



Policy Memorandum

From: David Wortman, Deputy Director of Community Assistance

A handwritten signature in black ink, appearing to read "David Wortman".

Date: February 1, 2024

Re: Grantee Compliance Enforcement System Policy due to delinquent or deficient audit submission

PURPOSE: To provide guidance regarding the Grantee Compliance Enforcement System (“GCES”) policy and procedures followed by DCEO’s Office of Community Assistance (“OCA”), specifically regarding non-compliance due to delinquent or deficient audit submissions.

BACKGROUND: All OCA grants are subject to the Uniform Guidance and the Grant Accountability and Transparency Act (“GATA”). GATA requires the Governor’s Office of Management and Budget to maintain a list of individuals and entities that are ineligible, either temporarily or permanently, to receive grant funds from the State (the “Illinois Stop Payment List”). GCES policy establishes a uniform framework for all State grant-making agencies to respond to grantee non-compliance.

The Illinois Stop Payment List is a component of the GCES and is based on the federal 2 CFR part 180 OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement). See also 2 CFR 200.339. The Illinois Stop Payment List, initially introduced in December 2015, established an internal central repository for cross-agency information sharing to improve risk assessment processes and enhance fiscal management transparency. The Illinois Stop Payment List is dynamic and provides a snapshot of grantees currently out of compliance with grant management requirements. Non-compliance due to audit issues is classified as temporary Stop Payment status which remains until DCEO confirms resolution of the delinquency or deficiency.

2 CFR 200 Subpart F requires an annual Single Audit (or Program-Specific audit, if applicable) of non-Federal entities expending \$750,000 or more of federal assistance in a grantee’s fiscal year. Single Audit reports must be submitted to the Federal Audit Clearinghouse (“FAC”) by no later than 9 months after a grantee’s fiscal year end date, and Single Audit reports must be accepted by the FAC for the grantee to be considered compliant with the federal requirements. Pursuant to 44 IL Admin. 7000.90, grantees must also complete audit cases in the GATA Grantee Portal within 9 months after the entity’s fiscal year end date. Single Audit deadlines can only be extended by the Federal

Government. Delinquent or deficient audit reporting will result in the enforcement of the GCES policy.

- PROCEDURE:**
- 1) Internal DCEO FEIN-lock: If an agency fails to timely submit and receive acceptance of the Single Audit report by the FAC and/or fails to complete and submit the audit case in the GATA Grantee Portal, DCEO's Office of Accountability ("OA") will apply a FEIN-lock in GRS pausing access to funds and preventing grant agreements and modifications to be processed, prepare and upload the FEIN-lock letter to the GATA Grantee Portal, and notify the grantee via email of its current delinquent status.
 - 2) Illinois Stop Payment List (statewide): If the deficiency/delinquency is not cured within 15 calendar days, the grantee will be placed on the Illinois Stop Payment List. OA will prepare and upload the Illinois Stop Payment letter to the GATA Grantee Portal and notify the grantee via email.
 - 3) OCA Grants Bypass List: Upon notice of a grantee's non-compliance due to audit issues, OCA will request a Stop Payment justification from OA based on the LIHEAP, IHWAP, and CSBG programs impacting the health and safety of Illinois residents. This will allow the grantee to execute and modify OCA grant agreements and continue to draw cash despite being on the Illinois Stop Payment List.
- Once the audit issue is resolved, OA will unlock the FEIN-lock in GRS, prepare and upload the compliance letter in the GATA Grantee Portal, and notify the grantee via email of their updated compliance status. The grantee will also be removed from the Illinois Stop Payment List.
- 4) 30 Days Past Due: If the audit is 30 days past due and/or the audit case in the GATA Grantee Portal remains delinquent, the grantee will not be permitted to execute new OCA grant agreements or modifications that increase the grant budget.
 - 5) 60 Days Past Due: If the audit is 60 days past due and/or the audit case in the GATA Grantee Portal remains delinquent, the grantee will not be permitted to draw administration expenses or program support for LIHEAP and IHWAP grants and may also be placed on a Technical Assistance Plan ("TAP") or a Corrective Action Plan ("CAP"). For CSBG, OCA will notify HHS and handle next steps in accordance with the federal CSBG statute and regulations.
 - 6) 180 Days Past Due: If the audit is 180 days past due and/or the audit case in the GATA Grantee Portal remains delinquent, the grantee will not be permitted to draw cash in any line item for any OCA grants, and the grantee may be elevated from a TAP/CAP to a Quality Improvement Plan and may lead to the termination of their CSBG program according to the requirements laid out in CSBG Information Memorandum #116. Additionally, an emergency provider for LIHEAP and IHWAP will be assigned to cover the grantee's territory.