



ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Director of State Accounting

DATE: August 29, 2002

SUBJECT: Application of Prevailing Wage Act to Grant Recipients

NUMBER: 104

The Office of the Attorney General has issued Opinion No. 00-018 that states, where a non-governmental entity receives a grant of public funds for the construction of a fixed work, the provisions of the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) apply to the project.

In order to provide assurance that the Prevailing Wage Act will be complied with, notice of the applicability of the Act should be given to such grant/contract recipients. Accordingly, notification must be included in all applicable grants/contracts signed by the grantee/contractor after September 1, 2002.

For processing purposes, the contracting State agency must include the location of the public works project, including the county, as well as a brief description of the project in the description area of the COD document for all applicable grants/contracts. A SAMS Bulletin will be published on the electronic submission of this data. It is the responsibility of the agency to designate the proper class code associated with each grant/contract.

The following is recommended language for compliance with Opinion No. 00-018: GRANT FOR THE CONSTRUCTION OF FIXED WORKS. All projects for the construction of fixed works which are financed in whole or in part with funds provided by this Grant Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) unless the provisions of that Act exempt its application. In the construction of the project, the Grantee shall

comply with the requirements of the Prevailing Wage Act, including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the contract and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

If you have any questions pertaining to this bulletin, please contact Paula Kitchen at (217) 782-4204. Agencies may access a copy of Opinion No. 00-018 on the Attorney General's website at www.ag.state.il.us/opinions/00-018.htm. Agencies may access this and other Accounting, Payroll and SAMS Bulletins on the Comptroller's website at www.ioc.state.il.us under Resource Library.