STATE OF ILLINOIS

GRANT ACCOUNTABILITY AND TRANSPARENCY ACT

**3rd ANNUAL REPORT TO THE
GOVERNOR AND GENERAL ASSEMBLY**

January 1, 2018

TABLE OF CONTENTS

Key Contributors

We recognize and thank the sponsors, stakeholders, volunteers and staff who have worked diligently to plan, support and make progress towards a successful implementation of the Grant Accountability and Transparency Act (GATA) including:

Legislative Sponsors

Senator Pamela L. Althoff   Representative Patricia Bellock   Representative Fred Crespo

Illinois Single Audit Commission Members

Chair
Carol Kraus
Grant Accountability and Transparency Unit, Governor's Office of Management and Budget

Grant Accountability and Transparency Unit Staff and Volunteers

Governor's Office of Management and Budget (GOMB)
Scott Harry, Director
Jennifer Butler, Deputy Director, Accountability and Results
Jennifer Cavanaugh, Technology and Operations Manager
Aaron Doty, Chief Information Officer
Nana Mkheidze, BFR and GATA Analyst

GOMB Grant Accountability and Transparency Unit (GATU)
Carol Kraus, Director
Sean Berberet, Grant, Budget and Indirect Cost Analyst
Lori Beeler, Fiscal and Audit Analyst
Dawn Pyles, Grant, Budget and Indirect Cost Staff

State Agency GATU Staff Volunteers
Phil Anello, Illinois Emergency Management Association
Adrienne Bell, Illinois Department of Children and Family Services
Kevin Burke, Illinois Department of Commerce and Economic Opportunity
Megan Buskirk, Illinois Department of Commerce and Economic Opportunity
Denise Caldwell, Illinois Department of Children and Family Services
Christi DeGroot, Illinois Department of Commerce and Economic Opportunity
Marc Edmiston, Illinois Environmental Protection Agency
Marc Gibbs, Illinois State Board of Education
Kevin Givens, Illinois Criminal Justice Information Authority
Rob Grindle, Illinois Department of Human Services
Kimberly Hill, Illinois Department of Public Health

Wade Horrocks, Illinois Department of Human Services
Gary Kramer, Illinois Department of Human Services
Lisa LaBonte, Illinois Department of Natural Resources
Janet McKeown, Illinois Department of Children and Family Services
Roseanne Nance, Illinois Department of Transportation
David Parr, Illinois Department of Human Services
Rachel Powell, Illinois Department of Commerce and Economic Opportunity

Grantee Community Volunteers
Beth Bowsky, National Council of Nonprofits
Ann Ford, Illinois Network of Centers for Independent Living
Judith Gethner, Illinois Partners for Human Service
Willie Gunther, Illinois Assistive Technology Program
Vickie Smith, Illinois Coalition Against Domestic Violence

Subcommittee and Workgroup Volunteers
More than 200 volunteers participated in subcommittees and workgroups. Approximately 60% of the volunteers represented state agencies; 40% represented the grantee community.

EXECUTIVE SUMMARY

The Grant Accountability and Transparency Act (GATA) became law as Public Act 98-0706 effective July 16, 2014. The purpose of GATA is to establish uniform administrative requirements, cost principles, and audit requirements for state and federal pass-through awards to non-federal entities through a focus on improving performance and outcomes, while ensuring transparency and the financial integrity of taxpayer dollars. Because grants comprise approximately two-thirds of the Illinois State Budget, implementation of GATA is a significant statewide initiative.

GATA encompasses the entire grant life cycle and provides uniformity and guidance for all grant-making agencies in state government. Illinois is the first state in the nation to require uniform rules for the full life-cycle of grants management. The Act serves to build capacity of the grantee community by mandating grant-related training, and providing guidance and support to correct occurrences of non-compliance with fiscal, administrative and programmatic requirements.

Illinois' budget environment has created challenges for GATA implementation. State agencies have limited experienced personnel to administer grant management functions required by federal Uniform Guidance. Centralized frameworks under GATA create efficiencies and eliminate duplication and redundancy, but state agency capacity is required to execute the frameworks. State funding fluctuations have also increased pressure on the grantee community while federal compliance requirements have raised accountability and transparency regarding technical and financial proficiency among grantee organizations.

There were significant accomplishments in 2017 towards GATA implementation and technical assistance for state agency and grantee community stakeholders. The five (5) person Grant Accountability and Transparency Unit (GATU) continues to manage this statewide initiative on schedule and under initial budget projections. The GATU is grateful for continued support and engagement of state agency personnel, grantee volunteers and legislative sponsors who continue to support federal compliance efforts and Illinois' centralized frameworks. National recognition of GATA legislation and centralized systems that reduce duplication and streamline compliance indicate the degree of external awareness Illinois is receiving as a national best practice in lifecycle grant management.

The following savings or cost avoidance resulting from GATA accomplishments are based on actual grantee and award counts in the Catalog of State Financial Assistance for state fiscal year 2017, the most recent, complete fiscal year.

Accomplishment	Estimated Savings / Cost Avoidance
Centralized indirect cost rate negotiations	$35,350,000
Centralized framework for fiscal and administrative risk assessments	$8,560,000
Centralized grantee pre-qualification	$4,400,000
Automated Notice of State Award	$3,000,000

Market value of grant management training	$2,050,000
Automated Notice of Funding Opportunity	$215,000
Controls against fraud, waste, abuse and mismanagement	183,000,000
Estimated savings / cost avoidance	**$236,575,000**

The following paragraphs highlight 2017 accomplishments and provides support for the savings and cost avoidance estimate. Please refer to the body of this annual report for additional details on each area of focus.

Coordination with Chief Accountability Officers (CAOs) and the GATA Advisory Group
GATU continued to facilitate regular meetings with the CAOs and the Advisory Group during calendar year 2017. These groups are critical to state agency implementation because representatives serve as the GATA liaisons for state agency management and front-line grant management program and fiscal staff. GATU relies upon this group to assess feasibility of implementation frameworks, coordinate top-down management support for grant compliance initiatives, ensure front-line grant personnel are educated and informed about GATA frameworks, and promote positive, timely messaging to the grantee community. Partnerships among CAOs, the Advisory Group and GATU are highly valued and known to be critical to successful implementation and monitoring of grant compliance.

Centralized Indirect Cost Rate Negotiation
Federal Uniform Guidance allows grantees to charge indirect costs to grants unless these costs are statutorily restricted or exempted by the funding source. Illinois obtained permission from the federal government to centralize negotiation of indirect cost rates. Grantees negotiate or make an indirect cost rate election once and that rate applies to all state agency awards. GATU recognizes that some funding sources impose statutory limitations or caps on indirect costs. The framework for Illinois' indirect cost rate system is built to accommodate this flexibility.

Grantees are required to negotiate an indirect cost rate or make an indirect cost rate election to be able to charge any indirect costs to their grants. In state fiscal years 2017 and 2018, many grantees elected the de minimis rate. More have pursued indirect cost rate proposals as they have become familiar with the indirect cost rate process and obtained the technical proficiency needed to complete a proposal. Entities that receive direct federal funding are required to negotiate directly with the Federal government.

Complexities in negotiating and applying indirect cost rates have proven to be one of GATA's greatest implementation obstacles. This is a nationwide trend. Grantmaking agencies utilize subject matter experts (SMEs) to support grantees indirect cost rate efforts. However, SME turnover and a shortage of personnel with technical expertise have impeded progress. Personnel with the required knowledge and skills cannot generally devote the time required for this highly specialized function. GATU recognizes the complexities of indirect cost rates and has provided 18 trainings specifically on this topic during calendar year 2017.

Because more than 80% of Illinois grantees receive grants from more than one state agency, the state is realizing substantial cost avoidance from centralized indirect cost rate negotiations and

sharing the information with all grantmaking agencies. In 2017, based on approximately 5,500 grantees it is anticipated that the State of Illinois avoided approximately $35 million by centralizing indirect cost rate negotiations.

Uniform Rules and Supplemental Rules on Cash Management
At the advisement of the Secretary of State's Indexing Division, GATU repealed initial Administrative Rules (which were effective July 24, 2015) and replaced with comprehensive Administrative Rules encompassing incorporations by reference and the pre-award phase with associated frameworks implemented in Illinois. The October 6 issue of the Illinois Register included the proposed rules as 44 Ill. Admin Code 7000. GATU will incrementally establish statewide policy for the grant life cycle through the adoption of Administrative Rules.

Proposed GATA Administrative Rules include supplemental rules for cash management. Initial GATU analysis of state agency grant payment methods indicates notable use of cash advances that appear to conflict with federal cash management requirements. In addition to noncompliance, this practice has a negative impact on the State's cash flow.

Pursuant to 2 CFR 200.305, cash advances or working capital advances must be considered based on the grantee's individual need. Grant fund advances – 25%, 50% and full advances - at the program level are prevalent among larger grantmaking state agencies. This is in violation of federal cash management rules and appears to have an impact on the State's cash flow and backlog of payments. Additional research is in process to understand reasons for these practices and consider corrections as necessary. GATA Administrative Rules are codifying federal cash management requirements for grants awarded by state agencies to increase awareness and compliance. Refer to the body of this Annual Report for additional detail regarding proposed cash management rules.

GATA Website – www.grants.illinois.gov
The GATA website continues to be highly visited with more than 354,000 as of 12/8/17. More than fifteen (15) states, representatives from the financial services industry, and international entities are utilizing the website for comprehensive resources to support their grant management initiatives. Illinois' statewide grant management initiatives continue to be highlighted by the Federal Government as a promising practice. The public accesses the Catalog of State Financial Assistance (CSFA) including notices for funding opportunities, the extensive Resource Library (including more than 100 links to GATA templates and frameworks), eighteen (18) webinars and more than forty (40) training presentations.

Grantees utilize www.grants.illinois.gov to initiate the federally required registration and pre-qualification processes. Our Grantee Links tab has been accessed more than 66,600 times. Pre-award risk assessments and the State's Indirect Cost Rate System are also supported from the website.

Catalog of State Financial Assistance
As required by GATA, GATU developed a Catalog of State Financial Assistance (CSFA) as the single authoritative, statewide, comprehensive source of state financial assistance program information. The CSFA satisfies federal requirement for public notice of financial assistance

mandated by 2 CFR 200.202. As of early December 2017, the CSFA has been accessed more than 52,000 times. Through CAO coordination, state agencies continue to populate the CSFA with all federal, federal pass-through and state awards received. Notices of Funding Opportunities (NOFOs) and Notice of State Awards (NOSAs) are generated by state agencies from the CSFA.

More than 1,220 federal, federal pass-through and state programs are included in the CSFA. There are more than 15,000 active awards reported in the CSFA. NOSA automation was released in state fiscal year 2018. To date, more than 5,100 NOSAs have been generated to improve pre-award transparency and comply with federal requirements.

Grantee Compliance Enforcement System – Illinois Stop Payment List
Illinois continues to utilize the Grantee Compliance Enforcement System and the Illinois Stop Payment List based on the Federal Do Not Pay List to drive grantee compliance with grant requirements. The Grantee Compliance Enforcement System establishes statewide uniformity in administering the List and managing grantee non-compliance. This System promotes cross-agency information sharing to improve risk assessment processes and enhance fiscal management transparency.

The centralized Illinois Stop Payment List was implemented in December 2016. As of December 2017, 196 grantees are on the Stop Payment List with activity within the last three (3) years. Entities on Stop Payment Status are not eligible to receive a grant or to receive an increase in grant funding. State agencies must authorize payments to entities on Stop Payment Status.

Grantee Portal
Illinois implemented the Grantee Portal in state fiscal year 2018 to centralize grantee-specific communication regarding federal and state grant requirements. The self-directed portal enables grantees to manage compliance with grant requirements and access statewide frameworks including registration and pre-qualification, fiscal and administrative risk assessments, acceptance of NOSAs, and audit report requirements.

Grantee Registration and Pre-qualification
As federally mandated, all entities must be registered and pre-qualified to be eligible to apply for grant funds from the State of Illinois.   All entities must provide five (5) pieces of information to complete registration: organization name and address, contact information for the organization's representative, organization type, Dun and Bradstreet (DUNS) number, and federal employer identification number (FEIN). The pre-qualification process is automated through the SAM.gov federal clearing house and eliminates state agencies from separately performing background checks. Pre-qualification includes verification of the following: active DUNS number, active FEIN, active SAM CAGE code, good standing with the Illinois Secretary of State (if applicable), not on the Federal Excluded Parties List, not on the Illinois Stop Payment List, and not on the HFS Sanctioned Party List.

It is anticipated that the state avoided approximately $4 million in state fiscal year 2017 by automating and centralizing pre-qualifications.

Grantee Risk Assessments
Grantees initiate and complete the financial and administrative risk assessment or Internal Control Questionnaire (ICQ) from the Grantee Portal. This risk assessment is centralized and performed once annually for each grantee through an automated questionnaire. The completed ICQ equates to a calculated financial and administrative risk profile of the grantee. The programmatic risk assessment is grant specific and required by each awarding agency for each grant application. The risk assessment dictates if specific conditions are required based on the grantee's risk profile. The NOSA communicates the specific conditions or additional requirements imposed under the terms of the grant award.

It is projected that the state saved approximately $8 million in state fiscal year 2017 from centralizing the ICQ.

Notice of Funding Opportunity for Competitive Awards
A public notice is federally mandated for all competitive or discretionary grants. (Public notices are not required for statutorily authorized funding.) The funding source dictates whether the award must be competitively let. Unless an exception has been given by the Grant Accountability and Transparency Unit (GATU), all grants that can be competitively awarded are required to utilize a public notice compliant with federal Uniform Guidance. To improve transparency and accountability, competitively awarded grants must be evaluated based on the merits of the application. Through a concentrated effort to promote public notices and competitive awards, DHS, one of the state's largest grantmaking agencies, experienced an increase in competitive awards and is realizing more applicants for funding opportunities, better pricing for required services or expanded services at the same cost. GATU will continue to analyze statewide use of competitive grant awards and the benefits the state receives from compliance with this federal requirement.

Notice of State Award (NOSA) and the Uniform Grant Agreement (UGA) The NOSA is a federally mandated pre-award notification of funding terms, specific conditions and statutes applicable to the award. The NOSA adds a layer of transparency to the award and allows the applicant to review and accept the award parameters before a UGA is executed. The UGA is Illinois' standard format for grant agreements issued by a state grant making agency. A UGA is used regardless of the source of funding. Both the NOSA and the UGA provide a consistent, statewide approach to communicate funding terms, conditions and statutory-driven requirements.

Funding terms, including the source of all funds utilized in the award, match requirements, and restrictions on the use of funds are notated to promote accountability. Because federal funds are often used to offset initial GRF expenditures, there is frequent confusion among state agency staff and grantees about the source of grant funds. The explicit funding terms within the NOSA and UGA clarify this information.

Uniform Budget and Reporting Templates
The uniform budget template is based on the most frequently used detailed line items. State agencies have flexibility to add line items as required by the funding source. For continuity, the line items of the budget template carry into the line items for periodic financial reporting and

consolidated year-end reporting. Effective November 2017, CSFA functionality enables state agencies to identify the applicable line items at the program level which automates the template for consolidated year-end reporting.

Periodic report templates introduced in state fiscal year 2018 include the Periodic Financial Report (PFR) and the Periodic Performance Report (PPR). Federal Uniform Guidance mandates grant performance reporting be associated with grant expenditure reporting. This correlation is a key component of the statewide periodic reporting templates. The frequency and detail of reporting and the standards against which performance will be evaluated are dictated in the NOSA and UGA. State agencies have flexibility to integrate the PFR and PPR templates into their internal reporting frameworks. Without a single statewide grant management technology solution, it is not feasible to mandate all parameters of grant reporting.

Fiscal Agent Framework
As mandated by GATA, GATU collaborated with a state agency and grantee workgroup to design and implement a framework for Grantee Fiscal Agent Framework. GATA implementation efforts prove that select grantees lack the fiscal and administrative expertise to comply with federal requirements. And, audit report reviews engagement with select financial professionals indicate inconsistencies in the understanding and application of federal grant requirements.

The Fiscal Agent Framework provides a guide to help grantees understand when a fiscal agent may be needed. It also outlines the minimum qualifications for a fiscal agent. Organizations are advised to internally access their needs for fiscal agent support given the highly regulated financial and administrative requirements under Uniform Guidance. A contractual agreement for needs-based professional Fiscal Agent services is an allowable grant expense (unless statutorily limited or restricted) and can guard against consequences of non-compliance including a loss of current and future grant funding.

Centralized Audit Report Reviews
Centralized audit report reviews are the largest duplicated effort required under grant management. Over 80% of grantees receive awards from more than one state agency and every agency is responsible for reviewing audit reports and corrective action plans for each grantee. This creates significant duplication of effort.

Prior to GATA, there were no uniform audit requirements. Grantees not subject to the Single Audit had different financial statement audit requirements, including thresholds and auditing standards. In state fiscal year 2016, Illinois implemented uniform audit requirements which as the first step towards improving the effectiveness of audit report review functions.

Throughout 2017, the Audit Subcommittee representing grantmaking state agencies and the grantee community designed the centralized audit report review framework which includes:

- Procurement of a contractor to centrally review audit reports;
- Design and implementation of the Audit Report Review Management System (ARRMS) including coding of audit findings to track most frequently issued findings for targeted technical assistance and root cause analysis;

- Defined roles, responsibilities and procedural protocols for grantees, Cognizant Agencies, grantmaking agencies and GATU;
- Automated procedures utilizing an internet-based Information Warehouse for work paper reviews and management of the audit report reviews process; and
- Defined roles and responsibilities for the Audit Committee and the Cooperative Audit Resolution Team.

User acceptance testing and the pilot phase for ARRMS was initiated in fall 2017. Statewide implementation is scheduled for January 2018.

Based on CSFA information, grantees receive grants from as many as 15 different state agencies. The centralization of the audit report review will eliminate over 8,575 duplicate audit report reviews at an annual savings of approximately $43 million.

Exception to Federal Uniform Guidance and GATA
GATU continues to follow an exception process modeled after the federal process to document statutory requirements at the program level. All programs, federal, federal pass-through and state funded, are assumed fully subject to federal Uniform Guidance and GATA unless an exception has been requested and approved by GATU. If the federal awarding agency has approved an exception, GATU will accept that exception. If Illinois funds an equivalent program, the state award will be subject to the same federal exceptions. To date, nearly 500 program exceptions have been processed. All approved exceptions are required to be entered into the CSFA, the NOSA and the UGA.

It has been common for Federal awarding agencies to mandate Uniform Guidance requirements even though broad categorical exceptions are cited in 2 CFR 200.101. As a result, Illinois' exception process requires state agencies to verify program-specific requirements based on federal funding agreements to ensure awareness and understanding of grant terms, restrictions and limitations.

GATA Training and Communications
GATU recognizes the critical importance of effective, timely training and communication to state agencies and grantees. 2017 was training intensive as GATU led six (6) webinars and twenty (20) trainings on federal Uniform Guidance and GATA and partnered with the National Council of Non-profits and Forefront to deliver two hands-on training sessions applying indirect cost methodology. More than 8,775 people participated in GATA training during 2017.

Training is evolving to a targeted audience format with a focus on non-profits and local governments. Capacity to comprehend and apply training material continues to be a challenge for state agencies and grantees alike. Resource constraints continue to be a factor for all parties. Working together with top down support we can maximize training and communication efforts to further the State's GATA initiative for grant management compliance.

GATU continues to engage with stakeholders and perform speaking engagements upon request. We welcome the opportunity to provide targeted technical assistance to support our state agency and grantee community partners.

The market value of training provided in 2017 equates to approximately $2 million. This does not include the cost for travel, lodging, and associated expense that would have been incurred if state staff participated in off-site training.

<u>Lack of Qualified Titles to Support State Agency Grant Management Roles</u>
Grant management functions have evolved over time; however, the personnel code has not. Current job titles do not reflect the education and skill set necessary to properly perform current grant management requirements. This is especially problematic with more technical aspects of grant management including cost principles, indirect cost rates and the application of those rates, audit report reviews and corrective action plans and onsite monitoring functions. Changes in personnel code are needed to enable job descriptions to support the parameters required under Federal Uniform Guidance.

GATU is proud of the 2017 accomplishments facilitated through state agency and grantee community engagement. Pre-award implementation is in a refinement and codification stage. Post-award grant management is completing design and entering the implementation stage. Calendar year 2017 was a wide-ranging spectrum of grant management activity championed by the Federal Office of Management and Budget. Illinois continues to showcase as a promising practice on lifecycle grant management and we appreciate the opportunity to highlight this year through this third GATA Annual Report.

HISTORICAL EVOLUTION OF GATA

Public Act 97-0558 created the Management Improvement Initiative Committee (MIIC), effective August 25, 2011. Among other suggestions, MIIC recommended that Illinois follow federal grant rules as a method to unify and simplify processes and remove redundancies.

Federal Uniform Guidance, 2 CFR 200, effective December 2014, established consolidated Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Federal Uniform Guidance, applicable for all federal and federal pass-through grants, provided a framework for state funded grants. Senator Althoff, Representative Bellock, Representative Crespo, and Senator Kotowski (retired) sponsored legislation that established the Grant Accountability and Transparency Act (GATA). GATA applies Federal Uniform Guidance to all grants regardless of the funding source. Federal, federal pass-through and state funded grants follow the same requirements and utilize uniform, centralized frameworks to enable Illinois to comply with grant management requirements while reducing duplication of effort and realizing cost savings and avoidance.

GATA was driven by a need to spend taxpayer funds more judiciously while supporting constituents' needs to simplify and improve grant accountability processes. This is critically important because grants are a major component to the operation of the State of Illinois.

- Grants comprise approximately 66% of Illinois' State budget;
- Federal grant revenue is one of the largest single state revenue sources;
- The majority of grants issued in Illinois are federally-funded or utilize state funds as matching, in-kind, or maintenance-of-effort as a condition of existing federal grants;
- Illinois state agencies were awarded over $17 billion in federal aid in fiscal year 2017; and
- Appropriations for federal funds comprise more than 10% of the entire fiscal year 2018 State of Illinois budget.

  (Source: Illinois fiscal year 2018 budget)

There were fifty-two (52) state agencies with grantmaking appropriations in fiscal year 2018. Of those agencies, ten (10) account for approximately $44 billion or 90% of grant appropriations. The fiscal year 2018 State of Illinois budget included six hundred seventy three (673) grant lines ranging from $1,000.00 to $6.4 billion.

Nationally, it is estimated that 15% of total grant funding is lost to fraud, waste, abuse and mismanagement. Federal grant estimates of fraud, waste, abuse and mismanagement range from 10% to 26%. A mere 1% to 2% return on investment for Illinois would net $183 to $367 million. GATA frameworks establish controls to automate compliance verifications share information across state agencies to promote risk awareness and minimize anomalies that may lead to occurrences of fraud, waste, abuse or mismanagement.

GATA strives to reduce redundant administrative burdens. Approximately 80% of grantees receive funding from more than one (1) state agency. 2017 analysis identified nearly 8,575 duplications in common requirements performed by state agencies. By centralizing seven (7)

standard grant functions, the state will optimize resources, and significantly remove redundancies and duplication. By centralizing compliance functions, performing them once, and utilizing automation to promote cross-agency data sharing, the State will realize more effective and efficient grant management operations. Additional benefits will be realized by Illinois grantees as requirements are performed once. Future GATA reports will quantify the estimated cost savings / avoidance to the grantee community.

THE VISION OF GATA

GATA provides standardization that eliminates duplication of effort for federally required grantee background checks, pre-award risk assessments, indirect cost rate negotiation and elections, audit report reviews, and on-site financial and administrative reviews and grant training.

Goals and Objectives
- Assist state agencies and grantees in implementing the new Federal guidance at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Requirements);
- Increase accountability and transparency while reducing redundant administrative burdens;
- Promote cross-sector cooperative efforts including both state agency and grantee input for rulemaking and implementation recommendations;
- Strive to maintain a uniform process throughout the entire grant life cycle by leveraging the Uniform Requirements;
- Optimize resources including coordination of grant-monitoring activities to promote efficient use of scarce resources;
- Focus on program outcomes;
- Provide training and technical assistance for state agency staff and grantees; and
- Assist grantees in using Uniform Requirements to build capacity and improve Illinois resources.

Guiding Principles
- Identify core requirements while recognizing the need for flexibility for unique program requirements - uniformity is key; do not manage by outliers;
- Create efficient and effective policies and procedures using a zero-based approach;
- Stay mindful of cost benefit relationships for small grants and the grant management requirements of state grantmaking agencies; and
- Identify interrelationships between workgroups and subcommittees and communicate to avoid duplication of effort and overlapping processes.

National Recognition
Illinois is the first state in the nation to legislate requirements that establish statewide grant accountability and transparency frameworks throughout the entire grant life cycle.

The following examples highlight public awareness of GATA:
- The National Council of Nonprofits recommend GATA as a national model for grant management.
- The U.S. Comptroller General and the Federal Office of Management and Budget are encouraging other states to follow Illinois' lead with grants management. To date, seventeen (17) states, Los Angeles County and New York City are implementing GATA in whole or in part. Representative Bellock and Director Kraus engaged with the Commonwealth of Kentucky to support that state's efforts to legislate statewide grant management.

- Federal Office of Management and Budget (OMB) recognized Illinois' vision under GATA and has publicly raised Illinois' statewide efforts as a promising practice. GATA continues to be showcased in grant compliance webinars hosted by OMB. GATA training has been recognized as one of the most comprehensive sets of educational materials on Federal Uniform Guidance, 2 CFR 200. Other states are currently utilizing GATA training materials.

Strategic Plan for GATA Implementation
In consultation with GATA workgroups, the GATA Steering Committee and the Illinois Single Audit Commission, the strategic plan for GATA Implementation was refined. The Plan includes 22 areas of focus, defined deliverables, and a prioritized target date. The Plan serves as a framework for managing efforts required to execute GATA and guide resource management.

The Timeline for GATA Implementation is provided in the Appendix. The implementation plan is structured around three categories of initiatives:
- Rulemaking Initiatives that require JCAR coordination to codify State of Illinois rules and the finalization state agency rules;
- Workgroup Initiatives associated with the scope of responsibility assigned to the GATA Workgroups and Subcommittees; and
- GATU Initiatives executed internally by GATU for state-wide implementation.

Strategic Plan accomplishments in calendar year 2017 include:
- Implementation of the Grantee Portal as the core mechanism for cyber security, grantee registration and pre-qualification, ongoing qualification management, financial and administrative risk assessment, audit report review;
- Implementation of periodic reporting templates for performance reporting, financial reporting and consolidated year-end financial reporting;
- Implementation of the Fiscal Agent Framework for grantees;
- Implementation of the Grantee Information Warehouse to house frequently requested documents for audit report and monitoring purposes;
- Design and pilot implementation of the centralized audit report review process and systems;
- First notice posting of GATA Administrative Rules for the Grant Pre-award Phase through the JCAR process;
- Promotion of the public Catalog of State Financial Assistance (CSFA);
- Technical support for the Grantee Compliance Enforcement System and the Illinois Stop Payment List;
- Refinement of the Exception Policy for federal Uniform Guidance and GATA;
- Development and delivery of nationally recognized grant training for federal Uniform Guidance and GATA; and
- Execution of stakeholder outreach.

The strategic focus for calendar year 2018 will include:
- Pre-award implementation
  - Publication of GATA Administrative Rules for the Grant Pre-award Process through the JCAR process;

- o Automation of the programmatic risk assessment;
- o Enhancements to actively manage state agency implementation of GATA frameworks; and
- o Continuous assessment of pre-award frameworks to identify improvements.

- • Post-award implementation
  - o Streamlining the indirect cost rate election process;
  - o Full implementation of the centralized audit report review process and systems;
  - o Full implementation of grantee consolidated year-end financial reporting;
  - o Continued design and coordination for on-site financial reviews; and
  - o Continuous assessment of post-award frameworks to identify improvements.

GATU's Strategic Plan will continue to be a working document. The Plan remains adaptable to support administrative priority and resource constraints. GATU will manage milestones and contingencies to assure completion of required tasks. Through regular GATU staff meetings and accountability to the GATA Steering Committee and Illinois Single Audit Commission, GATU will remain proactive to the agreed upon timelines and objectives.

The GATA motto: "Successful grantees = Successful Illinois"

GATA IMPLEMENTATION ACCOMPLISHMENTS – 2017

State agencies and the grantee community have made great strides towards GATA implementation during calendar year 2017. GATA pre-award frameworks were enhanced and further automated based on user feedback, statewide grant management policy is being codified into GATA Administrative Rules, and the design phase of post-award functions is being completed with pilot testing in process. The engagement of GATA volunteers continues to be invaluable to our accomplishments.

GATU has been operational for three (3) calendar years. Five (5) full-time equivalents staff the Unit. Joint efforts among stakeholders including representatives from the grantee community, state agencies and their individual staff members and GATU solidify ownership and support for the federally mandated grant policy and frameworks Illinois is implementing. Subcommittee volunteers provide crucial input from both the grantee and state agency perspective. More than 200 people have served on GATA subcommittees, including 60% from state agencies and 40% from the grantee community. During 2017, subcommittee work expanded into a greater post-award focus. Efforts will continue to evolve as GATU completes the implementation phase and delves more deeply into monitor of pre- and post-award frameworks.

GATA statutorily mandates GATU to develop core policy and uniform frameworks for statewide grant management. Illinois is the first state in the nation to legislate statewide, life cycle grant management with bi-partisan support. Seventeen (17) states, New York City and Los Angeles County have sought guidance from Illinois as they seek to establish similar grant management legislation or implement GATA in whole or part. The Federal government and the National Council of Nonprofits continue to applaud Illinois' grant administration efforts. This is a new territory and Illinois is the first state in the nation to establish statewide lifecycle grant management rules to support the federal government's adoption of 2 CFR 200. In charting this new territory, GATU and its volunteers have been careful to adhere to the goals and objectives of the Act.

The following sections highlight calendar year 2017 accomplishments related to the implementation of the pre-award phase of the grant life cycle.

Grant Accountability and Transparency Unit (GATU) and the GATA Fund
Throughout calendar year 2017, GATU provided technical assistance to state agencies and grantees to position Illinois for compliance with Federal Uniform Guidance. GATU facilitated dialog among stakeholders to design frameworks that meet policy requirements. With the approval of Illinois' Federal Cognizant Agency for indirect costs, GATA expenses were allocated to state agencies through the GATA Fund in accordance with the established methodology. The GATA Fund is an allowable administrative expense for state agencies.

Coordination with Chief Accountability Officers (CAOs) and the GATA Advisory Group
GATU continued to work very closing with state agency CAOs throughout 2017. A list of CAOs is provided as an Appendix to this report. The CAOs have primary responsibility for agency engagement in GATA implementation. Regularly scheduled CAO meetings and conference calls

enable state agencies to share administrative best practices and minimize the learning curve associated with GATA implementation.

The GATA Agency Advisory Group represents the eight (8) largest grantmaking agencies. Based on state fiscal year 2017, over 90% of all grantees receive awards from at least one agency within the Agency Advisory Group. The role of this group is elevated as grantees and front-line agency personnel have needed targeted support interpreting and applying GATA frameworks. Lack of capacity continues to be a common theme as state agencies struggle with how to comply with federal requirements given current personnel code and staffing limitations.

Centralized Indirect Cost Rate Negotiation
Federal Uniform Guidance requires grantees to be compensated for indirect costs incurred unless these costs are statutorily restricted or exempted. Illinois sought and received permission from the federal government to establish a centralized indirect cost rate function. Through this framework, grantees negotiate or make an indirect cost rate election once annually and that rate applies to all state agency awards unless there is a conflicting statue. All state agencies are required to accept the negotiated rate or election unless a program-specific limitation or restriction applies. GATU recognizes that some funding sources impose statutory limitations or caps on indirect costs. The framework for Illinois' indirect cost rate system is built to accommodate this flexibility.

Grantees must negotiate an indirect cost rate or make an indirect cost rate election to charge any indirect costs to their grants. In state fiscal years 2017 and 2018, a significant percentage of grantees have elected the de minimis rate. GATU has seen an increase in indirect cost rate proposals as more grantees are becoming familiar with the proposal process and obtain technical proficiency needed to complete a proposal. Entities that receive direct federal funding are required to negotiate directly with the Federal government.

GATU recognizes the complexities of indirect cost rates and has provided eighteen (18) trainings specifically on this topic. During calendar year 2017, GATU provided 26.5 hours of training on indirect cost rate topics including:

- Overviews of prior year, comprehensive indirect cost trainings as the basis for more advanced training
  - Cost Principles – Basic Considerations
  - Cost Principles – Selected Items of Cost
  - Budget template and negotiated indirect cost rate agreement overview
  - Applying Indirect Cost Rates to the Budget
- Clarification of Basic Considerations and Selected Items of Cost
- Common errors and issues for indirect cost rate proposals focusing on entity types
  - Hands on full-day sessions for nonprofits co-sponsored by the National Council of Nonprofits and Forefront;
  - Unique requirements of local governments;
- Applying indirect cost rates to a grant budget
- Key steps in developing an Indirect Cost Rate Proposal
- Developing a Cost Policy Statement

- Indirect Cost Rate "How To" training
  - Developing a Cost Policy Statement
  - Applying the de minimis rate and the negotiated indirect cost rate
- Centralized Indirect Cost Rate System technical support
  - How to use the State of Illinois Indirect Cost Rate System
  - How to reassign a user in Illinois Indirect Cost Rate System
  - Illinois indirect cost rate proposal training provided by Crowe Horwath, Illinois' indirect cost rate vendor
  - Enhancements to the Indirect Cost Rate System

Because over 80% of Illinois grantees receive grants from more than one state agency the state is realizing substantial cost avoidance from centralized indirect cost rate negotiations and sharing the information with all grantmaking agencies. In state fiscal year 2017, based on approximately 5,500 grantees it is anticipated that the State of Illinois avoided approximately $35 million by centralizing indirect cost rate negotiations.

Coordination with Agency Subject Matter Experts for Indirect Cost Rate Negotiation
Indirect costs are a critical and complex component of Federal Uniform Guidance. All federal, federal pass-through and state awards must allow reimbursement of indirect costs unless limited or restricted by statute. In 2016, GATU established Indirect Cost Rate Subject Matter Experts as state agency specialists to assist grantees with indirect cost rate negotiations, elections and the application of indirect cost rates.

SME turnover and a shortage of administrative and fiscal personnel with technical expertise to effectively support grantees with indirect cost rates has impeded implementation progress. Personnel with the required knowledge and skills cannot generally devote the time required for this highly specialized function. SMEs continue to meet with GATU every other week to address rate negotiations, use of the Centralized Indirect Cost Rate System (CICRS), and statutorily driven indirect cost rate restrictions, caps and limitations.

During 2017, significant enhancements were made to the centralized indirect cost rate system based on SME and grantee recommendations. Supporting documentation was evaluated and the requirements were reduced to simplify indirect cost rate processing. System steps for the "No Rate", federally negotiated indirect cost rate and de minimis rate elections were streamlined. Grantee sign-off after the Cognizant Agency accepts the negotiated rate was eliminated. System functionality to submit support documents was enhanced. And an Indirect Cost Rate "How to" webinar provided step-by-step instructions for utilizing the updated indirect cost rate system.

The complexities of negotiating indirect cost rates are causing challenges on a national level. GATA is recognized for comprehensive technical assistance on this topic. In 2017, GATU began facilitating meetings to provide hands-on technical assistance to resolve indirect cost rate proposal errors. The GATU indirect cost unit conducts an initial meeting with the State Cognizant Agency to review issues and errors identified by the indirect cost rate contractor. The grantee is immediately engaged in a three-way meeting with the Cognizant Agency and GATU to discuss resolution of the known issues. Based on specific direction, the grantee is better informed to make appropriate, timely corrections. GATU and the Cognizant Agency review the

subsequent submission. If issues are resolved, the proposal advances to an indirect cost rate. When it is apparent that more technical assistance is required, the grantee is advised to obtain a fiscal agent to assist in preparing the indirect cost rate proposal or elect the de minimis rate, if qualified.

Centralization of Monitoring Requirements for Local Government Indirect Cost Rates
Federal Uniform Guidance (Section 416 and Appendix V) specifies indirect cost rate requirements for local governments. Local governments are not required to negotiate an indirect cost rate unless they receive more than $35 million in direct federal and federal pass-through funding. Local governments must negotiate a Central Services Cost Allocation Plan (CSCAP) if they receive more than $100 million in direct federal or federal pass-through. If a local government does not meet these thresholds, it must develop an indirect cost rate and a CSCAP and maintain both for documentation support for audit purposes. If the local government only receives pass-through funding, the pass-through agency is responsible for monitoring the indirect cost rate.

Currently, only one local government meets the $35 million threshold and no local governments in Illinois meet the $100 million threshold. In addition, Illinois has over 6,000 local units of government, therefore many local governments do not meet the threshold for a Single Audit. Financial Statement auditing standards do not require testing of indirect costs.

All pass-through entities are required to monitor grantees. Local government grant recipients are subject to monitoring. Illinois received federal approval to incorporate subrecipient monitoring with the centralization of indirect cost rate negotiation for local governments. GATU implemented a pilot in 2017 to centralize the monitoring function for local government indirect cost rate and CSCAP supporting documentation. This centralization removes duplication as a single monitoring review, satisfies both the central services cost allocation plan and the indirect cost rate, and all state grantmaking agencies can rely on this review.

Through the pilot, instances of incomplete submissions, lack of documentation, mathematical errors, unallowable costs and allocation methods that do not meet federal standards have been found. Many plans were prepared by accounting and consulting firms specializing in indirect cost rate negotiation. Had Illinois not performed this pilot monitoring function, these issues may have been identified in the Single Audit leading to questioned costs that would require funding to be returned to the state and federal government. As a result, the pilot will be continued into 2018.

Uniform Rules
GATU adopted an initial set of rules for GATA, Incorporation by Reference, through the Joint Committee on Administrative Rules (JCAR) effective July 24, 2015. During fiscal year 2016, pre-award statewide grant policy and frameworks were designed with stakeholder engagement. The Pre-award frameworks were implemented during fiscal year 2017. The policy and framework were piloted and tested throughout the year and continuous assessment and modifications were implemented to improve policy, workflow and systems. GATU wanted to ensure that the framework, workflow and systems were sound prior to becoming final policies. The pre-award policies and framework released in March 2017 applicable to fiscal year 2018 are now being codified into administrative rules.

At the advisement of the Secretary of State's Indexing Division, GATU repealed initial Administrative Rules and replaced with new Administrative Rules encompassing incorporations by reference and Illinois' pre-award phase frameworks. The October 6, 2017 Illinois Register included the proposed rules as 44 Ill. Admin Code 7000. Once completed, state agencies will be required to modify their administrative rules to conform with GATA administrative code.

GATU will incrementally establish statewide policy for the grant life cycle through the adoption of Administrative Rules. Post-award frameworks are being designed and piloted in fiscal year 2018. Once the pilots are completed and any necessary modifications are made then the Post-award administrative rules will follow.

Adoption of Supplemental Rules for Grant Management
Supplemental rules for grant payment methods are included in the proposed GATA Administrative Rules. Through state agency inquiries, GATU has confirmed that state agency grant payment methods include notable use of cash advances that appear to conflict with federal cash management requirements. This practice is not compliant with federal cash management requirements and has a negative impact on the State's cash flow. Under 2 CFR 200.305, cash advances or working capital advances are based on the need of the grantee. However, in Illinois, grant fund advances - 25%, 50% and full advances - are prevalent among larger grantmaking state agencies based on the program. This violates federal cash management rules and appears to impact the State's cash flow and payment backlog. GATU will facilitate additional research to understand and attempt to address the reasons for these practices and consider corrections as necessary.

GATA Administrative Rules are codifying federal cash management requirements for grants awarded by state agencies to increase awareness and compliance. The Cash Management Improvement Act (CMIA) provides general rules and procedures for the efficient transfer of funds for federal financial assistance programs between the federal government and states. CMIA requires states to enter into Treasury State Agreement (TSA) default procedures to minimize the time between the transfer of funds from the Federal Treasury to state agencies for the payment of grants.

GATA Administrative Rules address the four (4) acceptable methods for payment of grant funds:

- Payments in accordance with the Treasury State Agreement for applicable programs;
- Advance payments for grantees that meet the financial management requirements and maintain written procedures that minimize the time between receipt and disbursement (general rule is 3-5 days);
- Reimbursement for grantees that do not meet the financial management requirements for advancement;
- Working Capital Advances applicable if the grantee cannot meet the criteria for advance payments and the grantee lacks sufficient working capital. Under a Working Capital Advance, the state awarding agency must advance cash payments to the awardee to cover estimated disbursement needs for an initial period, generally geared to the awardee's disbursement cycle.

The Administrative Rules will require state agencies to document which payment method the grantee is eligible to receive and will mandate coordination between staff responsible for drawing down federal funds and programmatic staff to ensure compliance with cash management rules.

GATA Website - www.grants.illinois.gov
The GATA website, www.grants.illinois.gov, has received more than 354,000 hits since inception in mid-calendar year 2016. In addition to state agency staff and Illinois grantees, the website is frequently visited by other states, financial service professionals that work with grants, private firms that engage in grant management systems, and federal grant management training firms. Materials from the GATA website have been referenced in various grant industry settings as a result of the federal recognition Illinois is receiving.

From the website, the public can access overview information about GATA and the implementation support provided by GATU, an extensive Resource Library with links to more than 100 reference items and templates, eighteen (18) webinars, and more than forty (40) training presentations on Federal Uniform Guidance and GATA.

Entities initiate registration and federally required pre-qualification from the Grantee Links tab of the website. Grantee Links has been accessed more than 66,600 times. Self-directed technical support for the federal pre-award risk assessments and the state's indirect cost rate system are also accessible from the GATA website. Because of the complexities of indirect cost rates and federal Uniform Guidance's emphasis on promoting grantee claiming of indirect costs, GATU is heavily emphasizing indirect cost rate training materials, webinars, supporting documents and instructional guides throughout the website. Materials can be accessed directly from the home page and through various page views based on search criteria.

Catalog of State Financial Assistance
GATA requires a state catalog of grants similar to the federal Catalog of Federal Domestic Assistance (CFDA). The Catalog of State Financial Assistance (CSFA) is Illinois' single, authoritative, statewide, comprehensive source document of state financial assistance program information. Illinois receives approximate $29 billion in federal funding. Of that amount, roughly $12 billion was passed through to grantees. The majority of state grant funding is used to meet maintenance of effort and cost sharing requirements as a condition of federal funding received.

The CSFA satisfies the federal requirement for public notice of financial assistance mandated by 2 CFR 200.202. As of December 2017, the CSFA has received more than 52,000 hits from the GATA website. CAOs are responsible for state agency entries into the CSFA including all federal, federal pass-through and state awards received by the agency and grants the state agency awards. There are currently 1,220 programs included in the CSFA and there were more than 35,000 active awards in state fiscal year 2017.

There are two (2) versions of the CSFA: the public site accessible from the GATA website and an internal CSFA available to authorized state personnel. The public CSFA site includes the seventeen (17) data elements mandated by GATA. The internal CSFA data includes all information from the public CSFA and additional grant-related data required for GATA lifecycle

grant management. State agencies record program-specific exceptions and exemptions into the internal CSFA.

NOFOs and NOSAs are generated through CSFA automation. To date more than 5,100 NOSAs have been generated to improve pre-award transparency and comply with federal requirement.

Grantee Compliance Enforcement System - Illinois Stop Payment List
For a second year, Illinois is driving grantee compliance with grant requirements through the Grantee Compliance Enforcement System and the Illinois Stop Payment List which were designed around the Federal Do Not Pay List. Federal guidance to enforce a stop pay framework is provided at 2 CFR 200.338. The Grantee Compliance Enforcement System establishes statewide uniformity in administering the List and managing grantee non-compliance. This System promotes cross-agency information sharing to improve risk assessment processes and enhance fiscal management transparency.

GATA requires GOMB to maintain a list of the names of individuals and entities that are temporarily or permanently ineligible to receive an award of grant funds from the state. The List is maintained internally and available to authorized state personnel. The centralized Illinois Stop Payment List was implemented in December 2016. As of December 2017, the Stop Payment List includes 196 grantees with activity within the last three (3) years. A standard process has been defined for state agencies prior to the issuance of a Stop Pay Status. Entities on Stop Payment Status are not eligible to receive a grant or to receive an increase in grant funding. State agencies must authorize payments to entities on Stop Payment Status.

Based on 1% of more than $18 billion in grant funds subject to GATA, it is anticipated that the state realized a $183 million impact through the application of the Grantee Compliance Enforcement System. These controls protect the State and taxpayers by guarding against grant fraud, waste, abuse and mismanagement and adding transparency to ensure grant funds are utilized for the specified purpose. The intent is to incent grantees to comply with grant requirements allowing the release of grant funds previously held due to Stop Payment Status or redirect funds to compliant grantees for the execution of programs and services.

Grantee Portal
Frameworks for centralized grantee registration and pre-qualification to comply with federal requirements were implemented in March 2017. Illinois implemented the Grantee Portal in state fiscal year 2018 to centralize grantee-specific communication regarding federal and state grant requirements. The Portal is grantee specific and access controlled by login and authentication parameters.

The Grantee Portal is internet based and self-directed which enables grantees to independently manage compliance with grant requirements. Grantees utilize the Portal to access statewide frameworks including registration and pre-qualification, fiscal and administrative risk assessments, acceptance of NOSAs, and audit report requirements. Illinois will continue to expand application of the Grantee Portal as new frameworks are designed and implemented to support lifecycle grant management.

Grantee Registration and Pre-qualification

Under federal requirements, all entities must be registered and pre-qualified to apply for grant funds. Illinois has automated this process through the Grantee Portal. All entities must provide five (5) pieces of information to complete registration: organization name and address, contact information for the organization's representative, organization type, Dun and Bradstreet (DUNS) number, and federal employer identification number (FEIN). GATA utilizes the SAM.gov federal clearing house which eliminates the need for each state agency to independently perform background checks.

Pre-qualification includes verification of the following: active DUNS number, active FEIN, active SAM CAGE code, good standing with the Illinois Secretary of State (if applicable), not on the Federal Excluded Parties List, not on the Illinois Stop Payment List, and not on the HFS Sanctioned Party List. A qualification status is returned confirming that the entity is 1) qualified, 2) not qualified but can remediate the specific issue, or 3) not qualified due to a debarred status.

Currently, 4,300 grantees have completed registration and are in "qualified" status for state fiscal year 2018.

It is anticipated that the state avoided approximately $4 million in state fiscal year 2017 by automating and centralizing pre-qualifications.

Grantee Risk Assessments

Two (2) separate pre-award risk assessments are required by federal Uniform Guidance. Grantees initiate and complete one of the required risk assessments through the Grantee Portal. The Internal Control Questionnaire (ICQ) or financial and administrative risk assessment, is centralized and performed once annually for each grantee through an automated questionnaire accessed through the Grantee Portal. The completed ICQ calculates a financial and administrative risk profile for the grantee. The programmatic risk assessment is issued by the awarding agency, grant specific and required for each grant application. The programmatic risk profile of the grantee is computed based on a weighted scale by the awarding agency. The risk assessments identify the level of risk posed by the application.

As of December 2017 3,800 grantees have completed and received notice that their state fiscal year 2018 ICQ has been accepted. The schedule for annual ICQs is dependent on the timing of the state award.

Specific conditions are imposed if the grantee's risk profile indicates a weakness in internal controls – either financial and administrative or programmatic. The NOSA informs the applicant if specific conditions are assigned under the terms of the grant award. GATU recognizes that additional training is needed to aid state agencies in applying specific conditions. Internal control training will be added to GATU's training curriculum for calendar year 2018.

Approximately 83% of all grantees receive grants from more than one state agency and 50% of all grantees receive grants from two (2) to five (5) state agencies. It is projected that the state saved approximately $8.56 million in state fiscal year 2017 from centralizing the ICQ.

Notice of Funding Opportunity (NOFO) for Competitive Awards
Federal Uniform Guidance mandates a public notice for all competitive or discretionary grants. (Public notices are not required for statutorily authorized funding.) The funding source dictates whether the award must be competitive. Unless an exception has been given by GATU, all grants that can be competitively awarded are required to utilize a public notice compliant with federal Uniform Guidance. The NOFO, accessible from the public CSFA, makes the public aware of the available grant funds. The awarding agency customizes the NOFO template by including program-specific requirements to inform the public about the opportunity. State agencies are required to provide a link to the grant application from the NOFO. The link connects the applicant directly to the awarding state agency.

To improve transparency and accountability, competitively awarded grants must be evaluated based on the merits of the application. Programs that once restricted competition are now seeking qualified applicants. Prior grant recipients are reaffirming their qualifications and receiving subsequent awards. Because of the federal mandate to utilize public notices and competitive grant making, DHS, one of the state's largest grantmaking agencies, has experienced a dramatic increase in competitive awards. The agency notes that more applicants are applying for funding opportunities, pricing has improved for select services, and expanded services have been offered at the same cost. GATU will continue to analyze statewide use of competitive grant awards and the benefits the state receives from compliance with this federal requirement.

Notice of State Award (NOSA) and the Uniform Grant Agreement (UGA)
The NOSA adds a layer of transparency to grant awards by specifying applicable funding terms, specific conditions and statutes for the award. NOSAs are a federally mandated pre-award requirement under Uniform Guidance. The NOSA allows the applicant to review and accept the award parameters before a UGA is executed.

The UGA is Illinois' template for grant agreements issued by a state grant making agency. The UGA template applies regardless of the source of funding. There are three (3) parts to the agreement. Part 1 is uniform for all state agencies. Part 2 is unique to the state awarding agency. Part 3 is grant-specific. The text of the grant agreement must take into account statutory-driven requirements. Through the IGA, the state awarding agency communicates the grant agreement requirements for each program it administers.

Funding terms are a key component of the NOSA and the UGA. In the past, there has been confusion among state agency staff and grantees regarding the source of grant funds. Because the majority of federal grant payment methods are reimbursement, the initial payment is made from GRF and reimbursed with federal funding. As a result, state agency staff, grantees and their audit firms have difficulty determining state funds versus federal pass-through funds. To promote transparency, the NOSA and UGA explicitly communicate the source of all funds, cost sharing requirements and restrictions on the use of funds. The explicit funding terms within the NOSA and UGA promote grant fund accountability and assist in determining the type of audit required to be conducted.

Uniform Budget and Reporting Templates

A uniform budget template was implemented for fiscal year 2017. As required by GATA, the most frequently used detailed line items were incorporated into the budget template. To ensure flexibility where federal grants require additional line items, the grantmaking agency can add lines to the template.

In response to federal requirements, GATA established uniform templates for periodic reporting of financial data (Periodic Financial Report or PFR) and program performance (Periodic Performance Report or PPR). The templates are written to comply with the Uniform Guidance requirement that reporting include a linkage between financial and performance reporting. The templates are applicable to all grantmaking agencies. All grants are subject to the PFR and PPR unless statutorily exempt per the grant agreement. State agencies utilize internal protocols for flexibility in applying the templates. Grant agreements specify the terms including the detail and frequency required to comply with periodic reporting.

Centralized Audit Report Reviews

The GATA vision identifies centralized audit report reviews as one of the largest areas of duplicated effort. Over 80% of grantees have grants with more than one state agency and every agency is responsible for reviewing audit reports and corrective action plans for each grantee. This creates significant duplication of effort as the reports are reviewed multiple times and corrective action plans are independently assessed.

Prior to GATA, audit requirements for grantees not subject to the Single Audit had different financial statement audit requirements, including thresholds and auditing standards for each. In state fiscal year 2016, uniform audit requirements were established and implemented to improve accountability of this function.

The Audit workgroup representing grantmaking state agencies and the grantee community established the centralized audit report review framework which includes the following components:

- Cognizant agency protocol for audit report reviews;
- Roles and responsibilities of the grantee, Cognizant Agency, grantmaking agencies and GATU;
- Audit submission deadlines and grace periods;
- Contractor procurement to perform audit report reviews;
- Use of the Stop Pay List for grantees who failed to submit audit reports;
- Automated procedures to manage audit report review results including audits that do not meet auditing and reporting standards;
- Formation of an Audit Committee responsible for audits that do not meet auditing and reporting standards;
- Implementation of an audit work paper review process for audit report review results indicating the audit report was substandard;
- Systems and coding of audit findings to track the most frequently issued finding for targeted technical assistance and root cause analysis;

- Implementation of a Cooperative Audit Resolution Team to assist grantees with corrective action on complex findings and resolution of repeat findings;
- Design and implementation of Audit Report Review Management System (ARRMS);
- User acceptance testing and pilot phase for ARRMS in preparation for statewide implementation;
- Implementation of systematic and procedural changes based on issues identified in the user acceptance testing and pilot; and
- Develop the audit report review procedures manual and conduct training.

The centralized audit report review framework also streamlines state agency review and approval of corrective action plans. Many times the corrective action plan would be accepted by one or more agencies but rejected by others which resulted in numerous iterations. This would require the grantee to re-write the corrective action unnecessarily to gain approval of all funding agencies. The centralized framework requires all state agencies to collectively agree on the grantee's correction action plan thereby reducing time and effort to respond and implement necessary corrective action plans.

Based on CSFA information, grantees receive grants from as many as 15 different state agencies. The centralization of the audit report review will eliminate over 8,575 duplicate audit report reviews at an annual savings of more than $43 million. In addition to the elimination of duplicate audit report reviews, the centralization will also minimize efforts required to obtain agreement on acceptable correction actions.

Consolidated Year-end Financial Report (CYEFR)
The CYEFR template was designed and incrementally implemented in state fiscal year 2017. The CYEFR provides a single report for grantees to quantify expenditures, with an "In Relation To" opinion to the audited financial statements, for each individual award received. For transparency, the report includes the corresponding CSFA and CFDA numbers.

The objective of the CYEFR is to assist the grantee in making reconciliation from periodic reporting and year end (including adjustments made during the audit process) and tying out reported expenditures to the audited financial statements.

State grantmaking agencies will utilize the CYEFR to reconcile grant expenditures to state agency accounting records to ensure all grant expenditures are properly accounted for and included in the Financial Statement and Single Audit. CYEFR standardization eliminates multiple reconciliations and establishes a single form for grantee completion at year end. Grantees not subject to audit are required to submit the CYEFR but are not required to have an "In Relation To" opinion.

All grantees with a fiscal year that ends 12/31/17 and later will submit a completed CYEFR and "In Relation To" opinion, if required, with their annual audit packet.

Fiscal Agent Framework
In response to demand from the grantee community and state agency grant administrators, GATU in collaboration with a state agency / grantee workgroup, designed and implemented a framework for Grantee Fiscal Agency Functions. Grantee risk assessments and efforts to negotiate indirect

cost rates indicate that select grantees lack the fiscal and administrative proficiency to comply with federal requirements. Likewise, communications from select financial professionals indicate inconsistencies in the understanding and application of federal grant requirements.

The Fiscal Agent Framework established scenarios under which a grantee may need a fiscal agent and minimum qualifications for a fiscal agent. The framework encourages organizations to internally access financial needs and current operations and determine if it has the knowledge, expertise or capacity to comply with highly regulated financial and administrative functions. A contractual agreement for needs-based professional Fiscal Agent services is an allowable grant expense (unless statutorily limited or restricted) and can guard against consequences of non-compliance, including a loss of current and future grant funding.

A heightened awareness of fiscal agent functions has enabled state agencies to initially identify grantees that need this technical assistance. A large grantmaking agency has flagged more than 175 grantees that would benefit from the professional services of a fiscal agent. Using the Fiscal Agent Framework, these grantees will be guided towards an assessment of their unique needs and circumstances.

Exceptions to Federal Uniform Guidance and GATA
GATU continues to follow an exception process modeled after the federal process which documents statutory requirements at the program level. All programs - federal, federal pass-through and state funded - are assumed fully subject to federal Uniform Guidance and GATA unless an exception has been requested and approved by GATU. If the federal awarding agency has approved an exception, GATU will accept that exception. If Illinois funds an equivalent program, the state award will be subject to the same federal exceptions.

During calendar year 2017, federal awarding agencies have frequently mandated Uniform Guidance requirements even though broad categorical exceptions are cited in 2 CFR 200.101. As a result, Illinois' exception process requires state agencies to verify program-specific requirements based on federal funding agreements to ensure awareness and understanding of grant terms, restrictions and limitations.

Procedurally, state agencies complete and submit a "GATA Request for Exception Form" which must include the statutory federal or state reference authorizing the exception. All exceptions must be based on statutory authority. GATU reviews all requests and consults with the Governor's Compliance Office as necessary for final determination. GATU provides written notice through email to the requesting state agency. Based on the notice, state agencies are required to record the exception(s) in the CSFA, the NOSA and the UGA.

To date, nearly 500 program exceptions have been processed. All approved exceptions are required to be entered into the CSFA, the NOSA and the UGA.

GATA Training and Communications
GATU recognizes the critical importance of effective, timely training and communication to state agencies implementing compliant frameworks and grantees striving to be compliant with the requirements. During calendar year 2017, GATU wrote and delivered six (6) webinars and

twenty (20) trainings on federal Uniform Guidance and GATA. GATU also partnered with the National Council of Non-profits for two (2) full day training sessions with breakout exercises on indirect cost methodology. Webinar registration functionality and sign-in sheets enable GATU to track more than 8,775 training participants during calendar year 2017. A total of 36.25 hours of GATA training was provided in calendar year 2017.

Our training focus is evolving from a general state agency / grantee community audience to a targeted format with a current emphasis on non-profits, local governments and state agency grant staff in grantmaking agencies. Capacity to comprehend and apply training material continues to be a challenge for state agencies and grantees alike.

GATU continues to engage with stakeholders and serve as a guest speaker to various state agency groups, nonprofit organizations, community-based associations and other facets of the grantee community. We welcome the opportunity to provide targeted technical assistance to support our state agency and grantee community partners. Resource constraints continue to be a factor for all parties. Working together with top down support we can maximize training and communication efforts to further the State's GATA initiative for grant management compliance.

OBSTACLES REALIZED / LESSONS LEARNED DURING 2017

The obstacles realized and lessons learned in last year's GATA report continue to challenge Illinois in 2017. A concerted effort will be made by GATU and state agencies to continue to address these items during 2018.

Technical Complexities of Federal Uniform Guidance Implementation
As previously noted, the concepts of cost principles and indirect cost rate negotiation is extremely complex requiring an intermediate level of fiscal and accounting knowledge. Nationally, states and the grantee community are struggling to meet the indirect cost rate compliance requirements dictated in federal Uniform Guidance. Many grantmaking state agency staff and grantees lack the capacity to understand and apply fundamental concepts such as the identification of direct and indirect costs.

2 CFR 200 is more explicit regarding pre- and post-award grant requirements as compared to prior OMB circulars and federal guidance. In particular, local governments are now subject to more extensive requirements comparable to nonprofit entities. This results in additional responsibilities placed on local government grantees and their state awarding agencies. The skill set and knowledge required for state agency grant personnel is more advanced under Uniform Guidance. Grant functions require more coordination and collaboration between fiscal and program personnel. The state needs to focus on fiscal and administrative titles suitable for Illinois to efficiently and effectively comply with federal requirements. This would allow program personnel to solely focus on service delivery thereby enhancing the quality of grant programs available to Illinois taxpayers.

The automated GATA frameworks Illinois implemented to centralize grant management require grantees to utilize the internet and self-directed online supports. These advances pose significant challenges for many state agencies and grantees.

Grant management is evolving. As emphasized throughout this report, GATU is committed to ongoing grant training for state agency staff and the grantee community. Stakeholder partnerships will emphasize targeted outreach to key groups including nonprofits and local governments. All parties must recognize that the complexities of administering grants – pre- and post-award – necessitate the reliance on qualified, trained, dedicated personnel to enable Illinois to be compliant with federal Uniform Guidance.

Need for Centralized Grant Compliance Unit within State Agencies
In the 2016 GATA Annual Report, it was noted that many state grantmaking agencies lack a centralized grant management and monitoring unit. This situation continues to pose challenges because adequate separation of duties is required for effective grant management. It is critical that the following grant functions are not performed by a single individual or within the same program division:

- Applying for funding from external sources;
- Approval of external source grant applications and budgets;
- Managing state agency compliance with GATA frameworks;

- Determining grant recipients;
- Awarding grants;
- Determining grant payment methods;
- Managing indirect cost rates including application of the rates;
- Monitoring periodic grant performance against specified standards;
- Monitoring periodic grant expenditures;
- Management of consolidated year-end financial reporting and grant closeout;
- Management of the centralized audit report review process including corrective action plans;
- Management of onsite financial and program monitoring including corrective action plans;
- Performing grant closeout; and
- Performing grant fund recovery.

Many state agencies lack headcount necessary to perform the grant fiscal and administrative functions envisioned under federal Uniform Guidance. Current state agency staffing limitations require the same individual to perform many if not all of these functions. This increases the likelihood that fraud, waste, abuse or mismanagement could occur and may be undetected either deliberately or due to inadequate oversight.

Under GATA, select grant management functions are being centralized. State agencies should use this opportunity to redirect existing positions, formerly staffed at the state agency, to other grant management functions. Grant management responsibilities should be inventoried to assess personnel qualifications needed to perform those responsibilities. The skill sets under existing personnel code titles does not take into account the complexities of administering federal Uniform Guidance. GATU will address the need to establish new grant administration titles with appropriate minimum education requirements and proficiency levels.

During 2018, GATU will convene a working group to design and propose staffing for a centralized grant management function within large grantmaking agencies. The effort to establish centralized grant compliance units within state agencies will be significant. GATU is committed to collaborating with state agency leadership towards this initiative.

Lack of Qualified Titles for State Agency Grant Management Roles
Nationally, state government personnel codes for grant management positions have not kept pace with the evolution of grant management functions. Job titles do not reflect education, skill set and prior experience necessary to be effective in a grant rule under federal Uniform Guidance. The State of Tennessee recently updated grant management positions and is poised to realize more cost savings through operational efficiencies.

The gap in staff qualifications is most prevalent in technical functions including cost principles, indirect cost rates and the application of those rates, audit report reviews and corrective action plans, and onsite monitoring functions. State agency personnel in positions to perform these functions frequently lack the qualifications and technical expertise to successfully execute the role. Changes in the Illinois personnel code are needed to align job descriptions with the job requirements necessary under Federal Uniform Guidance.

Nationally, during recessionary periods cuts are made to governmental administrative functions. Those functions have been absorbed by program staff that lack the technical expertise to comply with detailed fiscal and administrative requirements. This results in a lack of segregation of duties for compliance monitoring which can lead to reduced or lost federal funding and fraud, waste, abuse and mismanagement of grant funds. Illinois is no exception. The State's budget challenges continue to have an impact on state agency staffing and the state agency administration of grants.

Need for Fiscal Agent Assistance among Select Grantees
Through GATU's implementation of the ICQ to assess the fiscal and administrative risk profile of the grantees and the Indirect Cost Rate System, the need for fiscal agent assistance among select grantees has become quite pronounced. GATA recognizes that strength of program delivery is not negated by a limited fiscal capacity. However, it is critical that the fiscal requirements of the grantee be executed by someone with the knowledge, experience and skill set to effectively perform fiscal functions.

Based on first-year experience with the ICQ and indirect cost rate negotiations, GATU developed fiscal agent qualifications that will be applicable for fiscal year 2018 grant awards. These qualifications will be shared with the grantee community to aid and advise grantees in the selection of a fiscal agent. GATU recognizes that it cannot suggest or recommend specific individuals or entities for the fiscal agent function. By developing standard fiscal agent qualifications, GATU intends to support grantees seeking fiscal assistance in obtaining an individual / entity qualified to meet the compliance requirements under federal Uniform Guidance and GATA.

ERP / Lack of Grant Management System
The State of Illinois is working towards identifying and implementing a statewide grant management system. Market research of off-the-shelf grant management systems was conducted in the spring of 2017 through a coordinated effort between DoIT and GOMB. In addition to ERP members, various stakeholders including state grantmaking agencies, grantees and representatives from the GATA Technology Subcommittee were included in the market research. The procurement process is needed to obtain pricing details to fully compare grant system options. While a decision on how best to proceed with a statewide grant management system is pending, GATU's centralized systems and state agency systems that feed into the centralized systems must be maintained to ensure full compliance with federal requirements.

Perception that Requirements Driven by GATA vs. Federal Uniform Guidance
GATU continues to correct perceptions that GATA sets grant management rules for the State of Illinois. GATA adopted the federal rules for both federal and state grants. For uniformity, GATA allows the same rules that are applied to federal and federal pass-through grants to also apply to state grants. State agencies are subject to federal Uniform Guidance with or without GATA. The framework of GATA simply provides a format for state agencies to be compliant

It is estimated that 90% of state funding is used for matching and maintenance of effort requirements as a condition of federal funding. GATU will continue to analyze the amount of state funded grants that have no association with federal funds.

Grant versus Contract Misconceptions

In state fiscal year 2017, there have been numerous attempts by state agencies to reclassify grants as contracts without following procurement requirements. It is assumed that state agencies may be attempting to avoid grant requirements by classifying the award as a contract. As noted in Section 330 of Uniform Guidance, to determine the proper classification, state agency personnel should be utilizing the Association of Government Accountants Contractor vs. Subrecipeint Checklist to affirm the characteristics. The funding mechanism does not determine the classification. Misclassification of a grant as a contract will result in an audit finding requiring the amount paid to be returned to the state and/or federal government.

The Governor's Compliance Office in conjunction with GATU will continue to address state agency misconceptions about grant versus contract classifications. The exception process will require the state agency to submit a completed Contractor vs. Subrecipient Checklist as support for reclassifications. GATU will deliver training on the contractor / subrecipient determination during 2018.

Multi-tier Subrecipients

GATU has identified instances of grant funds passed through multiple levels of subrecipients. The state awarding agency will award a grant to a subrecipient, referred to as a first tier subrecipient. The first tier subrecipient then awards a grant to a second tier subrecipient. The second tier subrecipient may then award a grant to a third tier subrecipient, and so on. Some multi-tier arrangements are warranted based on the grant program. For example, a grant program may require regional services. The first tier subrecipient will pass the funds through a network of grantees to meet the statewide service requirements.

However, there are instances in which multiple tiers of subrecipients are used without adding value to the grant. In many instances, the subrecipient does not meet the requirements of a pass-through entity. This results in the following issues:

- Each tier is allowed to charge indirect costs, therefore a grant with multiple tiers of funding results in less program funding available to carry out the objectives of the grant;
- Misconception that state and federal grant requirements are limited to the first tier subrecipient;
- Lack of justification by the grantmaking agency for using a multi-tier approach (common practice – always awarded through multi tiers);
- The first and second tier are acting as a cash conduit and are not consistently following federal requirements or lack qualified staff or framework to carry out requirements including:
  - Adherence to pre-qualification requirements;
  - Compliance with grant budget, budget narrative, and budget to expenditure financial management;
  - Compliance with performance reporting including scope of services management for each subrecipient tier;
  - Compliance with Cost Principles and indirect cost rates; and
  - Compliance with monitoring procedures.

Inability to meet the requirements will result in questioned costs requiring the funding to be returned to the state and federal government. GATU will require state awarding agencies that utilize a multi-tier approach to obtain permission through the exception process.

GATA IMPLEMENTATION FOCUS FOR 2018

GATU's focus for 2018 is implementation of post-award processes and the ongoing monitoring and continuous improvement of pre-award processes implemented in 2017. The following sections highlight the 2018 implementation focus for GATU and its stakeholders.

Centralized Audit Report Reviews
GATU and the centralized audit report review workgroup will continue implementation efforts for the centralized audit report review functions and system. Additional training will be provided on the uniform audit requirements, the audit report review protocol, and the audit report review management systems.

All grantees with a fiscal year that ends 12/31/17 and later will be required to utilize the Audit Report Review Management system and protocol for audit report requirements.

Framework for Grantee Monitoring and On-site Reviews
The fiscal and administrative on-site review process was analyzed to remove redundancies and duplication of effort for the on-site review requirement. Under Federal Uniform Guidance, a pass-through entity is required to monitor the subrecipients to ensure compliance with the grant requirements and the terms and conditions of the grant agreement. Since the fiscal and administrative requirements are generally the same regardless of the grant program, it was determined that the fiscal and administrative on-site reviews could be conducted once and shared by all state grantmaking agencies.

Fiscal and administrative on-site reviews are required when a grantee is deemed to be high risk based on the overall grantee risk profile. To standardize policies and procedures for conducting the fiscal and administrative on-site reviews, a uniform grantee risk profile was developed. This included the uniform fiscal and administrative risk assessment internal control questionnaire, an assessment of previous performance, and a review of prior audit findings or other regulatory reviews.

During 2017, the On-site Subcommittee established on-site review procedures (including the overall grantee risk profile) and developed review programs for each compliance area. The fiscal and administrative on-site review protocol was developed to follow-up on audit findings and rely on the audit results without repeat testing of compliance areas performed in the audit. Based on the risk factors, the on-site review will be tailored for each grantee and limited to compliance areas identified as high risk. This approach will consider areas included in the audit tests performed to ensure state agencies are not duplicating testing in on-site review. However, the fiscal and administrative on-site review requires follow up on the status of prior year audit findings and their corrective action plans.

Each cognizant agency is responsible for conducting the fiscal and administrative on-site reviews for their assigned grantees. The uniform on-site protocol and report template will be used and the results will be shared with all state grant making agencies that provide grant awards to the grantee or subrecipient. This will eliminate the need for other agencies to conduct reviews.

Cognizant agencies have provided feedback to the Subcommittee including concerns that this approach required on-site review staff to have higher technical skills than current job titles require. Further analysis revealed that very few on-site review staff possess the necessary skills, education and experience to conduct the compliant reviews. It was further determined that new job titles are needed to ensure a skill set match to the required functions. To properly train current staff, a three to five year timeline is estimated. For this reason, the Subcommittee recommended to augment staffing with external auditing staff. The Subcommittee will continue work during 2018 to finalize and implement the coordinated fiscal and administrative on-site reviews.

It is anticipated that Illinois will realize nearly $10 million in cost savings by utilizing a collaborative framework for fiscal and administrative onsite reviews in state fiscal year 2018 based on incremental implementation. These annual savings will increase significantly once the framework is fully implemented.

Full Implementation Consolidated Year-end Financial Reporting
As previously described, the CYEFR requires each grantee to report all state and federal pass-through grants received from Illinois within one reporting template that must tie out to audited financial statements. The form was designed in state fiscal year 2017 and will be automated, tested and fully implemented in 2018.

TRACKING GATA PERFORMANCE

As required by Section 95 of GATA, performance measures are used to evaluate the efficiencies, cost savings and reductions in fraud, waste, abuse and mismanagement resulting from GATA implementation. GATA-level performance measures enable the State of Illinois to identify if the intended goals of the Act are being accomplished. During the monitoring phase, enhancements will be made to improve and streamline the grant management framework implemented by GATU.

The GATA Annual Report is required to provide an update on the five (5) GATA performance components identified in the Act:

1. Number of entities placed on the Illinois Debarred and Suspended List;
2. Saving realized as a result of the implementation of this Act;
3. Reduction in the number of duplicative audits;
4. Number of persons training to assist grantees and subrecipients; and
5. Number of grantees and subrecipients to whom a fiscal agent was assigned.

Throughout this annual report, performance measures were articulated in respective sections. Due to the magnitude of this statewide grant lifecycle initiative, GATA implementation efforts will continue to be a work in process. Over time, quantitative grant performance data will be more readily available from state grantmaking agencies to evaluate the execution of the Act.

The following savings or cost avoidance resulting from GATA accomplishments are based on actual grantee and award counts in the CSFA for state fiscal year 2017, the most recent, complete fiscal year.

Accomplishment	Estimated Savings / Cost Avoidance
Centralized indirect cost rate negotiations	$35,350,000
Centralized framework for fiscal and administrative risk assessments	$8,560,000
Centralized grantee pre-qualification	$4,400,000
Automated Notice of State Award	$3,000,000
Market value of grant management training	$2,050,000
Automated Notice of Funding Opportunity	$215,000
Controls against fraud, waste, abuse and mismanagement	$183,000,000
Estimated savings / cost avoidance	**$236,575,000**

2017 GATA ANNUAL REPORT SUMMARY

Illinois continues to be a national leader in grant management through centralized, automated frameworks that position the State to comply with Federal Uniform Guidance. The State's foresight to legislate lifecycle grant management has inspired other states and jurisdictions. For multiple years, the Federal Office of Management and Budget and the National Council of Nonprofits is recognizing Illinois' grant management frameworks as a national model. As Illinois works towards full implementation of GATA, the state receives more notoriety for its accomplishments. Nonprofit, governmental and financial services grant professionals realize the value of the transferable, compliance-focused grant lifecycle frameworks Illinois has designed and implemented.

Illinois is fortunate to have committed legislative sponsors and state agency leadership who embrace a holistic approach to grants management. The complexities of the grant life cycle pose many challenges on state agencies and the grantee community. Funding and staffing resources will continue to be crucial for GATU to implement technology solutions and qualified personnel required for efficiencies and maximum cost savings.

GATU recognizes the significant contributions from numerous stakeholders, including the Chief Accountability Officers, grantee community, state agency leadership and front-line staff, and our state legislators. This annual report highlights notable accomplishments realized through collaborative, meticulous efforts. Stakeholder engagement positions Illinois to maximize the cost savings / avoidance potential of grant management. Aggressive implementation will continue throughout the upcoming year. Ongoing support will be invaluable to the continued success and national recognition of GATA.

APPENDICES

    I.   Chief Accountability Officers

    II.   Timeline for GATA Implementation

    III.   Internet links:

        a.   Statute 30 ILCS 708 – Grant Accountability and Transparency Act

        b.   GATA Website - www.grants.illinois.gov

Appendix I

Chief Accountability Officers

Yazoo Hall	Illinois Arts Council Agency	Trish McGill	Illinois Department of Military Affairs
Nile Robinson	Illinois Board of Higher Education	Lisa LaBonte	Illinois Department of Natural Resources
Jane Fields	Illinois Commerce Commission	Kimberly Hill	Illinois Department of Public Health
Sarah Robinson	Illinois Community College Board	Cory Staley	Illinois Department of Revenue
Janinna Hendricks	Illinois Council on Developmental Disabilities	Jeff Heck	Illinois Department of Transportation
Kevin N. Givens	Illinois Criminal Justice Information Authority	Rosanna Nance	Illinois Department of Transportation
		Connie Watson	Illinois Department of Veterans Affairs
Erin Cleary	Illinois Department of Agriculture	Theresa McKeon	Illinois Department on Aging
Derek Hobson	Illinois Department of Children & Family Services		
		Phillip Anello	Illinois Emergency Management Agency
Robert William	Illinois Department of Commerce and Economic Opportunity	Mark Edmiston	Illinois Environmental Protection Agency
Debra Miller	Illinois Department of Corrections	Marc Gibbs	Illinois State Board of Education
Linda Demore	Illinois Department of Employment Security		
		Eric Mayland	Illinois State Police
Bryan Martin	Illinois Department of Financial and Professional Regulation	Scott Taylor	Illinois Student Assistance Commission
		Denise Matthew	Law Enforcement Training and Standards Board
Ron McKechan	Illinois Department of Healthcare and Family Services		
		Larita Reed-Clark	Metropolitan Pier and Exposition Authority
Nyle Robinson	Illinois Board of Higher Education		
Gary Kramer	Illinois Department of Human Services	Ronny Wickenhauser	Office of the State Fire Marshal

2

IMPLEMENTATION AREA / ACTIVITY	CALENDAR YEAR QUARTERS					
	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
17. Evaluate and make enhancements to UG and GATA exceptions / exemption process and template		▬	▬	▬		
18. Continue enhancements and additions to GATA Admin Rules	▬	▬	▬	▬	▬	▬
19. Continue to monitor and manage external vendor relationships (indirect cost rate and centralized audit report reviews)	▬	▬	▬	▬	▬	▬
20. Develop and incrementally implement state agency best practice reference guide to support GATA implementation			▬	▬	▬	▬
21. Generate quarterly GATA Fund invoices	▬	▬	▬	▬	▬	▬
22. Prepare and distribute GATA Annual Report		▬				▬

Appendix III

Internet links:

    a.   Statute 30 ILCS 708 – Grant Accountability and Transparency Act,
http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=3559&ChapterID=7

    b.   GATA Website - www.grants.illinois.gov