the form of assistance, a business participant shall be obligated to comply with the requirements set forth in this Part and in any agreement or certification executed as part of applying for or receiving financial assistance.
- b) **Source of Advance Payments**
Funds provided to business participants by local governments for the costs of business interruption shall be advanced by the local governments from a source other than direct federal funds or federal pass-through funds, including, but not limited to, any portion of the allotments received through Section 700.80(a). The Department will then reimburse the local governments for expenditures incurred through an Economic Support Payments Grant.
- c) **Application Process**
 - 1) The Department will post one or more Notices of Funding Opportunity (NOFO) on the GATA Grantee Portal seeking applications from eligible local governments (see Section 700.40(b)). Applicants shall submit their application materials by the deadlines set by the Department.
 - 2) As part of the application, local governments will be required to provide a narrative about the program, which includes, but is not limited to, a description of the following:
 - A) The types of businesses or industries that will be served by the program;

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- B) The method of selecting business participants;
 - C) A summary of how the proposed grant program adheres to the U.S. Department of the Treasury's CRF guidance;
 - D) How the program meets the following criteria for reimbursable expenses:
 - i) The expense is connected to the COVID-19 public health emergency;
 - ii) The expense is "necessary" as defined by the U.S. Department of the Treasury guidance;
 - iii) The expense is not filling a shortfall in government revenues;
 - iv) The expense is not funded through another budget line item, allotment or allocation of the local government, as of March 27, 2020;
 - v) The expense is not being reimbursed through a different emergency response program;
 - vi) The expense would not exist without the COVID-19 public health emergency or would be for a substantially different use; and
 - vii) The expense was incurred between March 1, 2020 and December 30, 2020;
 - E) The form of financial assistance being provided to businesses (e.g., grants, subsidies, expense reimbursement); and
 - F) The due diligence procedures and controls the local government will implement to ensure funds are expended within the parameters of this Part, the CARES Act, and the U.S. Department of the Treasury guidance.
- 3) Local governments are not permitted to receive reimbursement for indirect or administrative costs for administering these grants.

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- 4) Grant applications will be reviewed using the GATA merit-based review process to ensure applicants meet the eligibility requirements of this Part.
- d) Grant Award Issuance
- 1) Grants will be awarded to local governments following a merit review of the local government's economic support payments program, including their due diligence procedures and adherence to subsection (c). If a local government applicant meets the eligibility criteria in subsection (c), the local government shall receive a grant of up to the maximum amount of eligible grant funds.
 - 2) The maximum amount of eligible grant funds for each local government shall be based on a pro rata share of funds available on a per capita basis by county.
 - 3) Grants will be issued through the Uniform Intergovernmental Grant Agreement, which must be executed by both the Department and the local government.
 - 4) The local government grantees will be responsible for the repayment to the Department of any costs for funding issued to businesses that are found, by the federal government, the Department, or any other State agency:
 - A) to be ineligible under the Economic Support Payments Grants Program; or
 - B) to have misspent funds.
- e) Grant Award Administration
- 1) Grantees and business participants shall comply with all GATA and Department requirements for grant administration and reporting, including the monitoring and records retention requirements in Section 700.110.
 - 2) Grantees shall:
 - A) require that all business participants that receive financial support through the grant award shall sign a certification that attests to eligibility for this program; and

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- B) condition funding on compliance with programmatic requirements, including, but not limited to, the Local CURE Program, the CARES Act, and the U.S. Department of the Treasury guidance.

(Source: Added by emergency rulemaking at 44 Ill. Reg. _____, effective August 10, 2020 for the remainder of the 150 days.)