



Illinois Board of Higher Education

Bruce Rauner, Governor
Tom Cross, Chair • Dr. Al Bowman, Executive Director

MEMORANDUM

TO: The Illinois Higher Education Community

FROM: Al Bowman, Executive Director

DATE: November 21, 2017

RE: Request for Proposal:
Fiscal Year 2018 Grow Your Own Planning Grants
Due Date: January 5, 2018 at 9:00 am

The Illinois Board of Higher Education (IBHE) received a Fiscal Year 2018 (FY2018) appropriation for the Grow Your Own Initiative (GYO) and is seeking proposals for the grant program. The purpose of this grant project is to recruit and prepare diverse educators committed to ensuring student success in our state's hard-to-staff schools.

The IBHE developed and refined the *Illinois Public Agenda for College and Career Success*. The *Public Agenda* called attention to the increasingly disparate futures of our citizens such that one Illinois is affluent, well educated, and economically dynamic with a seemingly bright future. In contrast, other Illinoisans struggle to make ends meet, lag in educational attainment, and potentially face limited economic opportunities. A strong PreK-12 system with adequately funded schools and well-prepared, diverse educators is foundational to addressing these gaps. The GYO program is one of the means for the state to improve opportunity and prosperity gaps, especially in our state's hard-to-staff schools.

In addition, there is currently a statewide teacher shortage that has been documented by the Illinois State Board of Education. In partnership with the IBHE and other key stakeholders, ISBE has conducted an inquiry over the past year that documents the need to attract and retain skilled teachers, with more than 2000 teaching positions unfilled statewide, affecting more than 65% of school districts having trouble filling teaching positions. The GYO program is a key state level teacher preparation support programs that must assist in addressing this crisis, especially in rural areas, early childhood programs and English as a Second Language (ESL) programs.

Eligible Institutions: A Grow Your Own Consortium shall be composed of:

- At least one 4-year institution of higher education with an Illinois accredited teacher education program.
- At least one school district or group of schools.
- And one or more community organizations
- The consortium may also include
 - A 2 year institution of higher education.
 - A school employee union
 - Or a regional office of education.

Grant Period: The grant period will be January 1, 2018 to December 31, 2018.

Application Deadline: The application materials may be submitted via email to grants@ibhe.org or mailed to IBHE at 1 N. Old State Capitol Plaza, Suite 333, Springfield, IL. 62701. Applications must be received by 9:00 am on January 5, 2018 to be considered for funding.

Contact Person: For more information on this application, contact Bruce Bennett, Chief Budget Officer at 217-557-7344 or email at bennett@ibhe.org or grants@ibhe.org .

Background and Program Specifications

The goal of the GYO Initiative is to recruit and prepare parent and community leaders, paraeducators, and other individuals interested in becoming effective teachers 1) in hard-to-staff schools serving a substantial percentage of low-income students, and 2) in hard-to-staff teaching positions in schools serving a substantial percentage of low-income students.

The GYO Act was passed in 2004 and received its first funding in Fiscal Year 2006 from the ISBE. Since 2006, consortia in communities across the state have provided support to local community members who desire to become teachers in hard-to-staff neighborhood schools. Consortia are comprised of community organizations, school districts, community colleges, and four-year institutions of higher education. In Fiscal Year 2011, the GYO program was transferred to the IBHE. The last year of grant awards for the GYO Initiative was in fiscal year 2015. Grow your Own is outlined and defined under the Grow Your Own Teacher Education Act (110 ILCS 48) and 23 Illinois Administrative Code Part 1085.

Program Objectives

Planning grants shall be made to consortium that successfully address initiative criteria and that reflect a diversity of strategies in terms of serving urban, suburban, and rural areas, the nature of the participating institutions of higher education, and the nature of hard-to-staff schools and hard-to-staff teaching positions on which a program is focused. The Board will review plans that include the following:

- Plans that describe work for developing a consortium and a Grow Your Own program that will be eligible for FY 2019 implementation grants under 23 Illinois Administrative Code Part 1085;
- Plans that provide evidence that at least a subset of the teachers typically prepared by the institution seeks employment in communities where hard-to-staff schools are located;
- Demonstrates that the institution is not applying for funding on behalf of an existing consortium that is currently serving a group of candidates under a model substantially similar to that described in the Act and that further information is needed about the specific barriers that exist with respect to enabling individuals with a long-term commitment to those communities to complete teacher preparation; and
- Demonstrates need by a hard-to-staff PreK-12 district for teachers in hard-to-staff positions.

Fiscal Information

The FY2018 appropriation for the GYO per Public Act 100-0021 is \$1,466,300.

Proposal Format

Each proposal must be submitted in the format outlined below. Please review the attachments carefully. The following may be used as a checklist in assembling your completed proposal.

1. Uniform Application for State Grant Assistance: This form must be completed, dated, and signed by the President/CEO of the fiscal agent.

2. Listing of entities comprising the GYO Consortium (Attachment 1): Include a list of entity names, staff involved, addresses, phone numbers, and email. Include identifying the fiscal agent for the consortium.

3. Proposal Narrative (Attachment 2): Limit to five double spaced pages. Please provide a proposal narrative that includes the following:

- Describes a plan of work for developing a consortium and a Grow Your Own program that will be eligible for implementation grants under 23 Illinois Administrative Code Part 1085;
- Provides evidence that at least a subset of the teachers typically prepared by the institution seeks employment in communities where hard-to-staff schools are located;
- Demonstrates that the institution is not applying for funding on behalf of an existing consortium that is currently serving a group of candidates under a model substantially similar to that described in the Act and that further information is needed about the specific barriers that exist with respect to enabling individuals with a long-term commitment to those communities to complete teacher preparation; and
- Demonstrates need by a hard-to-staff PreK-12 district for teachers in hard-to-staff positions.

4. Supporting Documentation (Attachment 3): Please include:

- Letter of interest from one or more school districts or schools indicating willingness to collaborate in offering opportunities for candidates in the program to complete pre-student teaching clinical experiences in hard-to-staff schools or positions; and
- If additional community organizations are being considered for membership in the consortium, letters of invitation that the applicant has sent to one or more relevant community organizations proposing a role for the organizations in the proposed consortium, along with a rationale provided by the applicant for inclusion of these organizations.

5. Uniform Budget Template (Attachment 4): Complete the budget form for each category including a detailed narrative of the estimated expenditures in the budgeted category. Allowable uses of funds shall include services and good necessary to:

- Secure the participation and commitment of the required members and the optional members of a consortium to develop a plan for collective decision making that involves all partners and provides a mechanism for candidate input;
- Attract or identify viable potential candidates for teacher preparation who are paraeducators, parent and community leaders, or other individuals interested in changing careers to become educators as contemplated by the Act, including assistance that will permit potential candidates to complete developmental coursework during their first four semesters of participation that will verify their academic readiness for enrolling in teacher preparation; and
- Identify barriers to educator licensure for potential members of a given cohort, and the strategies and resources for mitigating those barriers and successfully ameliorating them within the programmatic, time and funding constraints of the program.

Items #6 to # 8 are for informational purposes only and not required as part of the request for proposal submission.

6. Project, Expenditure Reporting and Grant Payments: Each grantee will be required to submit project and expenditure reports. The reports will describe the progress of the project and the expenditure of grant funds. The anticipated submission and period of these reports will be the following:

<u>Project Period</u>	<u>Submission Due Date</u>
Period 1 – January 1 to March 31, 2018	April 30, 2018
Period 2 – April 1 to June 30, 2018	May 30, 2018
Period 3 – July 1 to September 30, 2018	October 31, 2018
Period 4 – October 1 to December 31, 2018	January 31, 2019

7. Uniform Grant Agreement Sample (Attachment 5): This is a sample of the agreement which will be used between the IBHE and grantee. This is not required to be completed and submitted with the request for proposal.

8. Compiled Statutes and Program Rules: Not required as part of the request for proposal.

Uniform Application for State Grant Assistance

Agency Completed Section

1.	Type of Submission	X Application
2.	Type of Application	X New
3.	Date / Time Received by State	Completed by State Agency upon Receipt of Application
4.	Name of the Awarding State Agency	Illinois Board of Higher Education
5.	Catalog of State Financial Assistance (CSFA) Number	601-00-0747
6.	CSFA Title	Grow Your Own Teacher Initiative
Catalog of Federal Domestic Assistance (CFDA)		X Not applicable (No federal funding)
7.	CFDA Number	NOT APPLICABLE
8.	CFDA Title	NOT APPLICABLE
9.	CFDA Number	NOT APPLICABLE
10.	CFDA Title	NOT APPLICABLE
Funding Opportunity Information		
11.	Funding Opportunity Number	NOT APPLICABLE
12.	Funding Opportunity Title	NOT APPLICABLE
Competition Identification <input type="checkbox"/> Not Applicable		
13.	Competition Identification Number	NOT APPLICABLE
14.	Competition Identification Title	NOT APPLICABLE

Applicant Completed Section

Applicant Information

15.	Legal Name	
16.	Common Name (DBA)	
17.	Employer / Taxpayer Identification Number (EIN, TIN)	
18.	Organizational DUNS number	
19.	SAM Cage Code	
20.	Business Address	Street address, City, County, State, County, Zip + 4

Applicant's Organizational Unit

21.	Department Name	
22.	Division Name	

Applicant's Name and Contact Information for Person to be Contacted for *Program* Matters involving this Application

23.	First Name	
24.	Last Name	
25.	Suffix	
26.	Title	
27.	Organizational Affiliation	
28.	Telephone Number	
29.	Fax Number	
30.	Email address	

Applicant's Name and Contact Information for Person to be Contacted for *Business/Administrative Office* Matters involving this Application

31.	First Name	
32.	Last Name	
33.	Suffix	
34.	Title	
35.	Organizational Affiliation	

36.	Telephone Number	
37.	Fax Number	
38.	Email address	
Areas Affected		
39.	Areas Affected by the Project (cities, counties, state-wide)	Add Attachments (e.g., maps)
40.	Legislative and Congressional Districts of Applicant	
41.	Legislative and Congressional Districts of Program / Project	Attach an additional list, if needed
Applicant's Project		
42.	Description Title of Applicant's Project	Text only for the title of the applicant's project.
43.	Proposed Project Term	Start Date: End Date:
44.	Estimated Funding (include all that apply)	<input type="checkbox"/> Amount Requested from the State: <input type="checkbox"/> Applicant Contribution (e.g., in kind, matching): <input type="checkbox"/> Local Contribution: <input type="checkbox"/> Other Source of Contribution: <input type="checkbox"/> Program Income: <div style="text-align: right;">Total Amount</div>
<p>Applicant Certification:</p> <p>By signing this application, I certify (1) to the statements contained in the list of certifications* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001)</p> <p>(*) The list of certification and assurances, or an internet site where you may obtain this list is contained in the Notice of Funding Opportunity. If a NOFO was not required for the award, the state agency will specify required assurances and certifications as an addendum to the application.</p> <p style="text-align: center;"><input type="checkbox"/> I agree</p>		
Authorized Representative		
45.	First Name	
46.	Last Name	

47.	Suffix	
48.	Title	
49.	Telephone Number	
50.	Fax Number	
51.	Email Address	
52.	Signature of Authorized Representative	
53.	Date Signed	

Listing of entities comprising the GYO Consortium

Include a list of consortia entity names, staff involved, addresses, phone numbers, and email. Include identifying the fiscal agent for the consortium.

ENTITY NAME: _____

STAFF NAME: _____

STAFF TITLE: _____

ADDRESS: _____

PHONE: _____ EMAIL: _____

FISCAL AGENT: _____

FISCAL AGENT CONTACT: _____

CONTACT TITLE: _____

ADDRESS: _____

PHONE: _____ EMAIL: _____

Proposal Narrative

Limit to five double spaced pages. Please provide a proposal narrative that includes the following:

- Describes a plan of work for developing a consortium and a Grow Your Own program that will be eligible for implementation grants under 23 Illinois Administrative Code Part 1085;
- Provides evidence that at least a subset of the teachers typically prepared by the institution seeks employment in communities where hard-to-staff schools are located;
- Demonstrates that the institution is not applying for funding on behalf of an existing consortium that is currently serving a group of candidates under a model substantially similar to that described in the Act and that further information is needed about the specific barriers that exist with respect to enabling individuals with a long-term commitment to those communities to complete teacher preparation; and
- Demonstrates need by a hard-to-staff PreK-12 district for teachers in hard-to-staff positions.

Supporting Documentation

Please include the following:

- Letter of interest from one or more school districts or schools indicating willingness to collaborate in offering opportunities for candidates in the program to complete pre-student teaching clinical experiences in hard-to-staff schools or positions; and
- If additional community organizations are being considered for membership in the consortium, letters of invitation that the applicant has sent to one or more relevant community organizations proposing a role for the organizations in the proposed consortium, along with a rationale provided by the applicant for inclusion of these organizations.

Uniform Budget Template

Fillable pdf is available on the IBHE website at <http://www.ibhe.org/Grants/grantPrg/GYO.htm>

State Agency: _____

Grantee: _____

Notice of Funding Opportunity (NOFO) Number: _____

Data Universal Number System (DUNS) Number (enter numbers only) : _____

Catalog of State Financial Assistance (CSFA) Number: CSFA Short Description:

All applicants must complete Section A and provide a break-down by the applicable budget categories shown in lines 1-17. Eligible applicants requesting funding for only one year should complete the column under " Year 1." Eligible applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

Section A: State of Illinois Funds

REVENUES		Year 1		Year 2		Year 3		Total
State of Illinois Grant Requested	\$		\$		\$		\$	
<u>Budget Expenditure Categories</u>								
1. Personnel (200.430)	\$		\$		\$		\$	
2. Fringe Benefits (200.431)	\$		\$		\$		\$	
3. Travel (200.474)	\$		\$		\$		\$	
4. Equipment (200.439)	\$		\$		\$		\$	
5. Supplies (200.94)	\$		\$		\$		\$	
6. Contractual/Subawards (200.318 and .92)	\$		\$		\$		\$	
7. Consultant (200.459)	\$		\$		\$		\$	
8. Construction	\$		\$		\$		\$	
9. Occupancy (200.465)	\$		\$		\$		\$	
10. Research and Development (200.87)	\$		\$		\$		\$	
11. Telecommunications	\$		\$		\$		\$	
12. Training and Education (200.472)	\$		\$		\$		\$	
13. Direct Administrative Costs (200.413)	\$		\$		\$		\$	
14. Miscellaneous Costs	\$		\$		\$		\$	
15. Grant Exclusive Line Item(s)	\$		\$		\$		\$	
16. Total Direct Costs (add lines 1-15)	\$		\$		\$		\$	
17. Total Indirect Costs (200.414)	\$		\$		\$		\$	
Rate %:	<input type="text"/>							
Base:	<input type="text"/>							
18. Total Costs State Grant Funds (Lines 16 and 17)	\$		\$		\$		\$	
<u>MUST EQUAL REVENUE TOTALS ABOVE</u>								

Grantee:

NOFO Number:

SECTION A - Continued - Indirect Cost Rate Information

If your organization is requesting reimbursement for indirect costs on line 17 of the Budget Summary, please select one of the following options. If no reimbursement is being requested please consult your program office regarding possible match requirements.

Your organization may not have a Federally Negotiated Cost Rate Agreement. Therefore, in order for your organization to be reimbursed for the Indirect Costs from the State of Illinois your organization must either:

- a. Negotiate an Indirect Cost Rate with the State of Illinois' Indirect Cost Unit with guidance from your State Cognizant Agency on an annual basis;
- b. Elect to use the de minimis rate of 10% modified for total direct costs (MTDC) which may be used indefinitely on State of Illinois awards; or
- c. Use a Restricted Rate designated by programmatic or statutory policy (see Notice of Funding Opportunity for Restricted Rate Programs).

Select ONLY One:

- 1. Our Organization receives direct Federal funding and currently has a Negotiated Indirect Cost Rate Agreement (NICRA) with our federal Cognizant Agency. A copy of this agreement will be provided to the State of Illinois' Indirect Cost Unit for review and documentation before reimbursement is allowed. This NICRA will be accepted by all State of Illinois agencies up to any statutory, rule-based or programmatic restrictions or limitations.
- 2. Our Organizations currently has a Negotiated Indirect Cost Rate Agreement (NICRA) with the State of Illinois that will be accepted by all State of Illinois agencies up to any statutory, rule-based or programmatic restrictions or limitations. Our Organization is required to submit a new Indirect Cost Rate Proposal to the Indirect Cost Unit within 6 months after the close of each fiscal year pursuant to 2 CFR 200, Appendix IV(C)(2)(c).
- 3. Our Organization currently does not have a Negotiated Indirect Cost Rate Agreement (NICRA) with the State of Illinois. Our organization will submit our initial Indirect Cost Rate Proposal (ICRP) immediately after our Organization is advised that the State award will be made no later than 3 months after the effective date of the State award pursuant to 2 CFR 200 Appendix (C)(2)(b). The initial ICRP will be sent to the State of Illinois Indirect Cost unit.
- 4. Our Organization has never received a Negotiated Indirect Cost Rate Agreement from either the federal government or the State or Illinois and elects to charge the de minimis rate of 10% modified total direct cost (MTDC) which may be used indefinitely on State of Illinois awards pursuant to 2 CFR 200.414 (C)(4)(f) and 200.68.
- 5. For Restricted Rate Programs, our Organization is using a restricted indirect cost rate that:
 - is included as a "Special Indirect Cost Rate" in the NICRA, pursuant to 2 CFR 200 Appendix IV(5); or
 - complies with other statutory policies.Rate %:
- 6. No reimbursement of Indirect Cost is being requested

Basic Negotiated Indirect Cost Rate Information (Use only if option 1 or 2(a), above is selected.)

Grantee: _____

NOFO Number: _____

Section B: Non-State of Illinois Funds

REVENUES		Year 1		Year 2		Year 3		Total
Grantee Match Requirement %:								
b) Cash	\$		\$		\$		\$	
c) Non-Cash	\$		\$		\$		\$	
d) other Funding and Contributions	\$		\$		\$		\$	
Total Non-State Funds (lined b through d)	\$		\$		\$		\$	
Budget Expenditure Categories								
1. Personnel (200.430)	\$		\$		\$		\$	
2. Fringe Benefits (200.431)	\$		\$		\$		\$	
3. Travel (200.474)	\$		\$		\$		\$	
4. Equipment (200.439)	\$		\$		\$		\$	
5. Supplies (200.94)	\$		\$		\$		\$	
6. Contractual/Subawards (200.318 and .92)	\$		\$		\$		\$	
7. Consultant (200.459)	\$		\$		\$		\$	
8. Construction	\$		\$		\$		\$	
9. Occupancy (200.465)	\$		\$		\$		\$	
10. Research and Development (200.87)	\$		\$		\$		\$	
11. Telecommunications	\$		\$		\$		\$	
12. Training and Education (200.472)	\$		\$		\$		\$	
13. Direct Administrative Costs (200.413)	\$		\$		\$		\$	
14. Miscellaneous Costs	\$		\$		\$		\$	
15. Grant Exclusive Line Item(s)	\$		\$		\$		\$	
16. Total Direct Costs (add lines 1-15)	\$		\$		\$		\$	
17. Total indirect Costs (200.414)	\$		\$		\$		\$	
Rate %:	<input type="text"/>							
Base:	<input type="text"/>							
18. Total Costs State Grant Funds (Lines 16 and 17) MUST EQUAL REVENUE TOTALS ABOVE	\$		\$		\$		\$	

Grantee:

NOFO Number:

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate and that any false, fictitious or fraudulent information or the omission of any material fact could result in the immediate termination of my grant award(s).

Institution/Organization Name:

Institution/Organization Name:

Title (Chief Financial Officer or equivalent):

Title (Executive Director or equivalent):

Printed Name (Chief Financial Officer or equivalent):

Printed Name (Executive Director or equivalent):

Signature (Chief Financial Officer or equivalent):

Signature (Executive Director or equivalent):

Date (Signature of Chief Financial Officer):

Date (Signature Executive Director):

Note: The State Awarding Agency may change required signers based on the grantee's organizational structure. The required signers must have the authority to enter onto contractual agreements on the behalf of the organization.

FFATA Data Collection Form (if needed by agency)

Under FFATA, all sub-recipients who receive \$25,000 or more must provide the following information for federal reporting. Please fill out the following form accurately and completely.

4-digit extension if applicable:			
Sub-recipient DUNS:		Sub-recipient Parent Company DUNS:	
Sub-recipient Name:			
Sub-recipient DBA Name:			
Sub-recipient Street Address:			
City:	State:	Zip-Code:	Congressional District:
Sub-recipient Principal Place of Performance:			
City:	State:	Zip-Code:	Congressional District:
Contract Number (if known):	Award Amount:	Project Period: From:	Project Period: To:
State of Illinois Awarding Agency and Project Detail Description:			
Under certain circumstances, sub-recipient must provide names and total compensation of its top 5 highly compensated officials. Please answer the following questions and follow the instructions.			
Q1. In your business or organization's previous fiscal year, did your business or organization (including parent organization, all branches and affiliates worldwide) receive (1) 80% or more of your annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants and/or cooperative agreements and (2) \$25,000,000 or more in annual gross revenue from U.S. federal contracts, subcontracts, loans, grants, subgrants and/or cooperative agreements?			
Yes <input type="checkbox"/> If Yes, must answer Q2 below. No <input type="checkbox"/> If No, you are not required to provide data.			
Q1. Does the public have access to information about the compensation of the senior executives in your business or organization (including parent organization, all branches and all affiliates worldwide) through periodic reports filed under section 13(a) or 15(d) of the Security Exchange Act of 1934 (5 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue code of 1986 (i.e., on IRS Form 990)?			
Yes <input type="checkbox"/> No <input type="checkbox"/> If No, you must provide the data. Please fill out the rest of this form.			
Please provide names and total compensation of the top five officials:			
Name:			Amount:
Name:			Amount:
Name:			Amount:
Name:			Amount:
Name:			Amount:

1). Personnel (2 CFR 200.430)

List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project and length of time working on the project . Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization. Include a description of the responsibilities and duties of each position in relationship to fulfilling the project goals and objectives in the narrative space provided below.

Name	Position	Salary or Wage	Basis (Yr./Mo./Hr.)	% of Time	Length of Time	Personnel Cost	Add/Delete Row
				%			Add
							Delete
State Total							
				%			Add
							Delete
NON-State Total							
Total Personnel							
Personnel Narrative (State):							
Personnel Narrative (Non-State): (i.e. "Match" or "Other Funding")							

2). Fringe Benefits (2 CFR 200.431)

Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed category (1) and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Workman's Compensation, and Unemployment Compensation.

Name	Position(s)	Base	Rate (%)	Fringe Benefit Cost	Add/Delete Rows
			%		Add
					Delete
State Total					
			%		Add
					Delete
Non-State Total					
Total Fringe Benefits					

Fringe Benefits Narrative (State):

Fringe Benefits Narrative (Non-State):

3). Travel (2 CFR 200.474)

Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meetings, etc. Show the basis of computation (e.g., six people 3-day training at \$X airfare, \$X lodging, \$X subsistence). In training projects travel and meals for trainees should be listed separately. Show the number of trainees and unit cost involved. Identify the location of travel, if known; or if unknown, indicate "location to be determined." Indicate source of Travel Policies applied, Applicant or State of Illinois Travel Regulations. NOTE: Travel expenses for consultants should be included in the "Consultant" category.

Name	Position	Cost Rate	Basis	Quantity	Number of Trips	Travel Cost	Add/Delete Row
							Add
							Delete
State Total							
							Add
							Delete
NON-State Total							
Total Travel							
Travel Narrative (State):							
Travel Narrative (State):							
Travel Narrative (Non-State):							
Travel Narrative (Non-State):							

4). Equipment (2 CFR 200.439)

List non-expendable items that are to be purchased. (Note: Organization's own capitalization policy for classification of equipment should be used. Expendable items should be included in the "Supplies" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the "Contractual" category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used

	Item	Quantity	Cost Per Item	Equipment Cost	Add/Delete Rows	
					Add	
					Delete	
	State Total					
					Add	
					Delete	
	Non-State Total					
	Total Equipment					

Equipment Narrative (State):

Equipment Narrative (Non-State):

5). Supplies (2 CFR 200.94)

List items by type (office supplies, postage, training materials, copying paper, and other expendable items such as books, hand held tape recorders) and show the basis for computation. Generally, supplies include any materials that are expendable or consumed during the course of the project.

	Item	Quantity/Duration	Cost Per Item	Supplies Cost	Add/Delete Rows	
					Add	
					Delete	
	State Total					
					Add	
					Delete	
	Non-State Total					
	Total Supplies					

Supplies Narrative (State):
Supplies Narrative (Non-State):

6). Contractual Services (2 CFR 200.318)

Provide a description of the product or service to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole contracts in excess of \$150,000 (See 2 CFR 200.88). A sole contract may not be awarded to a commercial organization that is ineligible to receive a direct award. NOTE : this budget category may include subawards.

	Item	Contractual Services Cost	Add/Delete Rows	
			Add	
			Delete	
	State Total			
			Add	
			Delete	
	Non-State Total			
	Total Contractual Services			
Contractual Services Narrative (State):				
Contractual Services Narrative (Non-State):				

7). Consultant Services and Expenses (2 CFR 200.459)

Consultant Services (Fees): For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project.

Consultant Expenses: List all expenses to be paid from the grant to the individual consultant in addition to their fees (i.e., travel, meals, lodging, etc.) Consultant--Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisitions Policy is used.

Consultant Services (Fees)	Services Provided	Fee	Basis	Quantity	Consultant Services (Fee) Cost	Add/Delete Row
						Add
						Delete
State Total						
						Add
						Delete
NON-State Total						
Total Consultant Services (Fees)						

Consultant Services Narrative (State):

Consultant Services Narrative (Non-State):

Consultant Expenses - Items	Location	Cost Rate	Basis	Quantity	Number of Trips	Consultant Expenses Cost	Add/Delete Row
							Add
							Delete
State Total							
							Add
							Delete
NON-State Total							
Total Consultant Expenses							

Consultant Expenses Narrative (State):

Consultant Expenses Narrative (Non-State):

8). Construction

Provide a description of the construction project and an estimate of the costs. As a rule, construction costs are not allowable. In some cases, minor repairs or renovations may be allowable. Consult with the program office before budgeting funds in this category.

Purpose	Description of Work	Construction Cost	Add/Delete Rows
			Add
			Delete
	State Total		
			Add
			Delete
	Non-State Total		
	Total Construction		

Construction Narrative (State):

Construction Narrative (Non-State):

9). Occupancy - Rent and Utilities (2 CFR 200.465)

List items and descriptions by major type and the basis of the computation. Explain how rental expenses are allocated for distribution as an expense to the program/ service. For example, provide the square footage and the cost per square foot rent, and provide a monthly rental cost and how many months to rent.

Description	Quantity	Basis	Cost	Length of Time	Occupancy Cost	Add/Delete Row
						Add
						Delete
State Total						
						Add
						Delete
NON-State Total						
Total Occupancy - Rent and Utilities						

Occupancy - Rent and Utilities Narrative (State):

Occupancy - Rent and Utilities Narrative (Non-State):

10). Research & Development (R&D) (2 CFR 200.87)

Definition: All research activities, both basic and applied, and all development activities that are performed by non-Federal entities directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. Provide a description of the research and development project and an estimate of the costs. Consult with the program office before budgeting funds in this category.

Purpose	Description of Work	Research and Development Cost	Add/Delete Rows
			Add
			Delete
State Total			
			Add
			Delete
Non-State Total			
Total Research and Development			

Research and Development Narrative (State):

Research and Development Narrative (Non-State):

11). Telecommunications

List items and descriptions by major type and the basis of the computation. Explain how telecommunication expenses are allocated for distribution as an expense to the program/service.

Description	Quantity	Basis	Cost	Length of Time	Telecommunications Cost	Add/Delete Row
						Add
						Delete
State Total						
						Add
						Delete
NON-State Total						
Total Telecommunications						
Telecommunications Narrative (State):						
Telecommunications Narrative (Non-State):						

12). Training and Education (2 CFR 200.472)

Describe the training and education cost associated with employee development.

Description	Quantity	Basis	Cost	Length of Time	Training and Education Cost	Add/Delete Row
						Add
						Delete
State Total						
						Add
						Delete
NON-State Total						
Total Training and Education						
Training and Education Narrative (State):						
Training and Education Narrative (Non-State):						

13). Direct Administrative Costs (2 CFR 200.413 (c))

The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met: (1) Administrative or clerical services are integral to a project or activity; (2) Individuals involved can be specifically identified with the project or activity; (3) Such costs are explicitly included in the budget or have the prior written approval of the State awarding agency; and (4) The costs are not also recovered as indirect costs.

Name	Position	Salary or Wage	Basis (Yr./Mo./Hr.)	% of Time	Length of Time	Direct Administrative Cost	Add/Delete Row
				%			Add
							Delete
State Total							
				%			Add
							Delete
NON-State Total							
Total Direct Administrative Costs							
Direct Administrative Costs Narrative (State):							
Direct Administrative Costs Narrative (Non-State):							

14). Other or Miscellaneous Costs

Costs directly related to the service or activity of the program.

Description	Quantity	Basis	Cost	Length of Time	Other or Miscellaneous Cost	Add/Delete Row
						Add
						Delete
State Total						
						Add
						Delete
NON-State Total						
Total Other or Miscellaneous Costs						
Other or Miscellaneous Costs Narrative (State):						
Other or Miscellaneous Costs Narrative (Non-State):						

15). GRANT EXCLUSIVE LINE ITEM

Grant Exclusive Line Item Description:

(Please cite reference per statute): Costs directly related to the service or activity of the program that is an integral line item for budgetary purposes that must have Program approval and designation of this line item. (Note: Use columns within table as needed for the item being reported. Leave blank those columns that are not applicable. This table does NOT auto-calculate each line. You must enter the line totals. The table will auto-calculate the State, Non-State, and Total Grant Exclusive Line Item amounts based on your line entries. The State, Non-State and Total Grant Exclusive Line Item amounts will NOT carry forward to the Budget Narrative Summary table. You will have to enter the State and Non-State Totals for ALL Grant Exclusive Line Items in the Budget Narrative Summary table. Use the "Add New Grant Exclusive Line Item" button below to add additional tables as needed.)

Description	Quantity	Basis	Cost	Length of Time	Grant Exclusive Line Item Cost	Add/Delete Row
						Add Delete
State Total						
						Add Delete
NON-State Total						
Total Grant Exclusive Line Item						

Grant Exclusive Line Item Narrative (State):

Grant Exclusive Line Item Narrative (Non-State):

Add New Grant Exclusive Line Item	Delete Grant Exclusive Line Item
-----------------------------------	----------------------------------

16). Indirect Cost (2 CFR 200.414)

Indirect costs are allowed only if the applicant has Federally approved indirect cost rate. A copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant's cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant's accounting system permits, costs may be allocated in the direct costs categories.

Description	Base	Rate	Indirect Cost	Add/Delete Rows
				Add
				Delete
State Total				
				Add
				Delete
Non-State Total				
Total Indirect Costs				

Indirect Costs Narrative (State):

Indirect Costs Narrative (Non-State):

Budget Narrative Summary--When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total costs and the total project costs. Indicate the amount of State requested funds and the amount of non-State funds that will support the project. (Note: The State, Non-State, and Total cost amounts for each line item below are auto-filled based upon the entries in the preceding budget tables 1-14 and 16. The State and Non-State Total amounts from Table 15 above, Grant Exclusive Line Item(s), must be entered into this table by hand due to the possibility of there being more than one Grant Exclusive Line Item table. Once the Grant Exclusive Line Item(s) amounts are entered into this table, the State Request amount, Non-State Amount and the Total Project Costs will be calculated automatically. It is imperative that the summary tables be completed accurately for the Budget Narrative Summary to be accurate.)

Budget Category	State	Non-State	Total
1. Personnel			
2. Fringe Benefits			
3. Travel			
4. Equipment			
5. Supplies			
6. Contractual Services			
7. Consultant (Professional Services)			
8. Construction			
9. Occupancy (Rent and Utilities)			
10. Research and Development (R & D)			
11. Telecommunications			
12. Training and Education			
13. Direct Administrative Costs			
14. Other or Miscellaneous Costs			
15. GRANT EXCLUSIVE LINE ITEM(S)			
16. Indirect Costs			
	State Request		
	Non-State Amount		
TOTAL PROJECT COSTS			

GRANT AGREEMENT



BETWEEN
THE STATE OF ILLINOIS,
AND

The (Grantor), with its principal office at
, and
(Grantee), with its principal office at
and payment address (if different than principal office) at
, hereby enter into this Grant Agreement (Agreement).
Grantor and Grantee are collectively referred to herein as "Parties" or individually as a "Party."

PART ONE - THE UNIFORM TERMS
RECITALS

WHEREAS, it is the intent of the Parties to perform consistent with all Exhibits and attachments hereto and pursuant to the duties and responsibilities imposed by Grantor under the laws of the State of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

ARTICLE I
AWARD AND GRANTEE-SPECIFIC INFORMATION AND CERTIFICATION

1.1. DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that is Grantee's correct DUNS number, that is Grantee's correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration (if federal funds). Grantee is doing business as a (check):

- Individual
Sole Proprietorship
Partnership
Corporation (includes Not For Profit)
Medical Corporation
Governmental Unit
Estate or Trust
Pharmacy-Non Corporate
Nonresident Alien
Pharmacy/Funeral Home/Cemetery Corp.
Tax Exempt
Limited Liability Company (select applicable tax classification)
D = disregarded entity
C = corporation
P = partnership

1.2. Amount of Agreement. Grant Funds (check one) shall not exceed or are estimated to be \$, of which \$ are federal funds. Grantee agrees to accept Grantor's payment as specified in the Exhibits and attachments incorporated herein as part of this Agreement.

1.3. Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is, the Federal awarding agency is, and the Federal Award date is. If applicable, the Catalog of Federal Domestic Assistance (CFDA) Name is

_____ and Number is _____. The Catalog of State Financial Assistance (CSFA) Number is _____.

1.4. Term. This Agreement shall be effective on _____ and shall expire on _____, unless terminated pursuant to this Agreement.

1.5. Certification. Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions shall be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

1.6. Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

[GRANTOR NAME]

[GRANTEE NAME]

By: _____

By:

Signature of [Head of Grantor]

Signature of Authorized Representative

By: _____

Date:

Signature of Designee

Printed Name:

Date: _____

Printed Name: _____

Printed Title:

Printed Title: _____

E-mail:

Designee

By: _____

Signature of First Other Approver, if Applicable

Date: _____

Printed Name: _____

Printed Title: _____

Other Approver

By: _____

Signature of Second Other Approver, if Applicable

Date: _____

Printed Name: _____

Printed Title: _____

Second Other Approver

**ARTICLE II
REQUIRED REPRESENTATIONS**

2.1. Standing and Authority. Grantee warrants that:

(a) Grantee is duly organized, validly existing and in good standing under the laws of the State in which it was incorporated or organized.

(b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Grantee is organized under the laws of another jurisdiction, Grantee warrants that it is also duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2. Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the Federal Internal Revenue Code (26 USC 1), the Illinois Revenue Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3. Compliance with Federal Funding Accountability and Transparency Act of 2006. Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to \$25,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

2.4. Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. See 44 Ill. Admin. Code 7000.30(b)(1)(A).

2.5. Compliance with Registration Requirements. Grantee and its sub-grantees shall: (i) be registered with the Federal SAM if seeking an Award that is partially or fully paid by Federal funds, and registered with the State equivalent of SAM; (ii) be in good standing with the Illinois Secretary of State; and (iii) have a valid DUNS number. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

**ARTICLE III
DEFINITIONS**

3.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

“2 CFR Part 200” means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

“Agreement” or “Grant Agreement” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Allocable Costs” means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

“Allowable Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Award” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Budget” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“CFDA” or “Catalog of Federal Domestic Assistance” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Close-out Report” means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

“Conflict of Interest” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Consolidated Financial Report” means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

“Cost Allocation Plan” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“CSFA” or “Catalog of State Financial Assistance” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Direct Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Disallowed Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“DUNS Number” means a unique nine digit identification number provided by Dun & Bradstreet for each physical location of Grantee’s organization. Assignment of a DUNS Number is mandatory for all organizations seeking an Award from the State of Illinois.

“FAIN” means the Federal Award Identification Number.

“FFATA” or “Federal Funding Accountability and Transparency Act” has the same meaning as in 31 USC 6101; P.L. 110-252.

“Fixed-Rate” has the same meaning as in 44 Ill. Admin. Code 7000.20. “Fixed-Rate” is in contrast to fee-for-service, 44 Ill. Admin. Code 7000.20.

“GAAP” or “Generally Accepted Accounting Principles” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Grant Funds” has the same meaning as in 30 ILCS 705.

“Indirect Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Indirect Cost Rate” means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

“Indirect Cost Rate Proposal” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Net Revenue” means an entity’s [total revenue](#) less its [operating expenses](#), [interest](#) paid, [depreciation](#), and taxes. “Net Revenue” is synonymous with “Profit.”

“Nonprofit Organization” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Notice of Award” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“OMB” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Prior Approval” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Profit” means an entity’s [total revenue](#) less its [operating expenses](#), [interest](#) paid, [depreciation](#), and taxes. “Profit” is synonymous with “Net Revenue.”

“Program” means the services to be provided pursuant to this Agreement.

“Program Costs” means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

“Program Income” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Related Parties” has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

“SAM” means the federal System for Award Management (SAM); which is the Federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

“State” means the State of Illinois.

“Term” has the meaning set forth in Paragraph 1.4.

“Unallowable Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

ARTICLE IV PAYMENT

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have

not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2. Illinois Grant Funds Recovery Act. Any Grant Funds remaining at the end of the Agreement period which are not expended or legally obligated by Grantee shall be returned to Grantor within forty-five (45) days after the expiration of this Agreement in accordance with the Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*). In the event of a conflict between the Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

4.3. Cash Management Improvement Act of 1990. Unless notified otherwise in **PART TWO** or **PART THREE**, Federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 *et seq.*) and any other applicable Federal laws or regulations.

4.4. Payments to Third Parties. Grantee agrees to hold harmless Grantor when Grantor acts in good faith to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith if it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.5. Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.6. Interest.

(a) All interest earned on Grant Funds held by a Grantee shall become part of the Grant Funds when earned and be treated accordingly for all purposes, unless otherwise provided in **PART TWO** or **PART THREE**. 30 ILCS 705/10.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR Part 200.305(b)(8). All interest earned shall be considered Grant Funds and are subject to the same restrictions, unless there is an applicable Federal program rule that takes precedence.

(c) A Grantee who is required to reimburse Grant Funds pursuant to an action brought under the Grant Funds Recovery Act, and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986, 30 ILCS 210; *See also* 30 ILCS 705/10.

4.7. Timely Billing Required. Grantee must submit any payment request to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in **PART TWO** or **PART THREE**. Failure to submit such payment request timely will render the amounts billed an unallowable cost

which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.8. Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee must contain the following certification by an official authorized to legally bind the Grantee:

By signing this report [or payment request], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal or State award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

ARTICLE V SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT

5.1. Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide the services as described in the Exhibits and attachments, including **Exhibit A** (Project Description) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. In addition, the State's Notice of Award is incorporated herein as an attachment. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE**.

5.2. Scope Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. See 2 CFR 200.308.

5.3. Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in **Exhibit H**. Grantee shall adhere to the specific conditions listed therein.

ARTICLE VI BUDGET

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-Federal as well as the Federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application will be final and is incorporated herein as an attachment. However, a revised Budget is incorporated if submitted to Grantor and thereafter approved.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. 2 CFR 200.308.

6.3. Discretionary Line Item Transfers. Unless prohibited from doing so in 2 CFR 200.308, transfers between approved line items may be made without Grantor's approval only if the total amount transferred does not exceed the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

6.4. Non-discretionary Line Item Transfers. Total line item transfers exceeding the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item require Grantor approval as set forth in Paragraph 6.2.

6.5. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

ARTICLE VII ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) This Paragraph 7.2 applies only to:

- (i) A Grantee who charges, or expects to charge, any Indirect Costs; and
- (ii) A Grantee who is allowed to charge Indirect Costs under federal or state statutes, state administrative rules, and agency or program rules, regulations and policies.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations for approval no later than three months after the effective date of the Award, in a format prescribed by Grantor.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant Federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the Federal government. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. See 2 CFR 200.451.

7.4. Higher Education Cost Principles. The Federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR Part 200 Subpart E and Appendix III.

7.5. Nonprofit Organizations Cost Principles. The Federal cost principles that apply to Nonprofit Organizations that are not institutions of higher education are set forth in 2 CFR Part 200 Subpart E, unless exempt under 2 CFR 200 Appendix VIII.

7.6. Government Cost Principles. The Federal cost principles that apply to State, local and Federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and

Appendix VII.

7.7. Commercial Organization Cost Principles. The Federal cost principles and procedures for cost analysis and the determination, negotiation and allowance of costs that apply to commercial organizations are set forth in 48 CFR Part 31.

7.8. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System**. Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each State- and Federally-funded Program. Accounting records must contain information pertaining to State and Federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. See 2 CFR 200.302.

(b) **Source Documentation**. Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

(i) The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.7).

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO**, **PART THREE** or **Exhibit H** of the requirement to submit Personnel activity reports. See 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(iii) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

(iv) If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control**. Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement.

(d) **Budget Control**. Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.9. **Federal Requirements.** All Grants, whether funded in whole or in part with either Federal or State funds, are subject to Federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 Ill. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.9.

7.10. **Profits.** It is not permitted for any person or entity to earn a Profit from an Award. *See, e.g.,* 2 CFR 200.400(g); *see also* 30 ILCS 708/60(a)(7).

7.11. **Management of Program Income.** Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

ARTICLE VIII REQUIRED CERTIFICATIONS

8.1. **Certifications.** Grantee, its officers, and directors shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 *et seq.* or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 *et seq.*).

(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by Federal or State government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20

USC 7181-7184).

(h) **Drug-Free Work Place.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than \$5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 *et seq.*).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 USC §1251 *et seq.*).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any Federal department or agency (45 CFR Part 76), or by the State (*See* 30 ILCS 708/25(6)(G)).

(l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this 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 Program, 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 Program shall be paid to all laborers, workers, and mechanics performing work under the Award 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.

(n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.

(o) **Criminal Convictions.** Grantee certifies that neither it nor any officer, director, partner or other managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).

(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

ARTICLE IX CRIMINAL DISCLOSURE

9.1. Mandatory Criminal Disclosures. Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. See 30 ILCS 708/40. Additionally, if Grantee receives over \$10 million in total Grant Funds, funded by either State or Federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix II of 2 CFR Part 200, and 30 ILCS 708/40.

ARTICLE X UNLAWFUL DISCRIMINATION

10.1. Compliance with Nondiscrimination Laws. Grantee, its employees and subcontractors under subcontract made pursuant to this Agreement, shall comply with all applicable provisions of State and Federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

(a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;

(b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);

(c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (See *also* guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);

(d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);

(e) The Americans with Disabilities Act of 1990 (42 USC 12101 *et seq.*); and

(f) The Age Discrimination Act (42 USC 6101 *et seq.*).

ARTICLE XI LOBBYING

11.1. Improper Influence. Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

11.2. Federal Form LLL. If any funds, other than Federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

11.3. Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR Part 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4. Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5. Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

11.6. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

ARTICLE XII MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

12.1. Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.333, unless a different retention period is specified in 2 CFR 200.333. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2. Accessibility of Records. Grantee, in compliance with 2 CFR 200.336, shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, Federal authorities, any person identified in 2 CFR 200.336, and any other person as may be authorized by Grantor (including auditors), by the State of Illinois

or by Federal statute. Grantee shall cooperate fully in any such audit.

12.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE XII, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

12.4. Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable State and Federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. See 2 CFR 200.328 and 200.331. Additional monitoring requirements may be in **PART TWO** or **PART THREE**.

ARTICLE XIII FINANCIAL REPORTING REQUIREMENTS

13.1. Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.207. The first of such reports shall cover the first three months after the Award begins. Quarterly reports must be submitted no later than 30 calendar days following the three month period covered by the report. Additional information regarding required financial reports may be set forth in **Exhibit H**. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*; 2 CFR 207(b)(3) and 200.327.

13.2. Close-out Reports.

(a) Grantee shall submit a Close-out Report within 60 calendar days following the end of the period of performance for this Agreement. In the event that this Agreement is terminated prior to the end of the Term, Grantee shall submit a Close-out Report within 60 calendar days of such termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.343.

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.344.

13.3. Annual Financial Reports.

(a) This Paragraph 13.3 applies to all Grantees, unless exempted by **PART TWO** or **PART THREE**.

(b) Grantees shall submit Annual Financial Reports within 180 days after the Grantee's fiscal year ending on or after June 30. This deadline may be extended at the discretion of the Grantor.

(c) The Annual Financial Report must cover the same period the Audited Financial Statements cover. If no Audited Financial Statements are required, however, then the Annual Financial Report must cover the same period as the Grantee's tax return.

(d) Annual Financial Reports must include an in relation to opinion from the report issuer on the Cost and Revenue schedules included in the Annual Financial Report.

(e) Annual Financial Reports shall follow a format prescribed by Grantor.

13.4. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII, ARTICLE XIV, or ARTICLE XV shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding.

ARTICLE XIV PERFORMANCE REPORTING REQUIREMENTS

14.1. Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in **Exhibit E** must be reported quarterly, unless otherwise specified in **PART TWO** or **PART THREE**. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. In unusual circumstances where more frequent reporting is necessary some Grantees may be required to submit monthly Performance Reports; in such cases, Grantor shall notify Grantee of same in **PART TWO** or **PART THREE**. Pursuant to 2 CFR 200.328, periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.328. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2. Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, within 60 calendar days following the end of the period of performance. See 2 CFR 200.343.

14.3. Content of Performance Reports. Pursuant to 2 CFR 200.328(b)(2) all Performance Reports must include Program qualitative and quantitative information, including a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost if required; performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

14.4. Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in **Exhibit F**. See 2 CFR 200.301 and 200.210.

ARTICLE XV AUDIT REQUIREMENTS

15.1. Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules set forth by the Governor's Office of Management and Budget. See 30 ILCS 708/65(c).

15.2. Single and Program-Specific Audits. If Grantee expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year, it must have a single audit or program-specific audit conducted for that year as required in 2 CFR 200.501 and other

applicable sections of Subpart F. The audit and reporting package (including data collection form) must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (Program-specific audit). The audit (and package) must be submitted to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine months after the end of the audit period, whichever is earlier.

15.3. Financial Statement Audit. If Grantee expends less than \$750,000 in Federal Awards during its fiscal year and is not subject to the audit requirements in 15.2, but receives between \$300,000 and \$499,999 in Federal and State Awards combined, Grantee must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards(GAAS); if Grantee expends between \$500,000 and \$749,999 in Federal and State awards combined, Grantee must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Grantee shall submit these financial statement audit reports to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 180 calendar days after the end of the audit period, whichever is earlier.

15.4. For Profit Entities. A For-Profit entity that expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year is required to have a Program-specific audit conducted in accordance with 2 CFR 200.507. The Program-specific audit must be completed and the reporting required by 2 CFR 200.507 must be submitted to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine months after the end of the audit period, whichever is earlier. A For-Profit entity that expends less than \$750,000 in Federal Awards during its fiscal year, but receives between \$300,000 and \$499,999 in Federal and State Awards combined must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards (GAAS); a For-Profit entity that expends between \$500,000 and \$749,999 in Federal and State awards combined must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). The For-Profit entity shall submit these financial statement audit reports to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 180 calendar days after the end of the audit period, whichever is earlier.

15.5. Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by a Certified Public Accountant or Certified Public Accounting Firm licensed in the State of Illinois. For audits required to be performed subject to Generally Accepted Government Auditing Standards, Grantee shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter.

ARTICLE XVI TERMINATION; SUSPENSION

16.1. Termination.

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.339(a)(4).

(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

(i) Pursuant to a funding failure under Paragraph 4.1;

(ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;

(iii) For cause, which may render the Grantee ineligible for consideration for future grants from the Grantor or other State agencies; or

(iv) If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2. Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, Grantee may avail itself of any opportunities to object and challenge such suspension or termination in accordance with any applicable written processes and procedures. 2 CFR 200.341.

16.4. Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

i. Grantor expressly authorizes them in the notice of suspension or termination; and

ii. The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.342.

16.5. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.339(c).

SUBCONTRACTS/SUB-GRANTS

17.1. Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved.

17.2. Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by Federal and State laws and regulations, and the provisions of this Agreement.

ARTICLE XVIII NOTICE OF CHANGE

18.1. Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, Federal employer identification number (FEIN), DUNS number, SAM registration or the state equivalent registration status, Related Parties, senior management, or address. *See* 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2. Failure to Provide Notification. Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3. Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4. Circumstances Affecting Performance; Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Grantee's ability to perform under this Agreement.

18.5. Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

ARTICLE XIX REORGANIZATION AND BOARD MEMBERSHIP

19.1. Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. Failure to comply with this ARTICLE XIX shall constitute a material breach of this Agreement.

ARTICLE XX

AGREEMENTS WITH OTHER STATE AGENCIES

20.1. Agreement Disclosure. Grantee shall fully disclose, in **Exhibit G**, all contracts and other agreements to which it is a party or it anticipates entering into within one month after the effective date of this Award with any other State agency. For each contract or agreement, Grantee shall indicate:

- (a) The name of the State agency;
- (b) The number of the contract(s) or other agreement(s);
- (c) The estimated amount of the contract(s) or other agreement(s);
- (d) The term of the contract(s) or other agreement(s); and
- (e) The nature or purpose of the contract(s) or other agreement(s).

If Grantee has multiple Agreements with Grantor for the same fiscal year, Grantee only needs to supplement its previously submitted **Exhibit G**.

20.2. Copies upon Request. Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

ARTICLE XXI CONFLICT OF INTEREST

21.1. Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.112 and 44 Ill. Admin. Code 7000.40(b)(3).

21.2. Prohibited Payments. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person: (1) currently holding an elective office in this State including, but not limited to, a seat in the General Assembly, or (2) employed by an office or agency of the State of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or \$106,447.20 (30 ILCS 500/50-13).

21.3. Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

ARTICLE XXII EQUIPMENT OR PROPERTY

22.1. Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439(a). Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2. Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3. Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President’s Office of Management and Budget, the Governor’s Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal and State statutes and executive orders.

ARTICLE XXIII PROMOTIONAL MATERIALS; PRIOR NOTIFICATION

23.1. Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase “Funding provided in whole or in part by the [Grantor].” Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

23.2. Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

ARTICLE XXIV INSURANCE

24.1. Purchase and Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in **PART TWO** or **PART THREE**.

24.2. Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

ARTICLE XXV LAWSUITS AND INDEMNIFICATION

25.1. Independent Contractor. Grantee is an independent contractor under this Agreement and neither Grantee nor any employee or agent of Grantee is an employee of Grantor and do not acquire any employment rights with Grantor or the State of Illinois by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee’s use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or State

of Illinois business and not for any other purpose, including any personal benefit or gain.

25.2. Indemnification. To the extent permitted by law, Grantee agrees to hold harmless Grantor against any and all liability, loss, damage, cost or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Grantee, with the exception of acts performed in conformance with an explicit, written directive of Grantor. Indemnification by Grantor will be governed by the State Employee Indemnification Act (5 ILCS 350/1 *et seq.*) as interpreted by the Illinois Attorney General. Grantor makes no representation that Grantee, an independent contractor, will qualify or be eligible for indemnification under said Act.

ARTICLE XXVI MISCELLANEOUS

26.1. Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2. Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

26.3. Exhibits and Attachments. **Exhibits A through H, PART TWO, PART THREE**, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4. Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5. Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

26.6. Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

26.7. No Waiver. No failure of Grantor to assert any right or remedy hereunder will act as a waiver of its right to assert such right or remedy at a later time or constitute a course of business upon which Grantee may rely for the purpose of denial of such a right or remedy to Grantor.

26.8. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the State of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* Grantor does not waive sovereign immunity by entering into this Agreement.

26.9. Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable Federal and State laws, including, without limitation, Federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10. Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable State and Federal statutes, Federal regulations and Grantor administrative rules regarding confidential

records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

26.11. Compliance with Freedom of Information Act. Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

26.12. Precedence. In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** shall control. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

26.13. Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

26.14. Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

26.15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

26.16. Attorney Fees and Costs. If Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

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EXHIBIT A
PROJECT DESCRIPTION

EXHIBIT B

DELIVERABLES OR MILESTONES

EXHIBIT D
CONTACT INFORMATION

CONTACT FOR NOTIFICATION:

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

GRANTOR CONTACT

GRANTEE CONTACT

Name: _____

Name:

Title: _____

Title:

Address: _____

Address:

Phone: _____

Phone:

TTY#: _____

TTY

#:

Fax#: _____

Fax

#:

E-mail Address: _____

E-mail

Address:

Additional
Information: _____

EXHIBIT E
PERFORMANCE MEASURES

EXHIBIT F
PERFORMANCE STANDARDS

EXHIBIT G

STATE AGENCY CONTRACTS

For each contract or other agreement to which Grantee is a party with any other State agency, state:

1. The name of the State agency;
2. The number of the contract(s) or other agreement(s);
3. The estimated amount of the contract(s) or other agreement(s);
4. The term of the contract(s) or other agreement(s); and
5. The nature or purpose of the contract(s) or other agreement(s).

EXHIBIT H
SPECIFIC CONDITIONS

PART TWO – THE GRANTOR-SPECIFIC TERMS

In addition to the uniform requirements in **PART ONE**, the Grantor has the following additional requirements for its Grantee:

[Here is where the Grantor lists its specific requirements]

[See Paragraphs 4.3, 4.6, 4.7, 5.1, 7.9, 12.4, 13.3(a), 14.1, 14.3, and 24.1 for information that may be required in this **PART TWO**.]

PART THREE – THE PROJECT-SPECIFIC TERMS

In addition to the uniform requirements in **PART ONE** and the Grantor-Specific Terms in **PART TWO**, the Grantor has the following additional requirements for this Project:

[Here is where the Grantor lists the specific requirements for this Project, including identification of all applicable state and federal rules.]

[See Paragraphs 4.3, 4.6, 4.7, 5.1, 7.9, 12.4, 14.1, 14.3, and 24.1 for information that may be required in this **PART THREE**.]

HIGHER EDUCATION

(110 ILCS 48/) Grow Your Own Teacher Education Act.

(110 ILCS 48/1)

Sec. 1. Short title. This Act may be cited as the Grow Your Own Teacher Education Act.

(Source: P.A. 93-802, eff. 1-1-05; 94-979, eff. 6-30-06.)

(110 ILCS 48/5)

Sec. 5. Purpose. The Grow Your Own Teacher preparation programs established under this Act shall comprise a major new statewide initiative, known as the Grow Your Own Teacher Education Initiative, to prepare highly skilled, committed teachers who will teach in hard-to-staff schools, including within the Department of Juvenile Justice School District, and hard-to-staff teaching positions and who will remain in these schools for substantial periods of time.

The Grow Your Own Teacher Education Initiative shall effectively recruit and prepare parent and community leaders and paraeducators to become effective teachers statewide in hard-to-staff schools serving a substantial percentage of low-income students and hard-to-staff teaching positions in schools serving a substantial percentage of low-income students. Further, the Initiative shall increase the diversity of teachers, including diversity based on race and ethnicity.

The Grow Your Own Teacher Education Initiative shall ensure educational rigor by effectively preparing candidates in accredited bachelor's degree programs in teaching, through which graduates shall meet the requirements to secure an Illinois initial teaching certificate.

The goal of the Grow Your Own Teacher Education Initiative is to add 1,000 teachers to low-income, hard-to-staff Illinois schools by 2016.

(Source: P.A. 95-476, eff. 1-1-08; 96-144, eff. 8-7-09; 96-414, eff. 1-1-10; 96-1000, eff. 7-2-10.)

(110 ILCS 48/10)

Sec. 10. Definitions. In this Act:

"Accredited teacher preparation program" means a regionally accredited, Illinois approved teacher education program authorized to prepare individuals to fulfill all of the requirements to receive an Illinois initial teaching certificate.

"Cohort" means a group of teacher education candidates who are enrolled in and share experiences in the same program and are linked by their desire to become Illinois teachers in hard-to-staff schools and by their need for the services and supports offered by the Initiative.

"Community organization" means a nonprofit organization that has a demonstrated capacity to train, develop, and organize parents and community leaders into a constituency that will hold the school and the school district accountable for achieving high academic standards; in addition to organizations with a geographic focus, "community organization" includes general parent organizations,

organizations of special education or bilingual education parents, and school employee unions.

"Developmental classes" means classes in basic skill areas, such as mathematics and language arts that are prerequisite to, but not counted towards, degree requirements of a teacher preparation program.

"Eligible school" means a public elementary, middle, or secondary school in this State that serves a substantial percentage of low-income students and that is either hard to staff or has hard-to-staff teaching positions.

"Hard-to-staff school" means a public elementary, middle, or secondary school in this State that, based on data compiled by the State Board of Education in conjunction with the Board of Higher Education, serves a substantial percentage of low-income students, as defined by the State Board. "Hard-to-staff

teaching position" means a teaching category (such as special education, bilingual education, mathematics, or science) in which statewide data compiled by the State Board of Education in conjunction with the Board of Higher Education indicates a multi-year pattern of substantial teacher shortage or that has been identified as a critical need by the local school board.

"Initiative" means the Grow Your Own Teacher Education Initiative created under this Act.

"Paraeducator" means an individual with a history of demonstrated accomplishments in school staff positions (such as teacher assistants, school-community liaisons, school clerks, and security aides) in schools that meet the definition of a hard-to-staff school under this Section.

"Parent and community leader" means an individual who has or had a child enrolled in a school or schools that meet the definition of a hard-to-staff school under this Section and who has a history of active involvement in the school or who has a history of working to improve schools serving a substantial percentage of low-income students, including membership in a community organization.

"Program" means a Grow Your Own Teacher preparation program established by a consortium under this Act.

"Schools serving a substantial percentage of low-income students" means schools that maintain any of grades pre-kindergarten through 8, in which at least 35% of the students are eligible to receive free or reduced-price lunches and schools that maintain any of grades 9 through 12, in which at least 25% of the students are eligible to receive free or reduced price lunches.

"State Board" means the Board of Higher Education. (Source: P.A. 95-476, eff. 1-1-08; 96-144, eff. 8-7-09; 96-1393, eff. 7-29-10.)

(110 ILCS 48/13)

Sec. 13. Transfer of powers and duties to the Board of Higher Education. On July 1, 2010, all powers and duties of the State Board of Education under this Act shall be transferred to the Board of Higher Education. All rules, standards, guidelines, and procedures adopted by the State Board of Education under this Act shall continue in effect as the rules, standards, guidelines, and procedures of the Board

of Higher Education, until they are modified or abolished by the Board of Higher Education.

(Source: P.A. 96-1393, eff. 7-29-10.)

(110 ILCS 48/15)

Sec. 15. Creation of Initiative. The Grow Your Own Teacher Education Initiative is created. The State Board shall administer the Initiative as a grant competition to fund consortia that will carry out Grow Your Own Teacher preparation programs.

(Source: P.A. 93-802, eff. 1-1-05; 94-979, eff. 6-30-06.)

(110 ILCS 48/20)

Sec. 20. Selection of grantees. The State Board shall award grants to qualified consortia that reflect the distribution and diversity of hard-to-staff schools and hard-to-staff positions across this State. In awarding grants, the State Board shall select programs that successfully address Initiative criteria and that reflect a diversity of strategies in terms of serving urban areas, serving rural areas, the nature of the participating institutions of higher education, and the nature of hard-to-staff schools and

hard-to-staff teaching positions on which a program is focused.

The State Board shall select consortia that meet the following requirements:

(1) A consortium shall be composed of at least one 4-year institution of higher education with an Illinois approved teacher preparation program, at least one school district or group of schools, and one or more community organizations. The consortium membership may also include a 2-year institution of higher education, a school employee union, or a regional office of education.

(2) The 4-year institution of higher education participating in the consortium shall have past, demonstrated success in preparing teachers for elementary or secondary schools serving a substantial percentage of low-income students.

(3) The consortium shall focus on a clearly defined set of eligible schools that will participate in the program. The consortium shall articulate the steps that it will carry out in preparing teachers for its participating schools and in preparing teachers for one or more hard-to-staff teaching positions in those schools.

(4) A candidate in a program under the Initiative must hold a high school diploma or its equivalent, must meet either the definition of "parent and community leader" or the definition of "paraeducator" contained in Section 10 of this Act, must not have attended college right after high school or must have experienced an interruption in his or her college education, and does not hold a bachelor's degree.

(5) The consortium shall employ effective procedures for teaching the skills and knowledge needed to prepare highly competent teachers. Professional preparation shall include on-going direct experience in target schools and evaluation of this experience.

(6) The consortium shall offer the program to cohorts of candidates, as defined in Section 10 of this Act, on a schedule that enables candidates to work full time while participating in the program and allows paraeducators to continue in their current positions. In any fiscal year in which an appropriation for the Initiative is made, the consortium shall guarantee that support will be available to an admitted cohort for the cohort's education for that fiscal year. At the beginning of the Initiative, programs that are already operating and existing cohorts of candidates under this model shall be eligible for funding.

(7) The institutions of higher education participating in the consortium shall document and agree to expend the same amount of funds in implementing the program that these institutions spend per student on similar educational programs. Grants received by the consortium shall supplement and not supplant these amounts.

(8) The State Board shall establish additional criteria for review of proposals, including criteria that address the following issues:

(A) Previous experience of the institutions of higher education in preparing candidates for hard-to-staff schools and positions and in working with students with non-traditional backgrounds.

(B) The quality of the implementation plan, including strategies for overcoming institutional barriers to the progress of non-traditional candidates.

(C) If a community college is a participant, the nature and extent of existing articulation agreements and guarantees between the community college and the 4-year institution of higher education.

(D) The number of candidates to be educated in the planned cohort or cohorts and the capacity of the consortium for adding cohorts in future cycles.

(E) Experience of the community organization or organizations in organizing parents and community leaders to achieve school improvement and a strong relational school culture.

(F) The qualifications of the person or persons designated by the 4-year institution of higher education to be responsible for cohort support and the development of a shared learning and social environment among candidates.

(G) The consortium's plan for collective consortium decision-making, involving all consortium members, including mechanisms for candidate input.

(H) The consortium's plan for direct impact of the program on the quality of education in the eligible schools.

(I) The relevance of the curriculum to the needs of the eligible schools and positions, and the use in curriculum and instructional planning of principles for effective education for adults.

(J) The availability of classes under the program in places and times accessible to the candidates.

(K) Provision of a level of performance to be maintained by

candidates as a condition of continuing in the program.

(L) The plan of the 4-year institution of higher education to ensure that candidates take advantage of existing financial aid resources before using the loan funds described in Section 25 of this Act.

(M) The availability of supportive services, including, but not limited to, counseling, tutoring, transportation, technology and technology support, and child care.

(N) A plan for continued participation of graduates of the program in a program of support for at least 2 years, including mentoring and group meetings.

(O) A plan for testing and qualitative evaluation of candidates' teaching skills that ensures that graduates of the program are as prepared for teaching as other individuals completing the institution of higher education's preparation program for the certificate sought.

(P) A plan for internal evaluation that provides reports at least yearly on the progress of candidates towards graduation and the impact of the program on the target schools and their communities.

(Q) Contributions from schools, school districts, and other consortia members to the program, including stipends for candidates during their student teaching.

(R) Consortium commitment for sustaining the program over time, as evidenced by plans for reduced requirements for external funding, in subsequent cycles.

(S) The inclusion in the planned program of strategies derived from community organizing that will help candidates develop tools for working with parents and other community members.

(Source: P.A. 95-476, eff. 1-1-08; 96-144, eff. 8-7-09.)

(110 ILCS 48/25)

Sec. 25. Expenditures under the Initiative.

(a) Every program under the Initiative shall implement a program of forgivable loans to cover any portion of tuition, books, and fees of candidates under the program in excess of the candidates' grants-in-aid. All students admitted to a cohort shall be eligible for a forgivable student loan. Loans shall be fully forgiven if a graduate completes 5 years of service in hard-to-staff schools or hard-to-staff teaching positions, with partial forgiveness for shorter periods of service. The State Board shall establish standards for the approval of requests for waivers or deferrals from individuals to waive this obligation. The State Board shall also define standards for the fiscal management of these loan funds.

(b) The State Board shall award grants under the Initiative in such a way as to provide the required support for a cohort of candidates for any fiscal year in which an appropriation for the Initiative is made. Program budgets must show expenditures and needed funds for the entire period that

candidates are expected to be enrolled.

(c) No funds under the Initiative may be used to supplant the average per-capita expenditures by the institution of higher education for candidates.

(d) Where necessary, program budgets shall include the costs of child care and other indirect expenses, such as transportation, tutoring, technology, and technology support, necessary to permit candidates to maintain their class schedules. Grant funds may be used by any member of a consortium to offset such costs, and the services may be provided by the community organization or organizations, by any other member of the consortium, or by independent contractors.

(e) The institution of higher education may expend grant funds to cover the additional costs of offering classes in community settings and for tutoring services.

(f) The community organization or organizations may receive a portion of the grant money for the expenses of recruitment, community orientation, and counseling of potential candidates, for providing space in the community, and for working with school personnel to facilitate individual work experiences and support of candidates.

(g) The school district or school employee union or both may receive a portion of the grant money for expenses of supporting the work experiences of candidates and providing mentors for graduates. Notwithstanding the provisions of Section 10-20.15 of the School Code, school districts may also use these or other applicable public funds to pay participants in programs under the Initiative for student teaching required by an accredited teacher preparation program.

(h) One or more members of the consortium may expend funds to cover the salary of a site-based cohort coordinator.

(i) Grant funds may also be expended to pay directly for required developmental classes for candidates beginning a program.

(Source: P.A. 95-476, eff. 1-1-08; 96-144, eff. 8-7-09.)

(110 ILCS 48/30)

Sec. 30. Implementation of Initiative. The State Board shall develop guidelines and application procedures for the Initiative in fiscal year 2011. The State Board may, if it chooses, award a small number of planning grants during any fiscal year to potential consortia. Other than existing cohorts, the first programs under the Initiative shall be awarded grants in such a way as to allow candidates to begin their work at the beginning of the 2006-2007 school year. (Source: P.A. 96-1393, eff. 7-29-10.)

(110 ILCS 48/35)

Sec. 35. Independent program evaluation. The State Board shall contract for an independent evaluation of program implementation by each of its participating consortia and of the impact of each program, including the extent of candidate persistence in program enrollment, acceptance as an education major in a 4-year institution of higher education, completion of a bachelor's degree in teaching, obtaining a teaching position in a target school or similar school, subsequent

effectiveness as a teacher, and persistence in teaching in a target school or similar school. The evaluation shall assess the Initiative's overall effectiveness and shall identify particular program strategies that are especially effective. (Source: P.A. 93-802, eff. 1-1-05; 94-979, eff. 6-30-06.)

(110 ILCS 48/40)

Sec. 40. Funding. Funding of the Initiative is subject to appropriation.
(Source: P.A. 93-802, eff. 1-1-05.)

(110 ILCS 48/90)

Sec. 90. Rules. The State Board may adopt any rules necessary to carry out its responsibilities under this Act. (Source: P.A. 93-802, eff. 1-1-05.)

(110 ILCS 48/99)

Sec. 99. Effective date. This Act takes effect January 1, 2005.
(Source: P.A. 93-802, eff. 1-1-05.)

SUBTITLE A

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER II: BOARD OF HIGHER EDUCATION

PART 1085

GROW YOUR OWN TEACHER GRANTS

Section	
1085.10	Purpose
1085.20	Definitions
1085.25	Roles and Responsibilities
1085.30	Eligibility
1085.40	Grant Applications
1085.50	Planning Grant
1085.60	Implementation Grant
1085.70	Continuation Grant
1085.80	Candidates
1085.90	Forgivable Loan Program
1085.100	Grant Agreement
1085.110	Audit Guidelines
1085.120	Grant Funds Recovery Act

AUTHORITY: Implementing and authorized by Section 13 of the Grow Your Own Teacher Education Act [110 ILCS 48/13] and by Section 9.17 of the Board of Higher Education Act [110 ILCS 205/9.17].

SOURCE: Adopted at 36 Ill. Reg. 17852, effective December 10, 2012.

Section 1085.10 Purpose

The purpose of this Part is to provide for the distribution of grant funds through a competitive process to prepare highly skilled, committed teachers who will teach in hard-to-staff schools, including within the Department of Juvenile Justice School District, and hard-to-staff teaching positions and who will remain in these schools for substantial periods of time. The initiative shall ensure educational rigor by effectively preparing candidates in accredited bachelor's degree programs in teaching, through which graduates shall meet the requirements to secure an Illinois initial teaching license/certificate. (Section 5 of the Act)

Section 1085.20 Definitions

"Accredited teacher preparation program" means, for the purposes of this Part, a regionally accredited, Illinois approved teacher education program authorized to

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prepare individuals to fulfill all of the requirements to receive an Illinois initial teaching license/certificate (Section 10 of the Act).

"Act" means the Grow Your Own Teacher Education Act [110 ILCS 48].

"Board" means the Board of Higher Education (Section 10 of the Act).

"Candidate" means a person who is eligible to receive or is receiving assistance through a program offered by a consortium. *A candidate must hold a high school diploma or its equivalent, must meet either the definition of "parent and community leader" or the definition of "paraeducator", must not have attended college right after high school or must have experienced an interruption in his or her college education, and does not hold a bachelor's degree (Section 20 of the Act).*

"Paraeducator" means an individual with a history of demonstrated accomplishments in school staff positions (such as teacher assistants, school-community liaisons, school clerks, and security aides) in schools that meet the definition of a hard-to-staff school (Section 10 of the Act).

"Parent and community leader" means an individual who has or had a child enrolled in a school or schools that meet the definition of a hard-to-staff school under the definition of "eligible school" and who has a history of active involvement in the school or who has a history of working to improve schools serving a substantial percentage of low-income students, including membership in a community organization (Section 10 of the Act).

"Student with a non-traditional background" means a student who does not hold a bachelor's degree and who begins a baccalaureate program at a point in time other than immediately following graduation from high school or one who began a baccalaureate program after high school, did not complete it, and re-enters a baccalaureate program after some passage of time.

"Cohort" means a group of teacher education candidates who are enrolled in and share experiences in the same program and are linked by their desire to become Illinois teachers in hard-to-staff schools and by their need for the services and supports offered by the Initiative (Section 10 of the Act).

"Community organization" means a nonprofit organization that has a demonstrated capacity to train, develop, and organize parents and community leaders into a constituency that will hold the school and the school district

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accountable for achieving high academic standards; in addition to organizations with a geographic focus, "community organization" includes general parent organizations, organizations of special education or bilingual education parents, and school employee unions (Section 10 of the Act).

"Consortium" means, for the purposes of this Part, an association of entities pooling their resources to offer a program. *A consortium shall be composed of at least one 4-year institution of higher education with an Illinois accredited teacher education program, at least one school district or group of schools, and one or more community organizations. The consortium may also include a 2-year institution of higher education, a school employee union, or a regional office of education.* (Section 20 of the Act)

"Continuation grant" means an award of grant funds to a consortium for a program if an implementation grant or a continuation grant was awarded in the prior fiscal year pursuant to this Part and all requirements of the prior grant agreement were met.

"Counsel out" means a systematic approach to identify a candidate who may be struggling in the program, and to determine if the candidate is performing at an acceptable level to continue without intervention or if the candidate should discontinue the program.

"Developmental classes" means classes in basic skill areas, such as mathematics and language arts, that are prerequisite to, but not counted towards, degree requirements of a teacher preparation program (Section 10 of the Act).

"DFPR" means the Illinois Department of Financial and Professional Regulation or its successor.

"Eligible school" means a public elementary, middle, or secondary school in this State that serves a substantial percentage of low-income students and that is either hard-to-staff or has hard-to-staff teaching positions (Section 10 of the Act).

"Hard-to-staff school" means a public elementary, middle, or secondary school in this State that, based on data compiled by the State Board of Education in conjunction with the Board of Higher Education, serves a substantial percentage of low-income students, as defined by the State Board (Section 10 of the Act).

"Hard-to-staff teaching position" means a teaching category (such as special education, bilingual education, mathematics, or science) in which statewide data compiled by the State Board of Education in conjunction

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with the Board of Higher Education indicates a multi-year pattern of substantial teacher shortage or that has been identified as a critical need by the local school board (Section 10 of the Act).

"Schools serving a substantial percentage of low-income students" means schools that maintain any of grades pre-kindergarten through 8, in which at least 35% of the students are eligible to receive free or reduced-price lunches, and schools that maintain any of grades 9 through 12, in which at least 25% of the students are eligible to receive free or reduced price lunches (Section 10 of the Act).

"Fiscal agent" means the Illinois public institution pursuant to the Board of Higher Education Act [110 ILCS 205] or a private not-for-profit institution authorized to operate within the State of Illinois pursuant to the Private College Act [110 ILCS 1005] and/or the Academic Degree Act [110 ILCS 1010]; or has been in continuous operation and granted degrees within the State of Illinois before the effective date of those Acts and has not modified the business entity since the effective dates of those Acts. This definition does not apply to consortia established before 2010.

"Initiative" means the Grow Your Own Teacher Education Initiative created under the Act (Section 10 of the Act).

"Institution" means an institution of higher education.

"Implementation grant" means an award of grant funds to a consortium for a program only if a planning grant was received in the prior fiscal year pursuant to this Part. This award may also be available to a consortium in which the composition of the membership has changed.

"Planning grant" means a one-time award of grant funds to a potential consortium that will enable the group to work with the Board to organize, coordinate and submit an application for an implementation grant.

"Potential consortium" means a consortium that has not received a planning grant pursuant to this Part.

"Program" means a Grow Your Own Teacher preparation program established by a consortium under the Act (Section 10 of the Act).

"Year of service" means, for the purposes of this Part, full-time employment for at least half a school year, or an equivalent amount of part-time employment, in:

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A public school that, at the time the individual becomes employed, is either one of the schools targeted by the program completed by the individual with assistance under this Part or another school that is hard to staff; or

A teaching position that, at the time the individual becomes employed, is a hard-to-staff teaching position.

Section 1085.25 Roles and Responsibilities

- a) The Board of Higher Education is responsible for administration of the Grow Your Own (GYO) Initiative. Responsibilities include, but are not limited to, developing and releasing applications, fiscal monitoring, maintaining a candidate database system, development and review of contracts to support the initiative, reviewing of consortia annual reports and consultant reports, coordination and communication of expectations to all consortia members, and developing and appointing an advisory board with members representative of all consortia.
- b) The consortium is responsible for pooling all its collective resources and providing a variety of support services to increase the success rate of candidates graduating from an Illinois accredited teacher education program to become and to be placed as teachers in hard-to-staff schools.
- c) The fiscal agent is responsible for providing direction and oversight for the consortium. Responsibilities include, but are not limited to, submitting grant applications and annual reports, meeting with program evaluators, monitoring grant expenditures and the budget, serving as liaison and primary contact person for the consortium, participating in cohort meetings, locating and hiring tutors, conducting meetings with academic counselors, collecting and reporting assessment and performance data, and attending consortium meetings.
- d) A cohort coordinator is responsible for direct support and counseling to candidates. Responsibilities include, but are not limited to, assisting students with class schedules, helping candidates register and answer questions about registration, answering questions about teacher education programs and entrance requirements, helping candidates solve individual problems related to their classes, basic skills tests and other college requirements, conducting cohort meetings, conducting meetings with academic counselors, meeting with program evaluators, coordinating tutorial support, monitoring academic progress of candidates, assisting the consortium by providing information regarding the anticipated completion dates of candidates to assist with placement where positions may be available, and attending consortium meetings.

- e) The community based organization has unique responsibilities to support the success of the candidates. Responsibilities include, but are not limited to, helping improve the life outcomes of disadvantaged children and families, increasing parental involvement in schools, developing parent and candidate leadership and addressing commonly identified issues related to the school, carrying out community-school improvement activities, assisting in developing after school programs, applying for grants to support the consortium, meeting with program evaluators, identifying unique needs of candidates and providing support for those needs, working with higher education partners to locate and hire tutors to help candidates with coursework, and attending consortium meetings.
- f) An independent program evaluator is responsible for reporting the extent of candidate persistence in program enrollment, acceptance as an education major in a 4 year institution of higher education, completion of a bachelor's degree in teaching, obtaining a teaching position in a target school or similar school, subsequent effectiveness as a teacher, and persistence in teaching in a target school or similar school. The evaluation shall assess the Initiative's overall effectiveness and shall identify particular program strategies that are especially effective (Section 35 of the Act). The evaluation process will include monitoring site visits, providing technical assistance to consortia, and providing other support services to the Board as needed. The evaluator will produce an annual report that includes individual project and overall program data, identification of effective practices, and recommendations for program improvements.
- g) An accredited Illinois teacher preparation program, housed within an Illinois institution of higher education, is responsible for providing high quality undergraduate coursework and clinical experiences that will prepare beginning teachers to work in hard-to-staff schools. The programs offered will align with the areas of need derived from the GYO consortium's needs assessment of the community's PreK-12 schools.
- h) The hard-to-staff schools (elementary, middle and high school) are responsible for providing data (needs assessment) to the consortium on those areas that experience a multi-year pattern of substantial teacher shortage or have been identified as a critical need by the local school board, providing sites for clinical experiences for GYO participants/candidates and providing employment opportunities for GYO graduates when possible.

Section 1085.30 Eligibility

- a) A potential consortium, as defined in Section 1085.20, shall be eligible to apply for a planning grant.

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- b) A consortium, as defined in Section 1085.20, shall be eligible to apply for an implementation grant or a continuation grant.

Section 1085.40 Grant Applications

The Board will release applications for planning, implementation and continuation grants when sufficient funding is made available to the Board during any given fiscal year and the Board determines a need for grants. Each release will include information about the application requirements, the categories of allowable expenditures, the information required, and such certifications, assurances and program-specific terms of the grant required by the Board.

Applications will be signed by each member of the potential consortium or consortium.

- a) Applications for grant funds shall be made on prescribed forms developed by the Board and shall include, but not be limited to, the following provisions and information:
 - 1) The names, addresses, chief officers and general description of each member of the potential consortium or recognized consortium;
 - 2) Name and contact information of the fiscal agent, as defined in Section 1085.20; and
 - 3) Certification that the grant funds will be used for planning activities pursuant to Section 1085.50, implementing a program pursuant to Section 1085.60, or continuing a program pursuant to Section 1085.70.
- b) Applications shall also include additional information and documentation as specified by the type of grant:
 - 1) Planning grant requirements in Section 1085.50;
 - 2) Implementation grant requirements in Section 1085.60; or
 - 3) Continuation grant requirements in Section 1085.70.
- c) Grant applications may be obtained from the Illinois Board of Higher Education, 431 East Adams Street, Second Floor, Springfield, Illinois 62701-1404 or the Board's website at www.ibhe.org.
- d) Completed applications must be submitted to the Board at the address indicated in subsection (c) and must be received by the announced deadline for the submission of applications, which shall not be less than 45 days after the announcement and

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release of application materials. Completed applications will not be accepted after the announced deadline for the submission of applications within any fiscal year.

- e) Board staff shall review application documents for compliance with the application and eligibility requirements. The Board may request additional documentation and/or a meeting between its staff and institutional representatives to resolve questions about application documents. In the event that material submitted by an applicant institution is incomplete or not of sufficient detail to provide an understanding of the proposed projects, the Board will request additional information.
- f) After the review is complete, the Board shall provide written notification to an applicant indicating whether the applicant is eligible to receive a grant award.

Section 1085.50 Planning Grant

The Board may, if it chooses, award a small number of planning grants during any fiscal year to potential consortia (Section 30 of the Act). The Board shall indicate the maximum amount to be reserved for planning grants and the maximum amount available per grant.

- a) In addition to the application requirements of Section 1085.30, the application for a planning grant must include the following:
 - 1) Proposal
 - A) Describes a plan of work for developing a consortium and a Grow Your Own program that will be eligible for an implementation grant under this Part;
 - B) Provides evidence that at least a subset of the teachers typically prepared by the institution seeks employment in communities where hard-to-staff schools are located;
 - C) Demonstrates that the institution is not applying for funding on behalf of an existing consortium that is currently serving a group of candidates under a model substantially similar to that described in the Act and that further information is needed about the specific barriers that exist with respect to enabling individuals with a long-term commitment to those communities to complete teacher preparation; and
 - D) Demonstrates need by a hard-to-staff PreK-12 district for teachers in hard-to-staff positions.

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- 2) Supporting Documentation
 - A) Letters of interest from one or more school districts or schools indicating willingness to collaborate in offering opportunities for candidates in the program to complete pre-student teaching clinical experiences in hard-to-staff schools or positions; and
 - B) If additional community organizations are being considered for membership in the consortium, letters of invitation that the applicant has sent to one or more relevant community organizations proposing a role for the organizations in the proposed consortium, along with a rationale provided by the applicant for inclusion of these organizations.
 - 3) The Board shall provide the categories of allowable expenditures and require the submission of a budget summary and payment schedule, completed on the forms provided, as well as a narrative budget breakdown that provides a detailed explanation of each line item of expenditure. Allowable uses of planning grant funds shall include services and goods necessary to:
 - A) Secure the participation and commitment of the required members and the optional members of a consortium to develop a plan for collective decision-making that involves all partners and provides a mechanism for candidate input;
 - B) Attract or identify viable potential candidates for teacher preparation who are paraeducators or parent and community leaders as contemplated by the Act, including assistance that will permit potential candidates to complete developmental coursework during their first four semesters of participation that will verify their academic readiness for enrolling in teacher preparation; and
 - C) Identify barriers to teacher certification for potential members of a given cohort, and the strategies and resources for mitigating those barriers and successfully ameliorating them within the programmatic, time and funding constraints of the program.
- b) *In awarding grants, the Board shall select programs that successfully address initiative criteria and that reflect a diversity of strategies in terms of serving urban, suburban, and rural areas, the nature of the participating institutions of higher education, and the nature of hard-to-staff schools and hard-to-staff teaching positions on which a program is focused (Section 20 of the Act).*

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- c) Each proposal that is submitted by a potential consortium and meets the requirements of this Section shall be considered qualified for funding.
- d) Funding decisions shall be made by balancing the goals of geographic distribution and accessibility with the level of need and the potential number of candidates to be served.
- e) In the event that an audit or other evidence establishes that the consortium failed to perform and/or the expenditure of grant funds was not consistent with the consortium's proposal, a full or partial reimbursement to the State shall be required. For example, if an auditor finds that any amount of funds were not used or were used in a manner inconsistent with the proposal, the Board will seek reimbursement for that amount of funds.

Section 1085.60 Implementation Grant

New implementation grants shall be offered in years when the level of available funding allows one or more new programs or cohorts of candidates to be supported, given the requirements of Section 25 of the Act for ongoing support of cohorts that have begun their preparation in previous years. The Board shall indicate the maximum amount to be reserved for implementation grants and the maximum available amount per grant.

- a) In addition to the application requirements of Section 1085.30, the application for an implementation grant must include the following:
 - 1) The responsibility and roles of each partner in the consortium shall be set forth in a written agreement signed by each partner to be submitted with the application. The written agreement shall address at least the following:
 - A) The process and responsibilities of each partner for the recruitment, selection and assessment of candidates;
 - B) The establishment of support systems and the specific roles of each partner in providing those supports. This may include, but shall not be limited to, tutoring, peer mentoring, professional development workshops and placement supports; and
 - C) The process to develop an evaluation plan to measure the progress and success of individual candidates, as well as an evaluation of the partnership, and the role of each partner in making improvements based on the results of the evaluations.

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- 2) Information on the consortium participants, service targets and candidates.
 - A) The teacher preparation programs involved and their qualifications relevant to the requirements of the Act, including specific information on the institution's success in preparing teachers for positions in schools that serve a substantial percentage of low- income students;
 - B) The hard-to-staff schools and positions that are targeted;
 - C) The demographic make-up of the area served by the targeted schools;
 - D) Plans for recruiting candidates to the program;
 - E) Selection criteria and process for admitting candidates into the program;
 - F) Evidence that the candidates of the cohort are paraeducators or parent and community leaders;
 - G) Plans for providing support to the candidates;
 - H) Plans for ensuring each candidate successfully progresses through the program. These plans will include strategies such as tutoring, study skills training, and other strategies to ensure candidates pass the Illinois basic skills test in accordance with the rules adopted by the State Board of Education for the licensure/certification of educators (see 23 Ill. Adm. Code 25.750(b)).
 - I) Preparation status of existing candidates, if a cohort is already engaged in the program;
 - J) Procedures to use when a candidate fails to make an adequate rate of progress as specified in Section 1085.80(b), and the candidate is counseled out of the program;
 - K) A plan for contingency funding if State funding is discontinued or diminished; and
 - L) Procedures for placement supports for candidates, including identified roles and responsibilities of the consortium members in assisting with placement.

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- 3) The Board shall provide the categories of allowable expenditures pursuant to the Act and require the submission of a budget summary and payment schedule, completed on the forms provided, as well as a narrative budget breakdown that provides a detailed explanation of each line item of expenditure and covers the entire period of time during which the identified cohort is expected to be enrolled in the teacher preparation program.
- A) *Where necessary, program budgets shall include the costs of child care and other indirect expenses, such as transportation, tutoring, technology, and technology support, necessary to permit candidates to maintain their class schedules. Grant funds may be used by any member of a consortium to offset such costs, and the services may be provided by the community organization or organizations, by any other member of the consortium, or by independent contractors. (Section 25(d) of the Act)*
- B) *Grant funds may also be expended to pay directly for required developmental classes for candidates beginning a program. (Section 25(i) of the Act)*
- C) *The community organization or organizations may receive a portion of the grant money for the expenses of recruitment, community orientation, and counseling of potential candidates, for providing space in the community, and for working with school personnel to facilitate individual work experiences and support of candidates. (Section 25(f) of the Act)*
- D) *The school district or school employee union or both may receive a portion of the grant money for expenses of supporting the work experiences of candidates and providing mentors for graduates. Notwithstanding the provisions of Section 10-20.15 of the School Code, school districts may also use these or other applicable public funds to pay participants in programs under the initiative for student teaching required by an accredited teacher preparation program. (Section 25(g) of the Act)*
- E) *One or more members of the consortium may expend funds to cover the salary of a site based cohort coordinator. (Section 25(h) of the Act)*

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- F) *No funds under the initiative may be used to supplant the average per-capita expenditures by the institution of higher education for candidates. The institution of higher education may expend grant funds to cover the additional costs of offering classes in community settings and for tutoring services.* (Section 25(c) and (e) of the Act)
 - G) A consortium shall implement a program of forgivable loans to cover any portion of tuition, books and fees charged of students preparing for teaching licenses/certificates in excess of grants-in-aid received.
 - H) Applicants shall be required to describe the steps that will be taken to decrease the need for GYO State funds for the consortium and its program over time.
- b) Proposals for implementation grants shall be evaluated in accordance with the following criteria:
- 1) Feasibility, Impact and Cost-Effectiveness
 - A) The proposal identifies a need for teachers in hard-to-staff schools and hard-to-fill positions and describes either a cohort that is available to enroll in the identified preparation program or time-specific plans for identifying and attracting the members of such a cohort;
 - B) The proposal describes strategies that will be used to reach members of underrepresented groups that reflect the diversity of the students enrolled in the participating schools and outlines plans for serving additional cohorts in future years;
 - C) The proposal demonstrates that:
 - i) Coursework and experiences required for certification will be scheduled and located to be accessible to members of the cohort; and
 - ii) Supportive services (e.g., child care, counseling, tutoring) that have been identified as necessary will be offered to enable candidates to progress through the program and attain certification;

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- D) The proposal establishes a timetable and performance level for candidates as a condition for their continued receipt of assistance under this program;
 - E) The plan to evaluate the program by members of the consortium is designed to yield information that can be used both in judging the program's qualitative and quantitative impact and in identifying changes or new approaches that will improve the program's outcomes;
 - F) The proposal describes commitments and dedications of monetary and in-kind resources of each member of the consortium that will enable the consortium to sustain the program over time with a reduction in the need for GYO State funds;
 - G) The budget clearly describes the proposed use of grant funds as allowable, reasonable and cost-effective; and
 - H) The plan for recruiting and screening potential candidates will ensure that those individuals admitted will have a high likelihood of successfully completing the program in a reasonable length of time.
- 2) Quality of the Plan
- A) The proposal describes the role of each entity that is a member of the consortium, including the resources each entity will devote to this initiative, the major areas requiring collaboration among the members, and how decisions will be made with input from the members and the participants;
 - B) The proposal includes plans for assisting candidates in tapping sources of financial aid beyond those made available under this Part and by the members of the consortium;
 - C) The proposal demonstrates that the institution of higher education has the capacity (i.e., faculty and other resources) to serve the cohort in its approved teacher preparation program. If a two-year institution is involved in the consortium, the proposal delineates how coursework, other requirements, and services will be coordinated between the institutions;

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- D) The proposal describes the needs of the participating schools and demonstrates that the consortium's plan for certification under the program is relevant to those needs and will have an impact on the availability of qualified staff;
 - E) The plan of work for the program includes specific strategies for overcoming known barriers faced by the participating schools in retaining qualified teachers and for addressing and overcoming the barriers faced by the individuals who make up the cohort to be enrolled in the program; and
 - F) The proposal describes the consortium's plans for extending support to candidates for at least their first 2 years of teaching. This includes such activities and services as mentoring (if the district does not already offer a teacher mentoring program) and group meetings of the cohort. If the district offers a teacher mentoring program, the consortium should work with the existing district mentoring program to provide mentoring support to the new teacher.
- 3) Experience and Qualifications
- A) The proposal provides evidence that faculty and relevant staff of the institution are knowledgeable regarding the needs of hard-to- staff schools and the specific issues that candidates from non- traditional backgrounds encounter when attempting to complete preparation for teaching careers;
 - B) The proposal demonstrates that the community organization that is a member of the consortium has a record of success in conducting projects or initiatives with a specific focus on involving parents and others in school improvement, either in the participating schools or schools with similar characteristics, and has the capacity (including staff and other resources) to recruit candidates for and support them as they progress through the program; and
 - C) The individual who is identified as coordinator for the cohort has experience in education and/or community organizing and in supporting individuals in the collegiate environment and is knowledgeable about group dynamics, support services and cultural issues relevant to the cohort.
- 4) Evaluation Plans

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- A) The proposal relates plans for the evaluation of candidates' teaching skills to the relevant portions of the institution's educational unit assessment system (see 23 Ill. Adm. Code 25.140) and demonstrates that candidates in the program will be expected to meet the standards applicable to the approved program; and
- B) The proposal includes a plan for the evaluation of the program by the members of the consortium that will provide:
 - i) Information on the progress of candidates within the preparation program; and
 - ii) When applicable, information on this initiative's outcomes in terms of candidates' placement into hard-to-staff teaching positions or hard-to-staff schools and their retention in those positions.
- c) *In awarding grants, the Board shall select programs that successfully address initiative criteria and that reflect a diversity of strategies in terms of serving urban, suburban, and rural areas, the nature of the participating institutions of higher education, and the nature of hard-to-staff schools and hard-to-staff teaching positions on which a program is focused. (Section 20 of the Act)*
- d) The Board shall approve proposals for funding and make final determinations regarding the amounts to be provided based upon:
 - 1) The total funds appropriated for this initiative;
 - 2) The needs and resources described and the amounts requested in the top-ranked proposals identified in accordance with the criteria set forth in subsection (b); and
 - 3) The need to make programs under this Part accessible on a geographic basis in a manner that will increase the availability of candidates to serve in hard-to-staff schools and positions in all areas of the State.
- e) In the event that an audit or other evidence establishes that the consortium failed to perform and/or the expenditure of grant funds was not consistent with the consortium's proposal, a full or partial reimbursement to the State shall be required. For example, if an auditor finds that any amount of funds were not used or were used in a manner inconsistent with the proposal, the Board will seek reimbursement for that amount of funds.

Section 1085.70 Continuation Grant

- a) A consortium that has received an implementation grant award or a continuation grant pursuant to this Part for a cohort of candidates in the prior fiscal year shall be subject to the requirements of this Section with respect to continued funding for that cohort in subsequent years.
 - 1) The responsibility and roles of each partner in the consortium shall be set forth in a written agreement signed by each partner to be submitted with the application annually. The written agreement shall address at the least the following:
 - A) The process and responsibilities of each partner for the recruitment, selection and assessment of candidates;
 - B) The establishment of support systems and the specific roles of each partner in providing those supports. This may include, but shall not be limited to, tutoring, peer mentoring, professional development workshops, etc.; and
 - C) The process to develop an evaluation plan to measure the progress and success of individual candidates, as well as an evaluation of the partnership, and the role of each partner in making improvements based on the results of the evaluations.
 - 2) In addition to the application requirements of Section 1085.40, the application for a continuation grant must include the following:
 - A) An end-of-year report from the project director on the following:
 - i) Current status of the program and the status of each cohort member;
 - ii) The activities and support provided to date, including monetary and in-kind; and
 - iii) The degree to which candidates are achieving the program's objectives.
 - B) An updated proposal including:

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- i) Objectives, activities, timelines and evaluation procedures for the renewal year, showing that it continues to meet all of the requirements set forth in Section 1085.60;
 - ii) Results/outcomes that have been achieved to date; and
 - iii) The relationship of results to any changes proposed for program operations from the previous year.
 - C) An updated budget including:
 - i) Budget summary;
 - ii) Payment schedule; and
 - ii) Narrative budget breakdown that describes any needed variances from the budget proposed in the prior year of funding.
- b) When the consortium membership has changed or there is a plan in place to replace one or more of the partners, the consortium must contact the Board prior to submitting an application for a continuation grant. The consortium must submit written notification of the membership change. The Board will prescribe the form or format when releasing the Request for Proposals (RFP). The Executive Director of the Board shall review the notifications consistent with the following:
 - 1) If the 4-year institution of higher education with an Illinois accredited teacher education program is replaced or the school district or group of schools is replaced, the consortium is not eligible for a continuation grant. The newly formed consortium may be eligible for a planning or implementation grant and may be eligible for continuation grants in the years following the receipt of a planning or implementation grant.
 - 2) If the partners want to add a school district or group of schools to the consortium, the Executive Director shall consider whether this change is viable and what impact this will have on the candidates. If the re-organization appears viable and there is no apparent risk that this change will interfere with the progression of candidates through the program, the Executive Director shall recognize the re-organized consortium. The re-organized consortium may be eligible for a continuation grant.

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- 3) A consortium may replace or add community organizations as it deems appropriate. If there is no apparent risk that the re-organization will interfere with the progression of candidates through the program or harm the consortium, the Executive Director shall deem that the re-organized consortium is eligible for a continuation grant.
- c) A consortium that has received an implementation grant award or a continuation grant pursuant to this Part for a cohort of candidates in the prior fiscal year shall be subject to the requirements of this Section with respect to continued funding for that cohort in subsequent years.
- 1) The responsibility and roles of each partner in the consortium shall be set forth in a written agreement signed by each partner to be submitted with the application annually. The written agreement shall address at the least the following:
 - A) The process and responsibilities of each partner for the recruitment, selection and assessment of candidates;
 - B) The establishment of support systems and the specific roles of each partner in providing those supports. This may include, but shall not be limited to, tutoring, peer mentoring, professional development workshops, etc.; and
 - C) The process to develop an evaluation plan to measure the progress and success of individual candidates, as well as an evaluation of the partnership, and the role of each partner in making improvements based on the results of the evaluations.
 - 2) In addition to the application requirements of Section 1085.40, the application for a continuation grant must include the following:
 - A) An end-of-year report from the project director on the following:
 - i) Current status of the program and the status of each cohort member;
 - ii) The activities and support provided to date, including monetary and in-kind; and
 - iii) The degree to which candidates are achieving the program's objectives.

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- B) An updated proposal including:
 - i) Objectives, activities, timelines, and evaluation procedures for the renewal year, showing that it continues to meet all of the requirements set forth in Section 1085.60;
 - ii) Results/outcomes that have been achieved to date; and
 - iii) The relationship of results to any changes proposed for program operations from the previous year.
- C) An updated budget including:
 - i) Budget summary;
 - ii) Payment schedule; and
 - ii) Narrative budget breakdown that describes any needed variances from the budget proposed in the prior year of funding.
- d) The Board shall, contingent upon appropriation or allocation of funds for this initiative, provide continuation funding to consortia that:
 - 1) Demonstrate that a majority of the candidates in the cohort served have completed coursework required under the teacher preparation program during at least one semester of the preceding year, as described in Section 1085.50(b);
 - 2) Demonstrate success in providing the supports necessary to retain candidates in the program; and
 - 3) Demonstrate that their programs continue to comply with the provisions of the Act and this Part.
- e) If, for any reason, the amount of funds available for release is not sufficient to distribute the continuation grants in a given fiscal year, the Board shall distribute prorated shares to grantees.
- f) In the event that an audit or other evidence establishes that the consortium failed to perform and/or the expenditure of grant funds was not consistent with the consortium's proposal, a full or partial reimbursement to the State shall be required. For example, if an auditor finds that any amount of funds were not used

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or were used in a manner inconsistent with the proposal, the Board will seek reimbursement for that amount of funds.

Section 1085.80 Candidates

- a) Candidate Eligibility
 - 1) Meets the definition of a candidate in Section 1085.20;
 - 2) Meets the selection criteria determined by the consortium; and
 - 3) Eligible for student financial aid and *takes advantage of existing financial aid resources before using funds* from the Forgivable Loan Program described in Section 1085.90. (Section 20(8)(L) of the Act)
- b) Performance Plan for Each Candidate. The Board shall *provide a level of performance to be maintained by candidates as a condition of continuing in the program.* (Section 20(8)(K) of the Act) Measures to be implemented to ensure that each candidate makes adequate progress to complete the coursework required under the teacher preparation program shall include at least the following:
 - 1) Any developmental classes that are prerequisites to a candidate being fully admitted into an Illinois education preparation program are to be completed within the first 4 semesters of a candidate's participation in the program;
 - 2) The candidate successfully completes a minimum of 15 hours of coursework required under the teacher preparation program each academic year; and
 - 3) Any candidate not completing coursework required under the teacher preparation programs for 2 consecutive semesters due to extenuating circumstances, including, but not limited to, military leave, health, etc., shall apply for a temporary leave from the GYO program. This application must be approved by the consortium partners. If the application is not approved or none is submitted, the candidate shall be deemed exiting the program without cause and subject to loan repayment.
- c) Information on Each Candidate. The Board shall identify the information that each consortium will be required to collect and update, including, but not limited to, the following:

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- 1) Data by candidate, to be reported or updated at least once per academic year:
 - A) Name, address and demographics;
 - B) Eligibility criteria;
 - C) Date of enrollment, anticipated date of graduation, anticipated date of program completion, date of completion or exit;
 - D) If candidate exits before completion, provide explanation;
 - E) Developmental courses and tutoring;
 - F) Basic skills, teacher licensure and other test scores;
 - G) Grade point average (GPA) for all courses and for courses that compose the degree requirements of a teacher preparation program;
 - H) Annual amount of program loans, cumulative amount of program loans, and each year of teaching service; and
 - I) Information on the position taken by the graduate.
- 2) Data by cohort, to be reported or updated each academic year:
 - A) Pass rates on basic skills test, content test, Assessment Professional Test, and/or other tests identified by the Board;
 - B) Number who intentionally exit voluntarily or do not register for two consecutive semesters;
 - C) Percentage who progress at the expected rate through the program; and
 - D) Percentage of candidates within the original cohort that start and complete the program.

Section 1085.90 Forgivable Loan Program

Every program under the initiative shall implement a program of forgivable loans to cover any portion of tuition, books, and fees of candidates under the program in excess of the candidates'

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grants-in-aid. All students admitted to a cohort shall be eligible for a forgivable student loan. Loans shall be fully forgiven if a graduate completes 5 years of service in hard-to-staff schools or hard-to-staff teaching positions, with partial forgiveness for shorter periods of service. The Board shall establish standards for the approval of requests for waivers or deferrals from individuals to waive this obligation. The Board shall also define standards for the fiscal management of these loan funds. (Section 25(a) of the Act) Any candidate in a program administered under this Part may receive a forgivable loan for tuition, books and fees associated with completion of the teacher preparation program, provided those expenditures are not otherwise paid for through grants-in-aid or other resources of the consortium. Any amount expended for an individual's tuition, books and fees shall be considered a part of that individual's loan, regardless of how the payment is administered and regardless of whether the individual receives any actual payment of funds. The cumulative total amount of any candidate's loan shall not exceed \$25,000.

- a) Pursuant to Section 25(a) of the Act, loan funds provided to candidates as part of this program *shall be fully forgiven if a graduate completes 5 years of service in hard-to-staff schools or hard-to-staff teaching positions, with partial forgiveness for shorter periods of service.* Forgiveness and repayment of loans shall be determined as provided in this Section.
- b) An individual may accrue the service required for forgiveness of loans under this Part in one or more eligible schools or positions.
- c) If an individual has not assumed employment in an eligible school or position within 2 years after receiving a teaching license/certificate, the individual shall be required to begin the repayment of amounts loaned under this Part. No interest shall apply.
- d) An individual who drops out of the program shall be required to begin repaying the amounts loaned in the month following the month when it becomes evident that he or she will not be completing coursework required under the teacher preparation program for 2 consecutive semesters.
- e) If a graduate has not completed 5 years of service within 10 years after receiving a teaching license/certificate, the individual shall be required to begin the repayment of amounts loaned under this Part. The amount due shall be the total amount borrowed, less a percentage reflecting the relationship that any time taught by the individual in eligible schools or positions bears to the total 5 year commitment. Loan amounts shall be reduced in increments of 10% for each semester completed.
- f) Repayment of loans shall be made in no more than 60 equal installments. The minimum monthly payment will be determined by dividing the total amount due

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by 60. An individual may prepay the balance due on the loan in its entirety at any time or make payments in addition to the minimum amount owed each month without penalty.

- g) In addition to the loan forgiveness permitted under Section 25 of the Act, the Board may defer or waive an individual's obligation to repay an amount due as provided in this subsection (g).
- 1) The Board shall waive the repayment obligation for an individual who is counseled out of a preparation program or found ineligible to continue, provided that the individual's exit from the program is not due to a violation of law or of applicable institutional policies.
 - 2) The Board shall waive the repayment obligation for an individual who drops out of a preparation program or demonstrates that he or she is unable to complete a portion of the required teaching service due to:
 - A) The onset or exacerbation of a disability;
 - B) The need to care for an immediate family member during serious illness or disability;
 - C) Destruction of the individual's residence; or
 - D) Other circumstances that require the individual to assume responsibilities that cannot be avoided without serious financial hardship or other family disruption (e.g., death of a spouse that results in the need to take a second job or assume operation of a business).
 - 3) The Board shall waive the repayment obligation for a candidate who does not complete a preparation program due to the unavailability of a State appropriation for this initiative for at least 2 consecutive years.
 - 4) The Board shall waive the repayment obligation for any candidate in good standing who cannot complete the preparation program due to the consortium's ineligibility for funds under Section 1085.70.
 - 5) The Board shall defer the repayment obligation for a period of time specifically related to the circumstances when an individual:
 - A) Is unemployed or is working for fewer than 30 hours per week;

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- B) Is experiencing a financial hardship (e.g., receiving public assistance, earning an amount per month that is no greater than 200% of the amount of the loan payment, or experiencing circumstances such as those outlined in subsection (g)(2) of this Section);
 - C) Has re-enrolled as a full-time student in an institution of higher education (for example, to pursue a master's degree) or in a program under this Part (for example, to obtain program training by attending a teacher education program for a specialized area, such as math or science); or
 - D) Is deployed for active duty as a member of the U.S. Armed Services, reserve forces of the United States or as a member of the Illinois National Guard.
- 6) Each request for a waiver or deferral of repayment shall be submitted in a format specified by the Board. The affected individual shall describe the specific circumstances that apply. This description shall be accompanied by evidence such as a physician's statement, insurance claim or other documentation of the relevant facts.
- h) When a teaching license/certificate is issued to an individual who received assistance under this Part, the license/certificate shall be accompanied by:
- 1) A statement indicating the total amount of the loan received by the individual and identifying the dates applicable to repayment under this Section; and
 - 2) A claim form that the individual may use to claim forgiveness of the loan amount, which shall require the individual to identify the periods of service completed in eligible schools or positions and the school administrators who can verify the individual's service.
- i) Management of Loans
- 1) It shall be the responsibility of each 4 year institution of higher education, and of any 2 year institution that participates in a consortium, to assist the Board with the forgivable loan process in the following manner:
 - A) By keeping records of the amounts provided to or on behalf of each individual for tuition, fees and books;

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- B) By keeping up-to-date contact information regarding the address and telephone number of each individual during the individual's preparation at that institution; and
 - C) By notifying the Board within 30 days after a candidate fails to enroll in coursework as expected or otherwise ceases to participate in the program and informing the Board of the total amount of the candidate's loan for direct expenses as of that point in time.
- 2) When a candidate leaves a 2 year institution and enters a 4 year institution to continue in a program under this Part, the 2 year institution shall inform both the Board and the 4 year institution of the total amount of the candidate's loan for direct expenses as of that point in time. Each 2 year institution shall ensure that the affected 4 year institution continues to receive any information that subsequently affects the amount of a candidate's loan.
 - 3) Each institution shall notify the Board as to who will be responsible for this information and shall provide contact information for the responsible individual within the institution.
- j) It shall be the responsibility of the Board to take such actions as may be necessary to secure repayment when necessary.

Section 1085.100 Grant Agreement

- a) Grant funds may not be expended except pursuant to a written grant agreement, and disbursement of grant funds without a grant agreement is prohibited. At a minimum, a grant agreement shall:
 - 1) Describe the purpose of the grant and be signed by authorized representatives of the Board and each member of the consortium;
 - 2) Name and contact information of the project director;
 - 3) Specify how payments shall be made and the financial controls applicable to the grant, including an agreement to file quarterly reports describing the progress of the activities and the expenditure of the related grant funds pursuant to the Illinois Grant Funds Recovery Act [30 ILCS 705];
 - 4) Specify that the use of grant funds will be consistent with Section 1085.50 for a planning grant, Section 1085.60 for an implementation grant or Section 1085.70 for a continuation grant;

- 5) Specify the period of time for which the grant is valid and the period of time during which grant funds may be expended by the grantee;
 - 6) 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;
 - 7) Contain a provision that any grantees receiving grant funds are required to permit the Board, the Auditor General or the Attorney General to inspect and audit any books, records or papers related to the projects for which grant funds were provided;
 - 8) 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 that certification;
 - 9) Provide that the institution shall contract with an external auditor who is a certified public accountant licensed by DFPR to conduct an audit of the expenditure of grant funds provided under this program at the end of the grant period to verify that grant funds were expended pursuant to the grant agreement and not for unauthorized purposes; and
 - 10) Require the grantee to use the interest earned on any grant funds for eligible projects. The interest earned on grant funds shall not change the amount of the grant.
- b) The Board may withhold or suspend the distribution of grant funds for failure to file required quarterly reports.
 - c) Upon the execution of a grant agreement, the Board will process a voucher to the grantee in accordance with the terms of the grant agreement, provided that the funds have been appropriated and have been made available to the Board.

Section 1085.110 Audit Guidelines

- a) To fulfill the audit requirements of this Part, the grantees shall contract with an external auditor who is a certified public accountant licensed by DFPR to perform an audit as specified in subsection (b).
- b) The external auditor shall:

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- 1) Receive copies of the institution's application, a certified grant agreement and a copy of this Part;
 - 2) Verify the expenditure of funds as provided for in this Part, and ensure that funds were expended on authorized expenditures listed in the grant agreement; and
 - 3) Provide an audit report to the Board including a description of the tests performed and the audit findings.
- c) In the event that an audit or other evidence establishes that an overpayment was made in a grant to an institution, a reimbursement to the Board shall be required. A reimbursement is required in the following situations:
- 1) Grant funds were not expended within the grant period; or
 - 2) Grant funds were expended for purposes not authorized under the grant agreement.
- d) In the event that no audits are submitted, an institution shall reimburse the State for the total amount of the grant.

Section 1085.120 Grant Funds Recovery Act

Grant funds are subject to the Illinois Grant Funds Recovery Act and all other applicable laws governing contracts and agreements in the State of Illinois. Pursuant to the Illinois Grant Funds Recovery Act, grants may be revoked and misspent grant funds recovered.