

# ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Director of State Accounting

DATE: July 2, 2010

SUBJECT: Requirements for Grant Agreements

NUMBER: 161

Public Act 96-0795 amended the Grant Application and Agreement Requirements section in the Illinois Grant Funds Recovery Act (30 ILCS 705). All requirements must be met in grant agreements (type code "27") that are initiated on or after July 1, 2010 and financed by grant funds [defined at 30 ILCS 705/2(b)]. The date of initiation will be evidenced by the earliest date of the required signatures on the grant agreement.

This section was amended as follows (new language is underlined):

**30 ILCS 705/4(b)**

"Grant funds may not be used except pursuant to a written grant agreement, and any disbursement of grant funds without a grant agreement is void. At a minimum, a grant agreement must:

- (1) describe the purpose of the grant and be signed by the grantor agency making the grant and all grantees of the grant;
- (2) specify how payments shall be made, what constitutes permissible expenditure of the grant funds, and the financial controls applicable to the grant, including, for those grants in excess of \$25,000, the filing of quarterly reports describing the progress of the program, project, or use and the expenditure of the grant funds related thereto;

- (3) specify the period of time for which the grant is valid and, subject to the limitation of Section 5, the period of time during which grant funds may be expended by the grantee;
- (4) contain a provision that any grantees receiving grant funds are required to permit the grantor agency, the Auditor General, or the Attorney General to inspect and audit any books, records, or papers related to the program, project, or use for which grant funds were provided;
- (5) contain a provision that all funds remaining at the end of the grant agreement or at the expiration of the period of time grant funds are available for expenditure or obligation by the grantee shall be returned to the State within 45 days; and
- (6) contain a provision in which the grantee certifies under oath that all information in the grant agreement is true and correct to the best of the grantee's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of grant funds is conditioned upon such certification."

The Illinois Office of the Comptroller (IOC) will pre-audit grant agreements for all six statutory requirements. Grant agreements that do not meet all requirements will be rejected by the IOC. **Note: The grant certification described in #6 above must contain the phrase "under oath".**

If you have any questions concerning this bulletin, please contact John Donelan at (217) 782-3608. Agencies may access this and other Accounting, Payroll and SAMS Bulletins on the Comptroller's website at [www.ioc.state.il.us](http://www.ioc.state.il.us) under Resource Library.