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INTRODUCTION

The *Illinois Register* is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or peremptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State Statute; and activities (meeting agendas; Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State Agencies; is also published in the Register.

The Register is a weekly update of the Illinois Administrative Code (a compilation of the rules adopted by State agencies). The most recent edition of the Code, along with the Register, comprise the most current accounting of State agencies' rulemakings.

The *Illinois Register* is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1, et seq.].

ILLINOIS REGISTER PUBLICATION SCHEDULE FOR 2017

Issue#	Rules Due Date	Date of Issue
1	December 27, 2016	January 6, 2017
2	January 3, 2017	January 13, 2017
3	January 9, 2017	January 20, 2017
4	January 17, 2017	January 27, 2017
5	January 23, 2017	February 3, 2017
6	January 30, 2017	February 10, 2017
7	February 6, 2017	February 17, 2017
8	February 14, 2017	February 24, 2017
9	February 21, 2017	March 3, 2017
10	February 27, 2017	March 10, 2017
11	March 6, 2017	March 17, 2017
12	March 13, 2017	March 24, 2017
13	March 20, 2017	March 31, 2017
14	March 27, 2017	April 7, 2017
15	April 3, 2017	April 14, 2017
16	April 10, 2017	April 21, 2017
17	April 17, 2017	April 28, 2017
18	April 24, 2017	May 5, 2017
19	May 1, 2017	May 12, 2017
20	May 8, 2017	May 19, 2017
21	May 15, 2017	May 26, 2017

22	May 22, 2017	June 2, 2017
23	May 30, 2017	June 9, 2017
24	June 5, 2017	June 16, 2017
25	June 12, 2017	June 23, 2017
26	June 19, 2017	June 30, 2017
27	June 26, 2017	July 7, 2017
28	July 3, 2017	July 14, 2017
29	July 10, 2017	July 21, 2017
30	July 17, 2017	July 28, 2017
31	July 24, 2017	August 4, 2017
32	July 31, 2017	August 11, 2017
33	August 7, 2017	August 18, 2017
34	August 14, 2017	August 25, 2017
35	August 21, 2017	September 1, 2017
36	August 28, 2017	September 8, 2017
37	September 5, 2017	September 15, 2017
38	September 11, 2017	September 22, 2017
39	September 18, 2017	September 29, 2017
40	September 25, 2017	October 6, 2017
41	October 2, 2017	October 13, 2017
42	October 10, 2017	October 20, 2017
43	October 16, 2017	October 27, 2017
44	October 23, 2017	November 3, 2017
45	October 30, 2017	November 13, 2017
46	November 6, 2017	November 17, 2017
47	November 13, 2017	November 27, 2017
48	November 20, 2017	December 1, 2017
49	November 27, 2017	December 8, 2017
50	December 4, 2017	December 15, 2017
51	December 11, 2017	December 26, 2017
52	December 18, 2017	December 29, 2017

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED REPEALER

1) Heading of the Part: Grant Accountability And Transparency Act

2) Code Citation: 44 Ill. Adm. Code 7000

3)

Section Numbers:	Proposed Actions:
7000.10	Repealed
7000.20	Repealed
7000.30	Repealed
7000.40	Repealed
7000.50	Repealed
7000.60	Repealed
7000.70	Repealed
7000.80	Repealed
7000.100	Repealed
7000.110	Repealed
7000.120	Repealed

4) Statutory Authority: Implementation of rules is authorized by the Grant Accountability and Transparency Act [30 ILCS 708].

5) A Complete Description of the Subjects and Issues Involved. The rule is being repealed to incorporate policy associated with incremental implementation of 2 CFR 200 and GATA within the State of Illinois.

6) Any published studies or reports, along with the sources of underlying data, that were used when comprising this rulemaking, in accordance with 1 Ill. Adm. Code 100.355: None

7) Will this rulemaking replace any emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? No

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED REPEALER

12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Carol Kraus Director – GATA Governor's Office of Management And Budget (GOMB) 601 Stratton Building Springfield IL 62706 217/782-6464 fax: 217/524-4876	or	Jennifer Butler Deputy Director – Accountability and Results Governor's Office of Management and Budget (GOMB) 601 Stratton Building Springfield IL 62706 217/785-5516

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

14) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included in the latest Regulatory Agenda because the need for this rulemaking was not anticipated.

The full text of the Proposed Repealer begins on the next page:

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED REPEALER

TITLE 44: GOVERNMENTAL CONTRACTS, GRANTMAKING, PROCUREMENT AND PROPERTY MANAGEMENT
SUBTITLE F: GRANTMAKING
CHAPTER I: GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

PART 7000
GRANT ACCOUNTABILITY AND TRANSPARENCY ACT (REPEALED)

SUBPART A: GENERAL

Section
7000.10 Purpose and Applicability
7000.20 Definitions
7000.30 Incorporations and Referenced Materials
7000.40 Governor's Office of Management and Budget Responsibilities
7000.50 Grant Accountability and Transparency Unit Responsibilities
7000.60 Catalog of State Financial Assistance
7000.70 Auditing Standards
7000.80 Annual Report and 5-Year Review

SUBPART B: STATE AGENCY RESPONSIBILITIES AND IMPLEMENTATION

7000.100 State Grant-making Agency Responsibilities
7000.110 State Grant-making Agency Implementation
7000.120 Institution of Higher Education Responsibilities and Implementation

AUTHORITY: Implementing and authorized by the Grant Accountability and Transparency Act [30 ILCS 708].

SOURCE: Adopted at 39 Ill. Reg. 10777, effective July 24, 2015; repealed at 41 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL

Section 7000.10 Purpose and Applicability

a) The Act and This Part

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED REPEALER

1) The Grant Accountability and Transparency Act (Act) *is intended to comply with the General Assembly's directives to:*

A) *develop a coordinated, nonredundant process for the provision of effective and efficient oversight of the selection and monitoring of grant recipients, thereby ensuring quality programs and limiting fraud, waste and abuse; and*

B) *define the purpose, scope, applicability and responsibilities in the life cycle of a grant*. [30 ILCS 708/5(a)]

2) *The Act is* also *intended to increase the accountability and transparency in the use of grant funds from whatever source and to reduce administrative burdens on both State agencies and grantees by adopting federal guidance and regulations applicable to those grant funds; specifically, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Requirements, 2 CFR 200). [30 ILCS 708/5(b)]

3) *The Act is consistent with the State's focus on improving performance and outcomes while ensuring transparency and the financial integrity of taxpayer dollars through such initiatives as the Management Improvement Initiative Committee created by Section 1-37a of the Department of Human Services Act* [20 ILCS 1305], *the State prioritized goals created under Section 50-25 of the State Budget Law* [15 ILCS 20] *(also known as "Budgeting for Results"), and the Grant Information Collection Act* [30 ILCS 707]. [30 ILCS 708/5(c)]

4) Supersession of GATA; Subjection to Auditing Statutes
Supersession. Section 80 of GATA states that, *on and after July 1, 2015, in the event of a conflict with the Grant Funds Recovery Act, the provisions of GATA shall control*.

b) Purpose

1) *The purpose of the Act is to establish uniform administrative requirements, cost principles, and audit requirements for* federal *and federal pass-through awards to non-federal entities. State awarding agencies shall not impose additional or inconsistent requirements, except*

as provided in section 200.102 of the Uniform Requirements, *unless specifically required by State or federal statute*. *The Act and this Part do not apply to private awards.*

2) *The Act and this Part provide the basis for a systematic and periodic collection and uniform submission to the Governor's Office of Management and Budget of information of all State and federal financial assistance programs by State grant-making agencies. The Act* and this Part *also establish policies related to the delivery of this information to the public, including through the use of electronic media.* [30 ILCS 708/10]

c) Applicability

1) *The requirements established under the Act apply to State grant-making agencies that make State and federal pass-through awards to non-federal entities. These requirements apply to all costs related to* federal and *federal pass-through awards. The requirements established under the Act do not apply to private awards*. [30 ILCS 708/45(a)]

2) *Nothing in the Act shall prohibit the use of State funds for purposes of federal match or maintenance of effort.* [30 ILCS 708/45(a-5)]

3) *The terms and conditions of federal and pass-through awards apply to subawards and subrecipients unless a particular Section of the Act or the terms and conditions of the federal or federal pass-through award specifically indicate otherwise. Non-federal entities shall comply with requirements of the Act regardless of whether the non-federal entity is a recipient or subrecipient of a federal or federal pass-through award. Pass-through entities shall comply with the requirements set forth under this Part, but not to any requirements in the Act directed towards State or federal awarding agencies, unless the requirements of* the *federal awards indicate otherwise.* [30 ILCS 708/45(b)]

4) *When a non-federal entity is awarded a cost-reimbursement contract, only UR sections 200.330 through 200.332 are incorporated by reference into the contract. However, when the Cost Accounting Standards are applicable to the contract, they take precedence over the requirements of the Act unless they are in conflict with UR subpart F. In addition, costs that are made unallowable under 10 USC 2324(e) and 41 USC 4304(a),*

as described in the Federal Acquisition Regulations (48 CFR 1), subparts 31.2 and 31.603, are always unallowable. For requirements other than those covered in UR subpart D, the terms of the contract and FAR apply. [30 ILCS 708/45(b)]

5) *With the exception of UR subpart F, which is required by the* federal *Single Audit Act, in any circumstances in which the provisions of federal statutes or regulations differ from the provisions of the Act, the federal statutes or regulations govern.* [30 ILCS 708/45(b)]

6) *State grant-making agencies may apply UR subparts A through E to for-profit entities, foreign public entities, or foreign organizations, except when the awarding agency determines that the application of these subparts would be inconsistent with the international obligations of the United States or the statutes or regulations of a foreign government.* [30 ILCS 708/45(c)]

7) *Except for UR sections 200.202 and 200.330 through 200.332, the requirements of UR subparts C, D and E do not apply to the programs listed in UR section 200.101 and Section 45(d) of the Act.* [30 ILCS 708/45(d)]

Section 7000.20 Definitions

The following definitions shall apply to this Part:

"Acquisition cost" means the cost of the asset, including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight and installation may be included in or excluded from the acquisition cost in accordance with the awardee's regular accounting practices.

"Act" or "GATA" means the Grant Accountability and Transparency Act.

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED REPEALER

"Administrative rules" means the administrative rules codified in the Illinois Administrative Code.

"Advance payment" means a payment that a federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the awardee disburses the funds for program purposes.

"A/E" means architectural and engineering services.

"AICPA" means the American Institute of Certified Public Accountants.

"Allocation" means the process of assigning a cost, or a group of costs, to one or more cost objectives, in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost directly to a final cost objective or through one or more intermediate cost objectives.

"Allowable cost" means a cost allowable to a project (i.e., that can be paid for *using grant funds*). *Costs* will be considered to be allowable if they:

are reasonable and necessary for the performance of the award;

are allocable to the specific project;

are treated consistently in like circumstances to federally-financed, State-financed, *and other activities of the* awardee*;*

conform to any limitations of the cost principles or the sponsored agreement;

are accorded consistent treatment (a cost may not be assigned to a State or federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost);

are determined to be in accordance with generally accepted accounting principles;

are not included as a cost or used to meet federal cost-sharing or matching requirements of any other program in either the current or prior period;

are not used to meet the match requirements of another State or federal grant; and

are adequately documented.

"Audit finding" means deficiencies the auditor is required, by UR section 200.516(a), to report in the schedule of findings and questioned costs.

"Auditee" means any awardee *that expends federal* or federal pass-through *awards that must be audited* as provided in UR Subpart F (Audit Requirements).

"Auditor" means an auditor who is an Illinois licensed *public accountant or a federal, state, or local government audit organization that meets the general standards specified* for external auditors *in generally-accepted government auditing standards. "Auditor" does not include internal auditors of nonprofit organizations*.

"Auditor General" means the Auditor General of the State of Illinois.

"Award" means financial assistance that provides support or stimulation to accomplish a public purpose. "Awards" include grants and other agreements in the form of money, or property in lieu of money, by the federal government to an eligible recipient. "Award" does not include: technical assistance that provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies or insurance; direct payments of any kind to individuals; or contracts that must be entered into and administered under State or federal procurement laws and regulations.

"Awardee" means a State, local government, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a federal or federal pass-through award as a recipient or subrecipient.

"Billing rate" means a temporary indirect cost rate applicable to a specified period that is used for funding, interim reimbursement, and reporting indirect costs on

federal or federal pass-through awards pending the establishment of a final rate for the period. (See also the definition of provisional rate.)

"Budget" means the financial plan for the project or program that the federal *awarding agency or pass-through entity approves during the award process or in subsequent amendments to the award. It may include the federal and non-federal share or only the federal share, as determined by the awarding agency or pass-through entity.*

"Call to action" means a communication that includes any one or more of the following:

The communication states that the recipient should contact a member or employee of a legislative body, or any other government official or employee who may participate in the formulation of legislation, when the principal purpose of the contact is lobbying.

The communication states the address, telephone number or similar information of a legislator or an employee of a legislative body.

The communication provides a petition, a tear-off postcard or similar material for the recipient to communicate with any such individual.

The communication specifically identifies one or more legislators who will vote on the legislation, indicating that the legislator will:

oppose the organization's view with respect to the legislation;

be undecided with respect to the legislation;

be the recipient's representative in the legislature; or

be a member of the legislative committee or subcommittee that will consider the legislation.

"Capital assets" means tangible or intangible assets used in operations having a useful life of more than one year that are capitalized in accordance with GAAP. Capital assets include:

Land; buildings (facilities); equipment and intellectual property (including software); and whether acquired by purchase, construction, manufacture, lease-purchase or exchange, or through capital leases; and

Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

"Capital expenditures" means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life.

"CAS" means the Cost Accounting Standards established by the Federal Cost Accounting Standards Board.

"Catalog of Federal Domestic Assistance" or "CFDA" means a database that helps the federal government track all programs it has domestically funded.

"Catalog of Federal Domestic Assistance Number" or "CFDA Number" means the number assigned to a federal program in the CFDA.

"Catalog of State Financial Assistance" or "CSFA" means the single, authoritative, Statewide, comprehensive source document of State financial assistance program information maintained by the Governor's Office of Management and Budget.

"Catalog of State Financial Assistance Number" or "CSFA Number" means the number assigned to a State program in the CSFA. The first 3 digits represent the State agency number and the last 4 digits represent the program.

"Central service cost allocation plan" means the documentation identifying, accumulating and allocating or developing billing rates based on the allowable costs of services provided by the State or local government on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

"CFDA program title" means the title of the program under which the federal award was funded in the CFDA.

"Claim" means, depending on the context, either:

A written demand or written assertion by one of the parties to a federal or federal pass-through award seeking as a matter of right:

The payment of money in a sum certain;

The adjustment or interpretation of the terms and conditions of the federal or federal pass-through award; or

Other relief arising under or relating to a federal or federal pass-through award; or

A request for payment that is not in dispute when submitted.

"Class of federal awards" means a group of federal awards either awarded under a specific program or group of programs or to a specific type of awardee or group of non-federal entities (awardees) to which specific provisions or exceptions may apply.

"Closeout" means the process by which the federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the federal award have been completed and takes actions as described in UR section 200.343.

"Cluster of programs" means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. A "cluster of programs" shall be considered as one program for determining major programs and, with the exception of research and development, whether a program-specific audit may be elected.

"CMIA" means the federal Cash Management Improvement Act and the Department of the Treasury's Rules and Procedures for Efficient Federal-State Funds Transfers.

"CMS" means the Illinois Department of Central Management Services.

"COFAR" means the Council on Financial Assistance Reform.

"Cognizant agency for audit" means the State (if the awardee does not receive funding directly from the federal government) or *federal agency designated to carry out the responsibilities described in UR section 200.513* (Responsibilities). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit may be found at the Federal Audit Clearinghouse (FAC) web site (https://harvester.census.gov/fac/dissem/asp/Reports.asp).

"Cognizant agency for indirect costs" means the State (if the awardee does not receive funding directly from the federal government) or federal agency responsible for reviewing, negotiating and approving cost allocation plans or indirect cost proposals developed on behalf of all State or federal agencies, as applicable. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit. For assignments of cognizant agencies see the following:

For IHEs: UR appendix III (Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)), paragraph C.11.

For nonprofit organizations: UR appendix IV (Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations)), paragraph C.2.

For State and local governments: UR appendix V (State/Local Governmentwide Central Service Cost Allocation Plans)), paragraph F.1.

"Compliance Supplement" means UR appendix XI (Compliance Supplement (previously known as the OMB Circular A-133 Compliance Supplement)).

"Comprehensive Annual Financial Report" or "CAFR" means the financial report of a governmental entity. The report contains basic financial statements, notes to the basic financial statements, and required supplementary information (RSI), plus voluntarily provided supplementary information (SI) such as an introductory section, supporting schedules with more detailed financial information than is found in the financial statements, and a statistical section.

"Computing devices" means machines used to acquire, store, analyze, process and publish data and other information electronically, including accessories (or peripherals) for printing, transmitting and receiving, or storing electronic information.

"Conflict of interest" means a situation that arises when a person in a position of authority over an organization, such as an officer, director or manager, may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

"Conflict of interest policy" means a policy that defines conflict of interest, identifies the classes of individuals within an organization covered by the policy, facilitates disclosure of information that may help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.

"Contract" means a legal instrument by which an awardee *purchases property or services needed to carry out the project or program under an award. "Contract" does not include a legal instrument, even if the* awardee *considers it a contract, when the substance of the transaction meets the definition of an award or subaward.*

"Contractor" means a person or *entity that receives a contract* funded through grant funds awarded by a State grant-making agency or IHE.

"Cooperative agreement" means a legal instrument of financial assistance between an awarding agency or pass-through entity and an awardee *that:*

is used to enter into a relationship with the principal purpose of transferring anything of value from the awarding agency or pass-through entity to the awardee *to carry out a public purpose authorized by law, but is not used to acquire property or services for the awarding agency's or pass-through entity's direct benefit or use; and*

is distinguished from a grant in that it provides for substantial involvement between the awarding agency or pass-through entity and the awardee *in carrying out the activity contemplated by the award.*

"Cooperative agreement" does not include a cooperative research and development agreement, or an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee or insurance.

"Cooperative audit resolution" means the use of audit follow-up techniques that promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between the State or federal agency and the awardee. This approach is based upon:

a strong commitment, by federal and federal pass-through agency and awardee leadership, to program integrity;

federal and federal pass-through agencies strengthening partnerships and working cooperatively with non-federal awardee entities and their auditors, and non-federal awardee entities and their auditors working cooperatively with federal and federal pass-through agencies;

a focus on current conditions and corrective action going forward;

federal and federal pass-through agencies offering appropriate relief for past noncompliance when audits show prompt corrective action has occurred; and

federal and federal pass-through agency leadership sending a clear message that continued failure to correct conditions identified by audits that are likely to cause improper payments, fraud, waste or abuse is unacceptable and will result in sanctions.

"Corrective action" means action taken by the auditee that:

corrects identified deficiencies;

produces recommended improvements; or

demonstrates that audit findings are either invalid or do not warrant auditee action.

"COSO" means the Committee of Sponsoring Organizations of the Treadway Commission, a joint initiative of the Institute of Management Accountants (IMA),

the American Accounting Association (AAA), the American Institute of Certified Public Accountants, (AICPA), the Institute of Internal Auditors (IIA) and Financial Executives International (FEI). COSO has established an internal control model that companies and organizatins use to assess their control systems.

"Cost allocation plan" means central service cost allocation plan or public assistance cost allocation plan.

"Cost objective" means a program, function, activity, award, organizational subdivision, contract or work unit for which cost data is desired and for which provision is made to accumulate and measure the cost of processes, products, jobs and capital projects. A "cost objective" may be a major function of the awardee*, a particular service or project, an award, or an indirect cost activity.*

"Cost sharing" means third-party in-kind contributions and *the portion of project costs not paid by federal* or federal pass-through *funds, unless otherwise authorized by statute.* (See also the definition matching.)

"Data Universal Numbering System number" or "DUNS number" means the 9-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify entities and, under federal law, is required for non-federal entities to apply for, receive, and report on a federal award as a unique identifier.

"Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes.

"Direct costs" means costs that can be identified specifically with a particular final cost objective, such as a federal or federal pass-through award or a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

"Direct lobbying" means any attempt to influence legislation or executive action through communications, with respect to a measure that is the subject of a ballot initiative, referendum or similar process, with:

any member or staff of a legislative or executive body;

any governmental official or employee (other than a member or employee of a legislative or executive body) who may participate in formulating legislation, but only if the principal purpose of the communication is to influence legislation or executive action; or

the general public.

The communications must refer to specific legislation or executive action and must reflect a view on the legislation or executive action.

"Disallowed costs" means those charges to a federal or federal pass-through award that the federal pass-through awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable State or federal statutes, regulations or the terms and conditions of the federal or federal pass-through award.

"Discretionary grant" means a grant or award for which the federal or federal pass-through awarding agency may exercise judgment (discretion) in determining the recipient and/or the amount of the award and may be issued under a competitive application process.

"Eligible applicant" means any organization that meets the eligibility requirements listed in the Notice of Funding Opportunity.

"Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the awardee *for financial statement purposes or $5,000.*

"Executive" means, with respect to an organization, the officers, managing partners, or any other employees in management positions. "Executive" means, with respect to the federal government, the executive branch.

"Executive branch" means that branch of State or federal *government that is under the jurisdiction of the Governor* or the President, respectively.

"Expenditures" means charges made by an awardee to a project or program for which a federal or federal pass-through award was received.

The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied.

For reports prepared on a cash basis, expenditures are the sum of:

Cash disbursements for direct charges for property and services;

The amount of indirect expense charged;

The value of third-party in-kind contributions applied; and

The amount of cash advance payments and payments made to subrecipients.

For reports prepared on an accrual basis, expenditures are the sum of:

Cash disbursements for direct charges for property and services;

The amount of indirect expense incurred;

The value of third-party in-kind contributions applied; and

The net increase or decrease in the amounts owed by the awardee for:

Goods and other property received;

Services performed by employees, contractors, subrecipients and other payees; and

Programs for which no current services or performance are required, such as annuities, insurance claims or other benefit payments.

"FAIN" means the unique federal award identification number assigned to each federal award.

"FAR" means the Federal Acquisition Regulation (48 CFR 1).

"F&A costs" means facilities and administrative costs (see also the definition of indirect costs).

"Federal agency" has the meaning provided for "agency" under 5 USC 551(1), together with the meaning provided for "agency" by 5 USC 552(f).

"Federal award" means:

> *the federal financial assistance that an* awardee *receives directly from a federal awarding agency or indirectly from a pass-through entity;*
>
> *the cost-reimbursement contract under the Federal Acquisition Regulations that an* awardee *receives directly from a federal awarding agency or indirectly from a pass-through entity; or*
>
> *the instrument setting forth the terms and conditions when the instrument is the grant agreement, cooperative agreement, other agreement for assistance, or cost-reimbursement contract awarded under FAR.*

"Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal government owned, contractor-operated facilities. (See also definitions of financial assistance, grant agreement and cooperative agreement.)

"Federal awarding agency" means the federal agency that provides a federal award directly to an awardee.

"Federal award date" means the date when the federal award is signed by the authorized official of the federal awarding agency.

"Federal Debarred and Suspended List" means the list of those persons and entities who are identified as excluded on the System for Award Management (https://www.sam.gov), as described in UR appendix II, paragraph (i).

"Federal Financial Assistance" means any grant, loan, contract (other than a procurement contract or a contract of insurance or guaranty), or any other arrangement by which the federal government provides or otherwise makes available assistance in the form of funds, services or federal personnel or real or personal property.

"Federal Fiscal Year" means the period beginning on October 1 and ending on September 30.

"Federal interest" means, when used in connection with the acquisition or improvement of real property, equipment or supplies under a federal or federal pass-through *award, the dollar amount that is the product of the federal share of total project costs and current fair market value of the property, improvements, or both to the extent the costs of acquiring or improving the property were included as project costs.*

"Federal program" means all federal awards which are assigned a single number in the CFDA. When no CFDA number is assigned, all federal awards to non-federal entities from the same agency made for the same purpose should be combined and considered one program. "Federal program" can also mean a cluster of programs. The types of clusters of programs are:

research and development;

student financial aid; and

"other clusters", as described in the definition of cluster of programs.

"Federal share" means the portion of the total project costs that are paid by federal funds.

"Fee-for-service" means payments for Medicaid services that are made on the basis of a rate, unit cost or allowable cost incurred and is based on a statement or bill as required by the administering State or federal agency.

"FFATA" means the Federal Funding Accountability and Transparency Act (31 USC 6101; P.L. 110-252).

"Final cost objective" means a cost objective that has allocated to it both direct and indirect costs and, in the awardee*'s accumulation system, is one of the final accumulation points, such as a particular award, internal project or other direct activity of an* awardee.

"Final rate" means an indirect cost rate applicable to a specified past period that is based on the actual costs of the period. A final rate is not subject to adjustment.

"Financial assistance" means the following:

For grants and cooperative agreements, "financial assistance" means assistance that non-federal entities receive or administer in the form of:

grants;

cooperative agreements;

non-cash contributions or donations of property, including donated surplus property;

direct appropriations;

food commodities; and

other financial assistance, except cooperative agreements.

"Financial assistance" includes assistance that non-federal entities receive or administer in the form of loans, loan guarantees, interest subsidies and insurance.

"Financial assistance" does not include amounts received as reimbursement for services rendered to individuals.

(See also the definition of federal financial assistance).

"Fixed-amount award" means a type of grant agreement under which the awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the award. "Fixed amount awards" reduce some of the administrative burden and recordkeeping requirements for both the awardee *and awarding agency or pass-through entity. Accountability is based primarily on performance and results.*

"Fixed rate" means an indirect cost rate that has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the

actual costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

"Fixed-rate grant" means a type of grant agreement for non-Medicaid services in which reimbursement is made on the basis of a rate, unit cost or allowable cost incurred and is supported by a bill or statement.

"FOIA" means the Illinois Freedom of Information Act [5 ILCS 140] or the federal Freedom of Information Act (5 USC 552), as applicable.

"Foreign public entity" means:

a foreign government or foreign governmental entity;

a public international organization that is entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 USC 288 through 288f);

an entity owned, in whole or in part, or controlled by a foreign government; or

any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

"Foreign organization" means an entity that is:

a public or private organization, located in a country other than the United States and its territories, that is subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;

a private nongovernmental organization, located in a country other than the United States, that solicits and receives cash contributions from the general public;

a charitable organization, located in a country other than the United States, that is nonprofit and tax exempt under the laws of its country of domicile and operation, but is not a university, college, accredited degree-granting institution of education, private foundation, hospital,

organization engaged exclusively in research or scientific activities, church, synagogue, mosque, or other similar entity organized primarily for religious purposes; or

an organization, located in a country other than the United States, not recognized as a foreign public entity.

"Formula-based grant" means a grant or award that is determined by a formula established in federal or State statute or rule.

"FR" means the Federal Register.

"GASB" means Governmental Accounting Standards Board.

"GATU" means the Grant Accountability and Transparency Unit within the Illinois Governor's Office of Management and Budget.

"General purpose equipment" means equipment that is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. (See also the definitions of equipment and special purpose equipment.)

"Generally Accepted Accounting Principles" or "GAAP" has the meaning provided in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.

"Generally Accepted Government Auditing Standards" or "GAGAS", also known as the Yellow Book*, means generally accepted government auditing standards issued by the Comptroller General of the United States that are applicable to financial audits.*

"GFRA" means the Grant Funds Recovery Act.

"GOCO" means a State or federal government-owned, contractor-operated facility.

"GOMB" means the Illinois Governor's Office of Management and Budget.

"Grant agreement" means a legal instrument of financial assistance between an awarding agency or pass-through entity and an awardee *that:*

is used to enter into a relationship, the principal purpose of which is to transfer anything of value from the federal awarding agency or pass-through entity to the awardee *to carry out a public purpose authorized by law and not to acquire property or services for the awarding agency's or pass-through entity's direct benefit or use; and*

is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the federal *awarding agency or pass-through entity and the* awardee *in carrying out the activity contemplated by the award.*

"Grant agreement" does not include an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee or insurance.

"Grant application" means a specified form that is completed by an entity in connection with a request for a specific funding opportunity or a request for financial support of a project or activity.

"Grassroots lobbying" means a call to action that attempts to influence legislation or executive action by influencing public opinion. To be considered grassroots lobbying, the communication must:

refer to specific legislation or specific executive action;

reflect a view on the legislation or executive action; and

encourage the recipient to take action with respect to that legislation or executive action.

"HFS Suspended List" means the list, maintained by the Illinois Department of Healthcare and Family Services, of persons and entities who are debarred, suspended or otherwise excluded from the receipt of federally financed Medicaid. The list may be viewed on the HFS website at http://www.state.il.us/agency/oig/sanctionlist.asp.

"Hospital" means a facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

"IHE" means an Institution of Higher Education as defined at 20 USC 1001(a).

"Illinois Debarred and Suspended List" means the list maintained by the Governor's Office of Management and Budget that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, from receiving an award of grant funds, regardless of source, *from the State.*

"ILSAC" means the Illinois Single Audit Commission.

"Improper payment" means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. "Improper payment" includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except when these payments are authorized by federal statute), any payment that does not account for credit for applicable discounts, and any payment in which insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

"Indirect (facilities & administrative (F&A)) *costs"* or "indirect facilities and administrative costs" *means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved.* To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs. Indirect cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. (See also the definition of F&A costs.)

"Indirect cost rate proposal" means the documentation prepared by an awardee to substantiate its request for the establishment of an indirect cost rate for the reimbursement of indirect costs. This proposal provides the basis for the review and negotiation leading to the establishment of an organization's indirect cost rate.

"Information technology systems" means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. (See also UR sections 200.20 (computing devices) and 200.33 (equipment).)

"Inspector General" means the Office of Executive Inspector General for Illinois.

"Intangible property" means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

"Intermediate cost objective" means a cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives. (Also see the definitions of cost objective and final cost objective.)

"Internal controls" means a process, implemented by an awardee, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

Effectiveness and efficiency of operations;

Reliability of reporting for internal and external use; and

Compliance with UR sections 200.62 and 200.303 and the Illinois Fiscal Control and Internal Auditing Act.

"Internal control over compliance requirements for federal or federal pass-through awards" means a process implemented by an awardee designed to provide reasonable assurance regarding the achievement of the following objectives for federal or federal pass-through awards:

Transactions are properly recorded and accounted for, in order to:

Permit the preparation of reliable financial statements and federal and federal pass-through reports;

Maintain accountability over assets; and

Demonstrate compliance with State and federal statutes, regulations, and the terms and conditions of the federal or federal pass-through award;

Transactions are executed in compliance with:

State and federal statutes, regulations, and terms and conditions of the federal or federal pass-through award that could have a direct and material effect on a federal or federal pass-through program; and

Any other State or federal statutes and regulations that are identified in the Compliance Supplement; and

Funds, property and other assets are safeguarded against loss from unauthorized use or disposition.

"IRC" means the Internal Revenue Code.

"Lobbying" means communication that is intended to influence legislation or executive action. (See the definitions of direct lobbying and grassroots lobbying.)

"Local government" means any entity defined as a unit of local government by Article VII, Section 1 of the Illinois Constitution and includes school districts.

"Maintenance of effort" means a requirement contained in a program's authorizing legislation or program regulations stating that, in order to receive federal grant funds, a recipient must agree to maintain a specified level of financial effort for the grant from it's own resources and other non-federal sources.

"Major program" means a federal program determined by the auditor to be a major program in accordance with UR section 200.518 (Major program determination) *or a program identified as a major program by a federal awarding agency or pass-through entity in accordance with UR section 200.503* (Relation to other audit requirements), paragraph (e).

"Management decision" means the evaluation by the federal awarding agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision to the auditee as to what corrective action is necessary.

"Mandatory formula-based grant" or "mandatory grant" means noncompetitive grant funding that is allocated to recipients based upon a set of pre-existing criteria, such as population and/or other census criteria; all applicants who meet the minimum requirements of the application process are entitled to receive money.

"Matching" means third-party in-kind contributions and the portion of project costs not paid by federal funds, unless otherwise authorized by statute. (See the definition of cost sharing.)

"Micro-purchase" means a purchase of supplies or services using simplified acquisition procedures (see Section 7000.30), the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of an awardee's small purchase procedures. The awardee uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by 48 CFR Subpart 2.1 (Definitions). It is $3,000 except as otherwise discussed in Subpart 2.1, but this threshold is periodically adjusted for inflation.

"Modified Total Direct Cost" or "MTDC" means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

"Negotiated rate" means the indirect (F&A) cost rate negotiated with and accepted by the federal or State awarding agency. Per the rate agreement, negotiated rates include final, fixed and predetermined rates and exclude provisional rates.

"Non-federal entity" means a state, local government, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a federal or federal pass-through *award as a recipient or subrecipient*. (See also the definition of awardee.)

"Nonprofit organization" means any corporation, trust, association, cooperative or other organization, not including institutions of higher education, that:

is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest;

is not organized primarily for profit; and

uses net proceeds to maintain, improve or expand the operations of the organization.

"Notice of award" means the published announcement by a federal or State agency as a pass-through entity that a specific grant will be awarded to an awardee.

"Notice of funding opportunity" means an agency's formally issued announcement of the availability of federal or federal pass-through funding through one of its financial assistance programs. The announcement provides eligibility and evaluation criteria, funding preferences/priorities, the submission deadline, and information on how to obtain application kits.

"Obligations", when used in connection with an awardee*'s utilization of funds under an award, means:*

orders placed for property and services;

contracts and subawards; and

similar transactions,

during a given period that require payment by the awardee *during the same or future period.*

"Office of Management and Budget" or "OMB" means the federal *Office of Management and Budget of the Executive Office of the President.*

"Oversight agency for audit" means the federal awarding agency that provides the predominant amount of funding directly to an awardee *not assigned a cognizant agency for audit. When there is no direct funding, the awarding agency that is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in* UR section 200.513 (Responsibilities), paragraph (b).

"Participant support costs" means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

"Pass-through entity" or "PTE" *means an* awardee *that provides a subaward to a subrecipient to carry out part of a program.*

"Performance goal" means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value or rate. In some instances (e.g., discretionary research awards), this may be limited to the requirement to submit technical performance reports (to be evaluated in accordance with State or federal agency policy).

"Period of performance" means the time during which the awardee may incur new obligations to carry out the work authorized under the federal or federal pass-through award. The federal awarding agency or federal pass-through entity must include start and end dates of the period of performance in the award (see section 200.210 (Information contained in a federal award), paragraph (a)(5) and section 200.331 (Requirements for pass-through entities), paragraph (a)(1)(D).

"Personal property" means property other than real property. It may be tangible, having physical existence, or intangible.

"Personally Identifiable Information" or "PII" means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific

individual. Some information that is considered to be PII is available in public sources such as telephone books, public websites and university listings. This type of information is considered to be public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source that, when combined with other available information, could be used to identify an individual.

"Predetermined rate" means an indirect cost rate, applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.

"Prior approval" or "Prior written approval" means an authorization by one party, provided in writing to another party, to proceed in a specified manner.

"Private award" means an award from a person or entity other than a state or federal entity. Private awards are not subject to GATA.

"Program income" means gross income received by the non-federal awardee directly generated by a supported activity, or earned only as a result of the federal award during the period of performance, except as provided in UR section 200.307, paragraph (f) (also see the definition of period of performance). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal or federal pass-through award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal or federal pass-through award funds. Interest earned on advances of federal or federal award funds is not program income. Except as otherwise provided in State or federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts and interest earned on any of them.

"Project cost" means total allowable costs incurred under an award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

"Property" means real property or personal property.

"Protected Personally Identifiable Information" or "Protected PII" means an individual's first name or first initial and last name in combination with any one or more types of information, including, but not limited to, social security number, passport number, credit card numbers, security clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, and educational transcripts. This does not include PII that is required by law to be disclosed. (See also the definition of Personally Identifiable Information.)

"Provisional rate" means a temporary indirect cost rate applicable to a specified period that is used for funding, interim reimbursement, and reporting indirect costs on federal or federal pass-through awards pending the establishment of a final rate for the period.

"Public institutions of higher education" has the meaning provided in Section 1 of the Board of Higher Education Act [110 ILCS 205].

"Questioned cost" means a cost that is questioned by the auditor because of an audit finding:

> That resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a State or federal award, including for funds used to match State or federal funds;
>
> When the costs, at the time of the audit, are not supported by adequate documentation; or
>
> When the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

"Real property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

"Recipient" means an awardee *that receives an award directly from* a federal *awarding agency to carry out an activity under a program. "Recipient" does not include subrecipients.* (See the definition of non-federal entity.)

"Research and Development" or "R&D" *means all research activities, both basic and applied, and all development activities that are performed by non-federal entities.* "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes.

"SAM" means the federal System for Award Management (https://www.sam.gov).

"Simplified acquisition threshold" means the dollar amount below which an awardee may purchase property or services using small purchase methods. Non-federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 USC 1908. The current simplified acquisition threshold is $150,000, but this threshold is periodically adjusted for inflation. (See the definition of micro-purchase.)

"Single Audit Act" means the federal Single Audit Act Amendments of 1996 (31 USC 7501 through 7507).

"Special purpose equipment" means equipment that is used only for research, medical, scientific or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments and spectrometers.

"State agency" means an executive branch agency. For purposes of GATA, "State agency" does not include public institutions of higher education.

"State fiscal year" means the period beginning on July 1 and ending on June 30.

"State grant-making agency" means a State agency that provides an award to an awardee. *"State grant-making agency" has the same meaning as "State awarding agency".*

"State interest" means the acquisition or improvement of real property, equipment or supplies under a State award, the dollar amount that is the product of the State share of the total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

"Student Financial Aid" or "SFA" *means federal awards under those programs of general student assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 through 1099d), that are administered by the United States Department of Education and similar programs provided by other federal agencies. "Student Financial Aid" does not include federal awards under programs that provide fellowships or similar federal awards to students on a competitive basis or for specified studies or research.* Individual direct recipients are not subject to the controls required by this Part.

"Subaward" means a federal award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. "Subaward" does not include payments to a contractor or payments to an individual who is a beneficiary of a federal program. A "subaward" may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

"Subrecipient" means an awardee *that receives a federal subaward from a pass-through entity to carry out part of a federal program. "Subrecipient" does not include an individual who is a beneficiary of* the *program. A "subrecipient" may also be a recipient of other federal awards directly from a federal awarding agency.*

"Supplies" means all tangible personal property other than those described in the definition of equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the awardee for financial statement purposes or $5,000, regardless of the length of its useful life. (See the definitions of computing devices and equipment.)

"Suspension" means a post-award action by the federal agency or pass-through entity that temporarily withdraws the federal agency's or pass-through entity's financial assistance sponsorship under an award, pending corrective action by the recipient or subrecipient or pending a decision to terminate the award.

"Termination" means the ending of a federal or federal pass-through award, in whole or in part, at any time prior to the planned end of the period of performance.

"Third-party in-kind contributions" means the value of non-cash contributions (i.e., property or services) that benefit a State- or federally-assisted project or program and are contributed by non-federal third parties, without charge, to an awardee under a State or federal award.

"Total compensation" means the cash and noncash dollar value earned by the executive during the grantee's or subrecipient's preceding fiscal year and includes the following: salary and bonus; awards of stock, stock options and stock appreciation rights; earnings for services under non-equity incentive plans; and change in pension value.

"Unallowable cost" means a cost specified by law or regulation, federal cost principles, or the terms and conditions of an award that may not be reimbursed under a grant or cooperative agreement.

"Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards" or "Uniform Requirements" or "UR" *means those rules applicable to grants contained in 2 CFR 200.*

"Unliquidated obligations" means, for financial reports prepared on a cash basis, obligations incurred by the awardee that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the awardee for which an expenditure has not been recorded.

"Unobligated balance" means the amount of funds under a State or federal award that the awardee has not obligated. The amount is computed by subtracting the cumulative amount of the awardee's unliquidated obligations and expenditures of funds under the State or federal award from the cumulative amount of the funds that the State awarding agency or pass-through entity authorized the awardee to obligate.

"USC" means the United States Code.

"Voluntary committed cost sharing" means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the award on the part of the awardee *and that becomes a binding requirement of the award.* [30 ILCS 708/15]

Section 7000.30 Incorporations and Referenced Materials

a) References to Federal and State Statutes

1) Federal Statutes

A) Cash Management Improvement Act (31 USC 1)

B) Federal Funding Accountability and Transparency Act (31 USC 6101)

C) Freedom of Information Act (5 USC 552)

D) Improper Payments Elimination and Recovery Act of 2012 (31 USC 3321 note)

E) Internal Revenue Code (26 USC)

F) Simplified Acquisition Procedures: Inflation adjustment of acquisition-related dollar thresholds (41 USC 1908)

G) Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 (31 USC 7501)

2) Illinois Statutes

A) Grant Accountability and Transparency Act [30 ILCS 708]

B) Fiscal Control and Internal Auditing Act [30 ILCS 10]

C) Freedom of Information Act [5 ILCS 140]

D) Illinois Grant Funds Recovery Act [30 ILCS 705]; Section 15.1 creates the Illinois Single Audit Commission

E) Illinois State Auditing Act [30 ILCS 5]

F) Board of Higher Education Act [110 ILCS 205]

b) Incorporations By Reference

1) Federal Regulations

A) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200 (December 2014)):

i) Subpart B – General Provisions

ii) Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards

iii) Subpart D – Post Federal Award Requirements

iv) Subpart E – Cost Principles

v) Subpart F – Audit Requirements

vi) Appendix I – Full Text of Notice of Funding Opportunity

vii) Appendix II – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

viii) Appendix III – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)

ix) Appendix IV – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations

x) Appendix V – State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans

xi) Appendix VI – Public Assistance Cost Allocation Plans

xii) Appendix VII – States and Local Government and Indian Tribe Indirect Cost Proposals

xiii) Appendix VIII – Nonprofit Organizations Exempted From Subpart E – Cost Principles

xiv) Appendix IX – Hospital Cost Principles

xv) Appendix X – Data Collection Form (Form SF-SAC)

xvi) Appendix XI – Compliance Supplement

B) Cost Accounting Standards (48 CFR 9904 (2014))

C) Federal Acquisition Regulations System (48 CFR Ch. 1 (2014))

D) Rules and Procedures for Efficient Federal-State Funds Transfers (31 CFR 205)

2) Government Auditing Standards (Yellow Book), U.S. Government Accountability Office by the Comptroller General of the United States (2011 Revision) (http://www.gao.gov/yellowbook)

3) No later editions of the regulations and standards listed in subsection (b) are incorporated in this Part.

Section 7000.40 Governor's Office of Management and Budget Responsibilities

a) Grant Accountability and Transparency Unit. *GOMB shall, on or before July 1, 2014, establish a centralized unit* known as GATU. *The unit shall be funded with a portion of the administrative funds provided under existing and future federal pass-through grants. The amounts charged will be allocated based on the actual cost of the services provided to State grant-making agencies and public institutions of higher education in accordance with the applicable federal cost principles contained in 2 CFR 200. The Act does not cause a reduction in the amount of any State or federal grant awards that have been or will be directed towards State agencies or public institutions of higher education.* [30 ILCS 708/55]

b) GOMB Responsibilities. *GOMB shall:*

1) *provide technical assistance and interpretations of policy requirements in order to ensure effective and efficient implementation of the Act by State grant-making agencies* [30 ILCS 708/55];

2) *have authority to approve any exceptions to the requirements of the Act, and shall adopt rules governing the criteria to be considered when an exception is requested. Exceptions shall only be made in particular cases in which adequate justification is presented* [30 ILCS 708/55];

3) *adopt rules regarding conflict of interest policies for awards. A non-federal entity must disclose in writing any potential conflict of interest to the pass-through entity in accordance with applicable awarding agency policy* [30 ILCS 708/35];

4) *with the advice and technical assistance of ILSAC, adopt rules requiring that the applicant for an award disclose, in a timely manner and in writing, to the pass-through entity all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. Failure to make the required disclosures may result in any of the following remedial actions:*

A) *The temporary withholding of cash payments pending correction of the deficiency by the awarding agency or non-federal entity or more severe enforcement action by the pass-through entity*;

B) *Disallowance of (that is, denial of both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance*;

C) *Whole or partial suspension or termination of the award*;

D) *Initiation of suspension or debarment proceedings authorized under* this Part *and awarding agency* rules *(or, in the case of a pass-through entity, recommendation that such a proceeding be initiated by the awarding agency);*

E) *Withholding further awards for the project or program*;

F) *Taking any other remedial action that may be available*. [30 ILCS 708/40]

Section 7000.50 Grant Accountability and Transparency Unit Responsibilities

a) *GATU shall be responsible for:*

1) *The development of minimum requirements applicable to the staff of grant applicants to manage and execute grant awards for programmatic and administrative purposes, including grant management specialists with:*

A) *general and technical competencies;*

B) *programmatic expertise;*

C) *fiscal expertise and systems necessary to adequately account for the source and application of grant funds for each program; and*

D) *knowledge of compliance requirements;*

2) *The development of minimum training requirements, including annual training requirements;*

3) *Accurate, current, and complete disclosure of the financial results of each funded award,* as set forth in UR sections 200.327 through 200.329;

4) *Development of criteria for requiring the retention of a fiscal agent and for becoming a fiscal agent;*

5) *Development of disclosure requirements in the grant application pertaining to:*

A) *related-party status between grantees and grant-making agencies;*

B) *past employment of applicant officers and grant managers;*

C) *disclosure of current or past employment of members of immediate family; and*

D) *disclosure of senior management of grantee organization and their relationships with contracted vendors;*

6) *Implementation of rules prohibiting a grantee from charging any cost allocable to a particular award or cost objective to other State or federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the federal awards, or for other reasons;*

7) *Implementation of rules prohibiting a non-federal entity from earning or keeping any profit resulting from State or federal financial assistance, unless prior approval has been obtained from GOMB and is expressly authorized by the terms and conditions of the award;*

8) *Maintenance of an Illinois Debarred and Suspended List that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, to receive an award of grant funds from the State;*

9) *Ensuring the adoption of standardized rules for the implementation of the Act by State grant-making agencies. GATU shall provide such advice and technical assistance to the State grant-making agencies as is necessary or indicated* in order *to ensure compliance with the Act;*

10) Coordination of financial and single audit reviews;

11) Coordination of on-site reviews of grantees and subrecipients; and

12) Maintenance of the Catalog of State Financial Assistance (see Section 7000.60), which is available to the public at http://csfa.illinois.gov.

b) *GATU shall have no power or authority* regarding the *approval, disapproval, management, or oversight of grants entered into or awarded by a State* agency *or by a public institution of higher education. The power or authority existing under law to grant or award grants by a State agency or by a public IHE shall remain with that State agency or public IHE. GATU shall be responsible for reviewing and approving amendments to the Administrative Code proposed by State grant*

agencies in connection with the implementation of the Act and shall be responsible for establishing standardized policies and procedures for State grant-making agencies in order to ensure compliance with the Uniform Requirements, all of which must be adhered to by the State grant-making agencies throughout the life cycle of the grant.

c) *The powers and functions of grant-making by State agencies or public IHE may not be transferred to, nor may prior grant approval be transferred to, any other person, office or entity within the executive branch of State government.* [30 ILCS 708/60]

Section 7000.60 Catalog of State Financial Assistance

The Catalog of State Financial Assistance is a single, authoritative, statewide, comprehensive source document of State financial assistance program information maintained by GATU. *The Catalog shall contain, at a minimum, the following information:*

a) *An introductory section that contains Catalog highlights, an explanation of how to use the Catalog, an explanation of the Catalog and its contents, and suggested grant proposal writing methods and grant application procedures;*

b) *A comprehensive indexing system that categorizes programs by issuing agency, eligible applicant, application deadlines, function, popular name, and subject area;*

c) *Comprehensive appendices showing State assistance programs that require coordination through the Act and regulatory, legislative, and Executive Order authority for each program, commonly used abbreviations and acronyms, agency regional and local office addresses, and sources of additional information;*

d) *A list of programs that have been added to or deleted from the Catalog and the various program numbers and title changes;*

e) *Program number, title, and popular name, if applicable;*

f) *The name of the State department or agency or independent agency and primary organization sub-unit administering the program;*

g) *The enabling legislation, including popular name of the Act, titles and Sections, Public Act number, and citation to the Illinois Compiled Statutes;*

h) *The type or types of financial and nonfinancial assistance offered by the program;*

i) *Uses and restrictions placed upon the program;*

j) *Eligibility requirements, including applicant eligibility criteria, beneficiary eligibility criteria, and required credentials and documentation;*

k) *Objectives and goals of the program;*

l) *Information regarding application and award processing; application deadlines; range of approval or disapproval time; appeal procedure; and availability of a renewal or extension of assistance;*

m) *Assistance considerations, including an explanation of the award formula, matching requirements, and the length and time phasing of the assistance;*

n) *Post-assistance requirements, including any reports, audits, and records that may be required;*

o) *Program accomplishments (where available) describing quantitative measures of program performance;*

p) *Regulations, guidelines, and literature containing citations to the Illinois Administrative Code, the Code of Federal Regulations, and other pertinent informational materials;* and

q) *The names, telephone numbers, and e-mail addresses of persons to be contacted for detailed program information at the headquarters, regional, and local levels.* [30 ILCS 708/30]

Section 7000.70 Auditing Standards

a) Effective Date for Standards
The standards set forth in UR Subpart F, *and any other standards that apply directly to State or federal agencies, shall apply to audits of fiscal years beginning on or after December 26, 2014.*

b) Availability of Records
Awardees must make their books and records *available for review or audit by appropriate officials of the pass-through entity* or awarding *agency, the Auditor General, the* Executive *Inspector General, appropriate officials of the* federal awarding *agency, and the federal Government Accountability Office.* [30 ILCS 708/65(b)]

c) Exemptions

1) Auditor General. *This Act does not affect the provisions of the Illinois State Auditing Act and does not address the external audit function of the Auditor General.* [30 ILCS 708/65(d)]

2) For-Profit Subrecipients

A) The requirements of UR subpart F *do not apply to for-profit subrecipients because for-profit subrecipients are not subject to the requirements of* UR subpart F*, Audits of States, Local and Non-Profit Organizations. Audits of for-profit subrecipients must be conducted pursuant to a Program Audit Guide issued by the Federal awarding agency. If a Program Audit Guide is not available, the State awarding agency must prepare a Program Audit Guide in accordance with the OMB Circular A-133 Compliance Supplement* (see UR appendix IX; the Supplement can be found at https://www.whitehouse.gov/omb/circulars_default). *For-profit entities are subject to all other general administrative requirements and cost principles applicable to grants*. [30 ILCS 708/20(a)]

B) *State grant-making agencies* shall, with the advice and technical assistance of GOMB, establish *requirements, as necessary, to ensure compliance by for-profit subrecipients. Agreements with for-profit subrecipients shall describe the applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for State and federal pass-through awards made to for-profit subrecipients shall include pre-award audits, monitoring during the agreement, and post-award audits.* [30 ILCS 708/20(d)]

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED REPEALER

Section 7000.80 Annual Report and 5-Year Review

a) Annual Report
Effective January 1, 2016 and each January 1 thereafter, GOMB, in conjunction with ILSAC, shall submit to the Governor and the General Assembly a report that demonstrates the efficiencies, cost savings and reductions in fraud, waste and abuse as a result of the implementation of the Act and this Part. The report shall include, but not be limited to:

1) *the number of entities placed on the Illinois Debarred and Suspended List;*

2) *any savings realized as a result of the implementation of the Act;*

3) *any reduction in the number of duplicative audits;*

4) *the number of persons trained to assist grantees and subrecipients; and*

5) *the number of grantees and subrecipients to whom a fiscal agent was assigned.* [30 ILCS 708/95]

b) 5-Year Review
GOMB shall review the Act and this Part *at least once every 5 years after December 26, 2014 (in conjunction with the federal review of the UR as required by 2 CFR 200.109) to determine whether any existing rules need to be revised or new rules adopted.* [30 ILCS 708/70]

SUBPART B: STATE AGENCY RESPONSIBILITIES AND IMPLEMENTATION

Section 7000.100 State Grant-making Agency Responsibilities

a) *The specific requirements and responsibilities of State grant-making agencies and non-federal entities are set forth in the Act. State agencies making State awards to non-federal entities must adopt by rule UR subparts C through F by* July 1, 2016 *unless different provisions are required by law.*

b) *Each State grant-making agency shall appoint a Chief Accountability Officer who shall serve as a liaison to GATU and who shall be responsible for the State*

agency's implementation of and compliance with the Uniform Requirements and this Part.

c) *In order to effectively measure the performance of its recipients and subrecipients, each State grant-making agency shall:*

1) *require its recipients and subrecipients to relate financial data to performance accomplishments of the award and, when applicable, must require recipients and subrecipients to provide cost information to demonstrate cost-effective practices. The recipient's and subrecipient's performance should be measured in a way that will help the State agency to improve program outcomes, share lessons learned, and spread the adoption of promising practices; and*

2) *provide recipients and subrecipients with clear performance goals, indicators, and milestones and must establish performance reporting frequency and content to not only allow the State agency to understand the recipient's progress, but also to facilitate identification of promising practices among recipients and subrecipients and build the evidence upon which the State agency's program and performance decisions are made.*

d) *Each grant-making agency shall enhance its processes to monitor and address noncompliance with reporting requirements and with program performance standards. When applicable, the process may include a corrective action plan. The monitoring process shall include a plan for tracking and documenting performance-based contracting decisions.* [30 ILCS 708/45(g)]

e) *GOMB shall provide such advice and technical assistance to the State grant-making agencies as is necessary or indicated in order to ensure compliance with the Act.* [30 ILCS 708/50]

Section 7000.110 State Grant-making Agency Implementation

a) *State grant-making agencies shall implement* the policies and procedures applicable to federal and federal pass-through awards by adopting*, on or before July 1, 2015, rules for non-federal entities that shall take effect for fiscal years on and after December 26, 2014, unless different provisions are required by State or federal statute or federal rule.*

b) *The standards set forth in the Act, which affect administration of* federal and *federal pass-through awards issued* by *State grant-making agencies, become effective once* adopted as rules *by* the *State grant-making agencies*. [30 ILCS 708/90]

Section 7000.120 Institution of Higher Education Responsibilities and Implementation

a) *For public institutions of higher education,* this Part applies *only to awards funded by State appropriations and federal pass-through awards from a State agency to public institutions of higher education. Federal pass-through awards from a State agency to public institutions of higher education are governed by and must comply with federal guidelines under* the UR. [30 ILCS 708/20(c)]

b) *The standards set forth in the Act, which affect administration of federal pass-through awards issued* by State grant-making agencies to *IHEs, become effective once* adopted as rules *by* BHE or ISAC, as applicable. [30 ILCS 708/90]

c) Specific requirements and responsibilities of IHE are set forth in the Act and the UR.

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED RULES

1) Heading of the Part: Grant Accountability and Transparency Act

2) Code Citation: 44 Ill. Adm. Code 7000

3)

Section Numbers:	Proposed Actions:
7000.10	New Section
7000.20	New Section
7000.30	New Section
7000.40	New Section
7000.50	New Section
7000.60	New Section
7000.70	New Section
7000.80	New Section
7000.90	New Section
7000.95	New Section
7000.100	New Section
7000.110	New Section
7000.120	New Section
7000.200	New Section
7000.210	New Section
7000.220	New Section
7000.230	New Section
7000.240	New Section
7000.250	New Section
7000.260	New Section
7000.300	New Section
7000.310	New Section
7000.320	New Section
7000.330	New Section
7000.340	New Section
7000.350	New Section
7000.360	New Section
7000.370	New Section
7000.400	New Section
7000.410	New Section
7000.420	New Section
7000.430	New Section
7000.440	New Section
7000.450	New Section

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED RULES

4) Statutory Authority: Implementation of rules is authorized by the Grant Accountability and Transparency Act [30 ILCS 708].

5) A Complete Description of the Subjects and Issues Involved: The new Part supports policy associated with incremental implementation of 2 CFR 200 and GATA within the State of Illinois.

6) Any published studies or reports, along with the sources of underlying data, that were used when comprising this rulemaking, in accordance with 1 Ill. Adm. Code 100.355: None

7) Will this rulemaking replace any emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? Yes

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Carol Kraus
Director – GATA
Governor's Office of Management
And Budget (GOMB)
601 Stratton Building
Springfield IL 62706

217/782-6464
fax: 217/524-4876

or

Jennifer Butler
Deputy Director – Accountability and
Results
Governor's Office of Management and
Budget (GOMB)
601 Stratton Building
Springfield IL 62706

217/785-5516

13) Initial Regulatory Flexibility Analysis:

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED RULES

A) Types of small businesses, small municipalities and not-for-profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

14) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included in the latest Regulatory Agenda because the need for this rulemaking was not anticipated.

The full text of the Proposed Rules begins on the next page:

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED RULES

TITLE 44: GOVERNMENTAL CONTRACTS, GRANTMAKING, PROCUREMENT AND PROPERTY MANAGEMENT
SUBTITLE F: GRANTMAKING
CHAPTER I: GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

PART 7000
GRANT ACCOUNTABILITY AND TRANSPARENCY ACT

SUBPART A: GENERAL

Section
7000.10 Purpose and Applicability
7000.20 Grant Accountability and Transparency Unit (GATU)
7000.30 Definitions
7000.40 Incorporations and Referenced Materials
7000.50 Catalog of State Financial Assistance (CSFA)
7000.60 Program-specific Exceptions and Exemptions to UR and GATA
7000.70 Grantee Qualification Status
7000.80 Grantee Compliance Enforcement System; Illinois Stop Payment List
7000.90 Auditing Standards
7000.95 Annual Report and 5-Year Review

SUBPART B: GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET (GOMB) RESPONSIBILITIES

7000.100 GOMB Responsibilities
7000.110 GOMB Adoption of Supplemental Rules for Multi-year Grants
7000.120 GOMB Adoption of Supplemental Rules for Grant Payment Methods

SUBPART C: STATE AGENCY RESPONSIBILITIES AND IMPLEMENTATION

7000.200 State Agency Responsibilities
7000.210 State Agency Implementation
7000.220 State Cognizant Agency Responsibilities and Implementation
7000.230 Institution of Higher Education Responsibilities and Implementation
7000.240 Subrecipient/Contractor Determinations
7000.250 CSFA Maintenance
7000.260 Maintenance and Use of the Illinois Stop Payment List

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

NOTICE OF PROPOSED RULES

SUBPART D: STATE AND FEDERAL PASS-THROUGH PRE-AWARD REQUIREMENTS

7000.300 Grant, Cooperative, Interagency and Intergovernmental Agreements
7000.310 Public Notice of Grant Programs
7000.320 Grantee Registration and Pre-qualification
7000.330 Uniform Grant Application and Budget Template
7000.340 Grantee Risk Assessments – Financial and Administrative (ICQ) and Programmatic
7000.350 Merit Based Review of Grant Application
7000.360 Notice of State Award (NOSA)
7000.370 Uniform Grant Agreement

SUBPART E: STATE POST-AWARD REQUIREMENTS

7000.400 GATA Performance Measurement
7000.410 Awardee Performance Measures
7000.420 Centralized Indirect Cost Rate Negotiation
7000.430 Records Retention
7000.440 Grant Closeout
7000.450 Continuing Responsibilities

AUTHORITY: Implementing and authorized by the Grant Accountability and Transparency Act [30 ILCS 708].

SOURCE: Adopted at 39 Ill. Reg. 10777, effective July 24, 2015; former Part repealed at 41 Ill. Reg. _____ and new Part adopted at 41 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL

Section 7000.10 Purpose and Applicability

a) The Act and This Part

1) The Grant Accountability and Transparency Act (Act or GATA) *is intended to comply with the General Assembly's directives to*:

A) *develop a coordinated, nonredundant process for the provision of effective and efficient oversight of the selection and monitoring of*

grant recipients, thereby ensuring quality programs and limiting fraud, waste and abuse; and

B) *define the purpose, scope, applicability and responsibilities in the life cycle of a grant.* [30 ILCS 708/5(a)]

2) *GATA is* also *intended to increase the accountability and transparency in the use of grant funds from whatever source and to reduce administrative burdens on both State agencies and grantees by adopting federal guidance and regulations applicable to those grant funds; specifically, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Requirements (UR)). [30 ILCS 708/5(b)]

3) *GATA is consistent with the State's focus on improving performance and outcomes while ensuring transparency and the financial integrity of taxpayer dollars through such initiatives as the Management Improvement Initiative Committee created by Section 1-37a of the Department of Human Services Act, the State prioritized goals created under Section 50-25 of the State Budget Law (also known as "Budgeting for Results"), and the Grant Information Collection Act*. [30 ILCS 708/5(c)]

4) Supersession of GATA
Section 80 of GATA states that, *on and after July 1, 2015, in the event of a conflict with the Grant Funds Recovery Act, the provisions of GATA shall control.*

b) Purpose

1) *The purpose of GATA is to establish uniform administrative requirements, cost principles, and audit requirements for* State grants *and federal pass-through awards to non-federal entities. State* grantmaking *agencies shall not impose additional or inconsistent requirements, except as provided in* UR section 200.102, *unless specifically required by State or federal statute. GATA and this Part do not apply to private awards.*

2) *GATA and this Part provide the basis for a systematic and periodic collection and uniform submission to the Governor's Office of Management and Budget of information of all State and federal financial assistance programs by grantmaking agencies. GATA* and this Part *also*

establish policies related to the delivery of this information to the public, including through the use of electronic media. [30 ILCS 708/10] (Refer to Section 7000.50 and 7000.250 for State agency responsibilities associated with the Catalog of State Financial Assistance.)

c) Applicability

1) *The requirements established under GATA apply to State grantmaking agencies that make State and federal pass-through awards to nonfederal entities. These requirements apply to all costs related to* federal and *federal pass-through awards. The requirements established under GATA do not apply to private awards.* [30 ILCS 708/45(a)]

2) *Nothing in GATA shall prohibit the use of State funds for purposes of federal match or maintenance of effort.* [30 ILCS 708/45(a-5)]

3) *The terms and conditions of* State, *federal and* federal *pass-through awards apply to subawards and subrecipients unless a particular Section of GATA or the terms and conditions of the award specifically indicate otherwise. Non-federal entities* receiving State or federal funds *shall comply with requirements of GATA regardless of whether the non-federal entity is a recipient or subrecipient of the award*/grant. *Pass-through entities shall comply with the requirements set forth under this Part, but not to any requirements in GATA directed towards State* grantmaking agencies *or federal awarding agencies, unless the requirements of the federal awards indicate otherwise.* [30 ILCS 708/45(b)]

4) *When a non-federal entity is awarded a cost-reimbursement contract, only UR sections 200.330 through 200.332 are incorporated by reference into the contract. However, when the Cost Accounting Standards are applicable to the contract, they take precedence over the requirements of GATA unless they are in conflict with UR subpart F. In addition, costs that are made unallowable under 10 USC 2324(e) and 41 USC 4304(a), as described in the Federal Acquisition Regulations, subparts 31.2 and 31.603, are always unallowable. For requirements other than those covered in UR subpart D, the terms of the contract and FAR apply.* [30 ILCS 708/45(b)]

5) *With the exception of UR subpart F, which is required by the* federal *Single Audit Act, in any circumstances in which the provisions of federal statutes or regulations differ from the provisions of the Act, the federal statutes or regulations govern.* [30 ILCS 708/45(b)]

6) *State grantmaking agencies may apply UR subparts A through E to for-profit entities, foreign public entities, or foreign organizations, except when the* grantmaking *agency determines that the application of these subparts would be inconsistent with the international obligations of the United States or the statutes or regulations of a foreign government.* [30 ILCS 708/45(c)]

7) *Except for UR sections 200.202 and 200.330 through 200.332, the requirements of UR subparts C, D and E do not apply to the programs listed in UR section 200.101 and Section 45(d) of the Act.* [30 ILCS 708/45(d)]

8) Section 5(b) of GATA applies to State funded grants any federal guidance and regulations that are applicable to those grants.

Section 7000.20 Grant Accountability and Transparency Unit (GATU)

a) Under Section 55(b) of the Act, the Governor's Office of Management and Budget (GOMB) shall establish a centralized unit within GOMB known as the Grant Accountability and Transparency Unit.

b) GATU will be responsible for adopting rules, implementing a State-wide grants management framework for compliance with the rules, and monitoring the implemented framework.

c) GATU will be funded with a portion of the administrative funds provided under existing and future State, federal pass-through and federal grants. State agency charges will be allocated through a revolving fund named the GATA Fund. State agency charges will be based on the actual cost of the services provided in accordance with applicable federal cost principles contained in the Uniform Requirements. The GATA Fund may include catch-up billings for prior fiscal year amounts due. State agencies can utilize appropriations from the fiscal year in which the catch-up billing is issued.

d) GATA will not cause a reduction in the amount of State or federal awards that have been or will be directed to State agencies or public institutions of higher education.

Section 7000.30 Definitions

The following definitions shall apply to this Part:

"Acquisition cost" means the cost of the asset, including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duties, protective in-transit insurance, freight and installation may be included in or excluded from the acquisition cost in accordance with the awardee's regular accounting practices.

"Act" or "GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

"Administrative rules" means the administrative rules codified in the Illinois Administrative Code.

"Advance payment" means a payment that a State grantmaking agency, federal awarding agency or pass-through entity (PTE) makes by any appropriate payment mechanism, including a predetermined payment schedule, before the awardee disburses the funds for program purposes.

"A/E" means architectural and engineering services.

"AICPA" means the American Institute of Certified Public Accountants.

"Allocation" means the process of assigning a cost, or a group of costs, to one or more cost objectives, in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost directly to a final cost objective or through one or more intermediate cost objectives.

"Allowable cost" means a cost allowable to a project (i.e., that can be paid for *using* award *funds*). *Costs* will be considered to be allowable if they:

are reasonable and necessary for the performance of the award;

are allocable to the specific project;

are treated consistently in like circumstances to federally-financed, State-financed, *and other activities of the* awardee;

conform to any limitations of the cost principles or the sponsored agreement;

are accorded consistent treatment (a cost may not be assigned to a State *or federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost);*

are determined to be in accordance with generally accepted accounting principles;

are not included as a cost or used to meet federal cost-sharing or matching requirements of any other program in either the current or prior period;

are not used to meet the match requirements of another State *or federal grant; and*

are adequately documented.

"Audit finding" means deficiencies the auditor is required, by UR section 200.516(a), to report in the schedule of findings and questioned costs.

"Auditee" means any awardee *that expends State, federal* or federal pass-through *awards that must be audited* as provided in UR Subpart F (Audit Requirements).

"Auditor" means an auditor who is an Illinois licensed *public accountant or a federal, State, or local government audit organization that meets the general standards specified* for external auditors *in generally-accepted government*

auditing standards (GAGAS). *"Auditor" does not include internal auditors of nonprofit organizations.*

"Auditor General" means the Auditor General of the State of Illinois.

"Award" means financial assistance that provides support or stimulation to accomplish a public purpose. "Awards" include grants and other agreements in the form of money, or property in lieu of money, by the state agency or federal government to an eligible recipient. "Award" does not include: technical assistance that provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies or insurance; direct payments of any kind to individuals; or contracts that must be entered into and administered under State or federal procurement laws and regulations. In this Part, the term "award" is used interchangeably with "grant".

"Awardee" *or "Non-federal entity"* means a State, local government, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a State, federal or federal pass-through award/grant as a recipient or subrecipient.

"Awarding agency" means a State or federal agency or PTE that has grant making authority.

"Billing rate" means a temporary indirect cost rate applicable to a specified period that is used for funding, interim reimbursement, and reporting indirect costs on federal or federal pass-through awards pending the establishment of a final rate for the period. (See also the definition of provisional rate.)

"Budget" means the financial plan for the project or program that the State grantmaking agency or federal *awarding agency or PTE approves during the award/grant process or in subsequent amendments to the award/grant. It may include the State or federal and non-federal share or only the State or federal share, as determined by the awarding agency or* PTE.

"Call to action" means a communication that includes any one or more of the following:

The communication states that the recipient should contact a member or employee of a legislative body, or any other government official or

employee who may participate in the formulation of legislation, when the principal purpose of the contact is lobbying.

The communication states the address, telephone number or similar information of a legislator or an employee of a legislative body.

The communication provides a petition, a tear-off postcard or similar material for the recipient to communicate with any such individual.

The communication specifically identifies one or more legislators who will vote on the legislation, indicating that the legislator will:

oppose the organization's view with respect to the legislation;

be undecided with respect to the legislation;

be the recipient's representative in the legislature; or

be a member of the legislative committee or subcommittee that will consider the legislation.

Naming the main sponsors of the legislation for purposes of identifying the legislation does not independently constitute a call to action.

"Capital assets" means tangible or intangible assets used in operations having a useful life of more than one year that are capitalized in accordance with GAAP. Capital assets include:

Land; buildings (facilities); equipment and intellectual property (including software); and whether acquired by purchase, construction, manufacture, lease-purchase or exchange, or through capital leases; and

Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

"Capital expenditures" means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements,

rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life.

"CAS" means the Cost Accounting Standards established by the Federal Cost Accounting Standards Board.

"Catalog of Federal Domestic Assistance" or "CFDA" means the *database,* accessible at http://www.cfda.gov, *that helps the federal government track all programs it has domestically funded.*

"Catalog of Federal Domestic Assistance Number" or "CFDA Number" means the number assigned to a federal program in the CFDA.

"Catalog of State Financial Assistance" or "CSFA" means the single, authoritative, Statewide, comprehensive source document of State financial assistance program information maintained by the Governor's Office of Management and Budget (available at http://grants.illinois.gov).

"Catalog of State Financial Assistance Number" or "CSFA Number" means the number assigned to a State program in the CSFA. The first 3 digits represent the State agency number and the last 4 digits represent the program.

"Central service cost allocation plan" means the documentation identifying, accumulating and allocating or developing billing rates based on the allowable costs of services provided by the State or local government on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

"CFDA program title" means the title of the program under which the federal award was funded in the CFDA.

"Claim" means, depending on the context, either:

A written demand or written assertion by one of the parties to a State award or federal or federal pass-through award seeking, as a matter of right:

The payment of money in a sum certain;

The adjustment or interpretation of the terms and conditions of the award/grant; or

Other relief arising under or relating to a State, federal or federal pass-through award/grant; or

A request for payment that is not in dispute when submitted.

"Class (of awards)" means a group of State awards or federal awards either awarded under a specific program or group of programs or to a specific type of awardee or group of awardees to which specific provisions or exceptions may apply.

"Closeout" means the process by which the State grantmaking or federal awarding agency or PTE determines that all applicable administrative actions and all required work of the federal award or State grant have been completed and takes actions as described in UR section 200.343 or Section 7000.440 of this Part.

"Cluster of programs" means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. A "cluster of programs" shall be considered as one program for determining major programs and, with the exception of research and development, whether a program-specific audit may be elected.

"CMIA" means the federal Cash Management Improvement Act and the Department of the Treasury's Rules and Procedures for Efficient Federal-State Funds Transfers.

"CMS" means the Illinois Department of Central Management Services.

"CFO Council" means the federal Chief Financial Officer Council (see http://cfo.gov/grants).

"Compliance Supplement" means UR appendix XI (previously known as the OMB Circular A-133 Compliance Supplement).

"Comprehensive Annual Financial Report" or "CAFR" means the financial report of a governmental entity. The report contains basic financial statements, notes to

the basic financial statements, and required supplementary information (RSI), plus voluntarily provided supplementary information (SI) such as an introductory section, supporting schedules with more detailed financial information than is found in the financial statements, and a statistical section.

"Computing devices" means machines used to acquire, store, analyze, process and publish data and other information electronically, including accessories (or peripherals) for printing, transmitting and receiving, or storing electronic information. (See also the definitions of "Information technology systems" and "Supplies".)

"Conflict of interest" means a situation that arises when a person in a position of authority over an organization, such as an officer, director or manager, may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

"Conflict of interest policy" means a policy that defines conflict of interest, identifies the classes of individuals within an organization covered by the policy, facilitates disclosure of information that may help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.

"Contract" means a legal instrument by which an awardee *purchases property or services needed to carry out the project or program under an award/grant. "Contract" does not include a legal instrument, even if the awardee considers it a contract, when the substance of the transaction meets the definition of an award or subaward*.

"Contractor" means a person or *entity that receives a contract* funded through grant funds awarded by a State grantmaking agency or IHE.

"Cooperative Agreement" means a legal instrument of financial assistance between a State grantmaking agency, federal awarding *agency or PTE and* an awardee consistent with 31 USC 6302 through 6305 *that*:

> *is used to enter into a relationship with the principal purpose of transferring anything of value from the awarding agency or PTE to the* awardee *to carry out a public purpose authorized by law, but is not used*

to acquire property or services for the awarding agency's or PTE's direct b*enefit or use; and*

is distinguished from a grant in that it provides for substantial involvement between the awarding agency or PTE and the awardee *in carrying out the activity contemplated by the award*.

"Cooperative audit resolution" means the use of audit follow-up techniques that promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between the State or federal agency and the awardee. This approach is based upon:

a strong commitment, by State, federal and federal PTE and awardee leadership, to program integrity;

State, federal and federal PTEs strengthening partnerships and working cooperatively with awardees and their auditors, and awardees and their auditors working cooperatively with State, federal and PTEs;

a focus on current conditions and corrective action going forward;

State, federal and federal PTEs offering appropriate relief for past noncompliance when audits show prompt corrective action has occurred; and

State, federal and federal pass-through agency leadership sending a clear message that continued failure to correct conditions identified by audits that are likely to cause improper payments, fraud, waste or abuse is unacceptable and will result in sanctions.

"Corrective action" means action taken by the auditee that:

corrects identified deficiencies;

produces recommended improvements; or

demonstrates that audit findings are either invalid or do not warrant auditee action.

"COSO" means the Committee of Sponsoring Organizations of the Treadway Commission, a joint initiative of the Institute of Management Accountants (IMA), the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), the Institute of Internal Auditors (IIA) and Financial Executives International (FEI). COSO has established an internal control model that companies and organizations use to assess their control systems.

"Cost allocation plan" means a central service cost allocation plan or public assistance cost allocation plan.

"Cost objective" means a program, function, activity, award, organizational subdivision, contract or work unit for which cost data is desired and for which provision is made to accumulate and measure the cost of processes, products, jobs and capital projects. A "cost objective" may be a major function of the awardee, *a particular service or project, an award, or an indirect cost activity*.

"Cost sharing" means the portion of project costs, including third party in-kind contributions, not paid by State, federal or federal pass-through *funds, unless otherwise authorized by statute.* (See also the definition of matching.)

"Data Universal Numbering System number" or "DUNS number" means the 9-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify entities and that, *under federal law, is required for non-federal entities to apply for, receive, and report on a federal award* as a unique identifier. Entities required to have a DUNS number for the purpose of State or federal contracts or grants can obtain one for free at http://fedgov.dnb.com/webform.

"Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes.

"Direct costs" means costs that can be identified specifically with a particular final cost objective, such as a State, federal or federal pass-through award or a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

"Direct lobbying" means any attempt to influence legislation or executive action through communications with:

any member or staff of a legislative or executive body;

any governmental official or employee (other than a member or employee of a legislative or executive body) who may participate in formulating legislation, but only if the principal purpose of the communication is to influence legislation or executive action; or

the general public.

The communications must refer to specific legislation or executive action and must reflect a view on the legislation or executive action. (See 26 CFR 56.4911-2(b).)

"Disallowed costs" means charges to a State, federal or federal pass-through award determined by the awarding agency or PTE to be unallowable, in accordance with the applicable State or federal statutes or regulations, or the terms and conditions of the State, federal or federal pass-through award.

"Discretionary grant" means an award for which the State or federal agency or PTE may exercise judgment (discretion) in determining the recipient and/or the amount of the award and may be issued under a competitive application process.

"Eligible applicant" means any organization that meets the eligibility requirements listed in the Notice of Funding Opportunity.

"Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the awardee for financial statement purposes or $5,000.

"Executive" means, with respect to an organization, the officers, managing partners, or any other employees in management positions. "Executive" means, with respect to the federal government, the executive branch.

"Executive branch" means that branch of State or federal *government that is under the jurisdiction of the Governor* or the President, respectively.

"Expenditures" means charges made by an awardee to a project or program for which a State, federal or federal pass-through award was received.

The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied.

For reports prepared on a cash basis, expenditures are the sum of:

Cash disbursements for direct charges for property and services;

The amount of indirect expense charged;

The value of third-party in-kind contributions applied; and

The amount of cash advance payments and payments made to subrecipients.

For reports prepared on an accrual basis, expenditures are the sum of:

Cash disbursements for direct charges for property and services;

The amount of indirect expense incurred;

The value of third-party in-kind contributions applied; and

The net increase or decrease in the amounts owed by the awardee for:

Goods and other property received;

Services performed by employees, contractors, subrecipients and other payees; and

Programs for which no current services or performance are required, such as annuities, insurance claims or other benefit payments.

"FAIN" means the unique federal award identification number assigned to each federal award issued to a particular awardee.

"FAR" means the Federal Acquisition Regulation (48 CFR 1).

"F&A costs" means facilities and administrative costs (see also the definition of indirect costs).

"Federal agency" means each authority of the government of the United States, regardless of whether it is within or subject to review by another agency. "Agency" includes any executive department, military department, government corporation, government controlled corporation, or other establishment in the executive branch of the government (including the Executive Office of the President), or any independent regulatory agency, but does not include the Congress, U.S. courts, or the governments of the District of Columbia or U.S. territories and possessions. (See 5 USC 551(1) and 552(f).)

"Federal award" means:

the federal financial assistance that an awardee *receives directly from a federal awarding agency or indirectly from a* PTE;

the cost-reimbursement contract under the Federal Acquisition Regulations that an awardee *receives directly from a federal awarding agency or indirectly from a* PTE; *or*

the instrument setting forth the terms and conditions when the instrument is the Grant Agreement, Cooperative Agreement, other agreement for assistance, or cost-reimbursement contract awarded under FAR.

"Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal government owned, contractor-operated facilities. (See also definitions of financial assistance, Grant Agreement and Cooperative Agreement.)

"Federal awarding agency" means the federal agency that provides a federal award directly to an awardee.

"Federal award date" means the date the federal award is signed by the authorized official of the federal awarding agency.

"Federal Debarred and Suspended List" means the list of those persons and entities who are identified as excluded on the System for Award Management (https://www.sam.gov), as described in UR appendix II, paragraph (i).

"Federal Financial Assistance" means financial assistance, as defined in this Section, offered to an awardee by a federal agency.

"Federal Fiscal Year" means the period beginning on October 1 and ending on September 30.

"Federal interest" means, when used in connection with the acquisition or improvement of real property, equipment or supplies under a federal or federal pass-through *award, the dollar amount that is the product of the federal share of total project costs and current fair market value of the property, improvements, or both to the extent the costs of acquiring or improving the property were included as project costs.*

"Federal program" means all federal awards that are assigned a single number in the CFDA. When no CFDA number is assigned, all federal awards made for the same purpose from the same agency to awardees should be combined and considered one program. "Federal program" can also mean a cluster of programs, as defined in this Section.

"Federal share" means the portion of the total project costs that are paid by federal funds.

"Fee-for-service" means payments for Medicaid services that are made on the basis of a rate, unit cost or allowable cost incurred and is based on a statement or bill as required by the administering State or federal agency.

"FFATA" means the Federal Funding Accountability and Transparency Act.

"Final cost objective" means a cost objective that has allocated to it both direct and indirect costs and, in the awardee's *accumulation system, is one of the final accumulation points, such as a particular award, internal project or other direct activity of* an awardee.

"Final rate" means an indirect cost rate applicable to a specified past period that is based on the actual costs of the period. A final rate is not subject to adjustment.

"Financial assistance" means the following:

For grants and Cooperative Agreements, "financial assistance" means assistance that non-federal entities receive or administer in the form of:

grants;

Cooperative Agreements;

non-cash contributions or donations of property, including donated surplus property;

direct appropriations;

food commodities; and

other financial assistance, except Cooperative Agreements.

For auditing purposes and for purposes of publication in the CFDA, *"financial assistance" also includes assistance that non-federal entities receive or administer in the form of loans, loan guarantees, interest subsidies and insurance.*

"Financial assistance" does not include amounts received as reimbursement for services rendered to individuals.

"Fixed amount award" means a type of Grant Agreement under which the federal or State awarding agency or PTE provides a specific level of support without regard to actual costs incurred under the award. "Fixed amount awards" reduce some of the administrative burden and recordkeeping requirements for both the awardee and awarding agency or PTE. *Accountability is based primarily on performance and results.*

"Fixed rate" means an indirect cost rate that has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the

actual costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period. (See UR appendix VII, subsection B.)

"Fixed-rate grant" means a type of Grant Agreement for non-Medicaid services in which reimbursement is made on the basis of a rate, unit cost or allowable cost incurred and is supported by a bill or statement.

"FOIA" means the Illinois Freedom of Information Act or the federal Freedom of Information Act, as applicable.

"Foreign organization" means an entity that is:

a public or private organization, located in a country other than the United States and its territories, that is subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;

a private nongovernmental organization, located in a country other than the United States, that solicits and receives cash contributions from the general public;

a charitable organization, located in a country other than the United States, that is nonprofit and tax exempt under the laws of its country of domicile and operation, but is not a university, college, accredited degree-granting institution of education, private foundation, hospital, organization engaged exclusively in research or scientific activities, church, synagogue, mosque, or other similar entity organized primarily for religious purposes; or

an organization, located in a country other than the United States, not recognized as a foreign public entity.

"Foreign public entity" means:

a foreign government or foreign governmental entity;

a public international organization that is entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act;

an entity owned, in whole or in part, or controlled by a foreign government; or

any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

"Formula-based grant" means a grant or award that is determined by a formula established in federal or State statute or rule.

"FR" means the Federal Register (http://www.federalregister.gov).

"GASB" means the Governmental Accounting Standards Board.

"GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

"GATA Fund" means the revolving fund administered by GOMB to allocate expenses to State agencies for costs incurred to comply with Federal Uniform Guidance and GATA and Budgeting for Results (BFR). The GATA Fund allocation to State agencies is based on a proportionate share of GATU expenses incurred, as determined by the CSFA program and award/grant data and the proportionate share of BFR expenses incurred, as determined by the Illinois Performance Reporting System (IPRS).

"GATU" means the Grant Accountability and Transparency Unit within the Illinois Governor's Office of Management and Budget.

"General purpose equipment" means equipment that is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. (See also the definitions of equipment and special purpose equipment.)

"Generally Accepted Accounting Principles" or "GAAP" has the meaning provided in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.

"Generally Accepted Government Auditing Standards" or "GAGAS", also known as the Yellow Book, *means generally accepted government auditing standards issued by the Comptroller General of the United States that are applicable to financial audits.*

"GFRA" means the Illinois Grant Funds Recovery Act.

"GOCO" means a State or federal government-owned, contractor-operated facility.

"GOMB" means the Illinois Governor's Office of Management and Budget.

"Grant" means financial assistance that provides support or stimulation to accomplish a public purpose. "Grant" includes grants and other agreements in the form of money, or property in lieu of money, by State government to an eligible recipient. "Grant" does not include: technical assistance that provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies or insurance; direct payments of any kind to individuals; or contracts that must be entered into and administered under State procurement laws and regulations. In this Part, the term "grant" is used interchangeably with "award".

"Grantee" *or* "Non-federal entity" means a State, local government, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a State, federal or federal pass-through grant/award as a recipient or subrecipient.

"Grant Agreement" means a legal instrument of financial assistance between a federal or State awarding agency or PTE and an awardee *that*:

> *is used to enter into a relationship, the principal purpose of which is to transfer anything of value from the awarding agency or PTE to the* awardee *to carry out a public purpose authorized by law and not to acquire property or services for the awarding agency's or* PTE's *direct benefit or use; and*

is distinguished from a Cooperative Agreement in that it does not provide for substantial involvement between the awarding agency or PTE and the awardee in carrying out the activity contemplated by the award.

"Grant Agreement" does not include an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee or insurance.

"Grant application" means a specified form that is completed by a potential grantee *in connection with a request for a specific funding opportunity or a request for financial support of a project or activity.*

"Grantee Portal" means the internet-based platform used by the State to conduct registration, pre-qualification and fiscal and administrative risk assessments of entities that seek to receive an award from a state grantmaking agency. Awardees utilize the Grantee Portal to monitor and maintain qualified status.

"Grassroots lobbying" means a call to action that attempts to influence legislation or executive action by influencing public opinion. To be considered grassroots lobbying, the communication must:

refer to specific legislation or specific executive action;

reflect a view on the legislation or executive action; and

encourage the recipient to take action with respect to that legislation or executive action.

"HFS Suspended List" means the list, maintained by the Illinois Department of Healthcare and Family Services, of persons and entities who are debarred, suspended or otherwise excluded from the receipt of federally financed Medicaid. The list may be viewed on the HFS website at http://www.state.il.us/agency/oig/sanctionlist.asp.

"Hospital" means a facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

"IHE" means an Institution of Higher Education as defined at 20 USC 1001(a).

"Illinois Debarred and Suspended List" means the list maintained by the Governor's Office of Management and Budget that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, to receive grant funds, regardless of source, *from a State grantmaking agency*.

"ILSAC" means the Illinois Single Audit Commission.

"Improper payment" means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. "Improper payment" includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except when these payments are authorized by federal statute), any payment that does not account for credit for applicable discounts, and any payment in which insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

"In Relation to Opinion" means required auditing standards for Supplemental Information Accompanying Audited Financial Statements. Auditing Standards No. 117 sets forth the auditor's responsibilities when the auditor of financial statements is engaged to perform audit procedures and report on whether the supplemental information accompanying the financial statement is fairly stated, in all material respects, in relation to the financial statements as a whole.

"*Indirect* (facilities & administrative (F&A)) *costs*" or "indirect facilities and administrative costs" *means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved*. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs. Indirect cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. (See also the definition of F&A costs.)

"Indirect Cost Rate Negotiator" means the vendor contracted with the Governor's Office of Management and Budget to review indirect cost rate proposals,

collaborate with state agency subject matter experts and the Grant Accountability and Transparency Unit to establish awardee indirect cost rates and elections.

"Indirect cost rate proposal" means the documentation prepared by an awardee to substantiate its request for the establishment of an indirect cost rate for the reimbursement of indirect costs. This proposal provides the basis for the review and negotiation leading to the establishment of an organization's indirect cost rate.

"Indirect Cost Rate System" means the internet-based, centralized, statewide framework for awardees to negotiate an indirect cost rate and/or make an indirect cost rate election.

"Information technology systems" means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.

"Inspector General" means the Office of Executive Inspector General for Illinois.

"Institution of Higher Education" means an educational institution of the State that:

admits as regular students only persons have a certificate of graduation from a school providing secondary education, or the recognized equivalent;

is legally authorized within the State to provide a program of education beyond secondary education;

provides an education program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree, or awards a degree acceptable for admission to a graduate or professional degree program;

is a public or other nonprofit institution; and

is accredited by a nationally recognized accrediting agency or associate, or is an institution that has been granted pre-accreditation status by such an agency or association. (See 20 USC 1001.)

"Intangible property" means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

"Intermediate cost objective" means a cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives. (Also see the definitions of cost objective and final cost objective.)

"Internal controls" means a process, implemented by an awardee, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

Effectiveness and efficiency of operations;

Reliability of reporting for internal and external use; and

Compliance with UR sections 200.62 and 200.303 and the Illinois Fiscal Control and Internal Auditing Act.

"Internal control over compliance requirements for State, federal or federal pass-through awards" means a process implemented by an awardee designed to provide reasonable assurance regarding the achievement of the following objectives for State, federal or federal pass-through awards:

Transactions are properly recorded and accounted for, in order to:

Permit the preparation of reliable financial statements and State, federal and federal pass-through reports;

Maintain accountability over assets; and

Demonstrate compliance with State and federal statutes, regulations, and the terms and conditions of the award;

Transactions are executed in compliance with:

State and federal statutes, regulations, and terms and conditions of the award/grant that could have a direct and material effect on a federal or federal pass-through program;

Any other State or federal statutes and regulations that are identified in the Compliance Supplement; and

Funds, property and other assets are safeguarded against loss from unauthorized use or disposition.

"Internal Control Questionnaire" or "ICQ" means the financial and administrative risk assessment tool centrally used to assess an organization's fiscal and administrative risk profile. The automated ICQ is available through the Grantee Portal.

"IRC" means the Internal Revenue Code.

"Legislation" means action by the Congress, any state legislature, any local council, or similar legislative body, or by the public in a referendum, ballot initiative, constitutional amendment, or similar procedure. "Legislation" includes a proposed treaty required to be submitted by the President to the U.S. Senate for its advice and consent from the time the President's representative begins to negotiate its position with the prospective parties to the proposed treaty. (See 26 CFR 56.4911-2(d)(1)(i))

"Lobbying" means communication that is intended to influence legislation or executive action. (See the definitions of legislation, specific legislation, direct lobbying and grassroots lobbying and 26 CFR 56.4911-2.)

"Local government" means any entity defined as a unit of local government by Article VII, Section 1 of the Illinois Constitution and includes school districts.

"Maintenance of effort" means a requirement contained in a program's authorizing legislation or program regulations stating that, in order to receive federal grant funds, a recipient must agree to maintain a specified level of financial effort for the grant from its own resources and other non-federal sources.

"Major program" means a State or *federal program determined by the auditor to be a major program in accordance with* UR section 200.518 *or a program*

identified as a major program by a State or *federal awarding agency or PTE in accordance with UR section 200.503(e).*

"Management decision" means the evaluation by the State or federal awarding agency or PTE of the audit findings and corrective action plan and the issuance of a written decision to the auditee as to what corrective action is necessary.

"Mandatory formula-based grant" or "mandatory grant" means noncompetitive grant funding that is allocated to recipients based upon a set of pre-existing criteria, such as population and/or other census criteria; all applicants who meet the minimum requirements of the application process are entitled to receive money.

"Matching" means third-party in-kind contributions and the portion of project costs not paid by federal funds, unless otherwise authorized by statute. (See the definition of cost sharing.)

"Merit Based Review Policy" means the federally required application review process mandated for all competitive State and federal pass-through awards (UR 200.204).

"Micro-purchase" means a purchase of supplies or services using simplified acquisition procedures (see Section 7000.30), the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of an awardee's small purchase procedures. The awardee uses these procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold for federally-funded grants is set under FAR in 48 CFR subpart 2.1. It is $3,000 except as otherwise discussed in subpart 2.1, but this threshold is periodically adjusted for inflation. The Illinois small purchase threshold is set by the appropriate Chief Procurement Officer (CPO) under Section 20-20(c) of the Illinois Procurement Code and published in this Title 44 by each CPO. Micro-purchase rules are applicable to local government and non-profit awardees. State agencies are subject to the Illinois Procurement Code.

"Modified Total Direct Cost" or "MTDC" means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital

expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

"Negotiated rate" means the indirect (F&A) cost rate negotiated with and accepted by the federal or State awarding agency. Under the rate agreement, negotiated rates include final, fixed and predetermined rates and exclude provisional rates.

"NOFO" means the Notice of Funding Opportunity generated from the CSFA.

"Non-federal entity" means a state, local government, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a State, federal or federal pass-through *award as a recipient or subrecipient*. (See also the definition of awardee.)

"Nonprofit organization" means any corporation, trust, association, cooperative or other organization, not including institutions of higher education, that:

is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest;

is not organized primarily for profit; and

uses net proceeds to maintain, improve or expand the operations of the organization.

"NOSA" means the Notice of State Award issued by a State grantmaking agency.

"Notice of award" means the published announcement by a State agency, federal agency, or State agency acting as a pass-through for federal funds that a specific grant will be awarded to a named awardee.

"Notice of funding opportunity" means an agency's formally issued announcement of the availability of State, federal or federal pass-through funding through one of its financial assistance programs. The announcement provides eligibility and evaluation criteria, funding preferences/priorities, the submission

deadline, and information on how to obtain an application for the funding opportunity.

"Obligations", when used in connection with an awardee's *utilization of funds under an award, means:*

orders placed for property and services;

contracts and subawards; and

similar transactions, during a given period that require payment by the awardee during the same or future period.

"Office of Management and Budget" or "OMB" means the federal *Office of Management and Budget of the Executive Office of the President.*

"Oversight agency for audit", for federally-funded awards, *means the federal awarding agency that provides the predominant amount of funding directly to an awardee not assigned a cognizant agency for audit. When there is no direct funding, the awarding agency that is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in* UR section 200.513(b). For State-funded awards, "oversight agency for audit" is the State Cognizant Agency.

"Participant support costs" means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

"Pass-through entity" or "PTE" *means a non-federal entity that provides a subaward to a subrecipient to carry out part of a program.*

"Performance goal" means a target level of performance expressed as a tangible, measurable objective or as a qualitative standard, value or rate. A performance goal includes a performance indicator, a target, and a time period, and must be expressed in an objective, quantifiable or measurable form when possible. When necessary, a grantmaking agency and an awardee shall use an alternative

performance goal (such as a set of milestones) described in a way that makes it possible to discern whether progress is being made toward that goal.

"Period of performance" means the time during which the awardee may incur new obligations to carry out the work authorized under the State, federal or federal pass-through award. The State grantmaking agency, federal awarding agency or federal PTE must include start and end dates of the period of performance in the award (see, as applicable, Section 7000.370(a)(1) of this Part, UR section 200.210(a)(5), and UR section 200.331(a)(1)(D)).

"Personal property" means property other than real property. It may be tangible, having physical existence, or intangible.

"Personally Identifiable Information" or "PII" means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public websites and university listings. This type of information is considered to be public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source that, when combined with other available information, could be used to identify an individual.

"Predetermined rate" means an indirect cost rate, applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.

"Prior approval" or "Prior written approval" means an authorization by one party, provided in writing to another party, to proceed in a specified manner.

"Private award" means an award from a person or entity other than a State or federal entity or federal PTE. *Private awards are not subject to GATA.*

"Program income" means gross income received by the awardee directly generated by a supported activity, or earned only as a result of the federal award during the period of performance, except as provided in UR section 200.307(f) or Section 7000.120(c)(4) of this Part, as applicable (also see the definition of period of performance). "Program income" includes, but is not limited to, income from:

fees for services performed;

the use or rental of real or personal property acquired under State, federal or federal PTE awards;

the sale of commodities or items fabricated under a State, federal or federal PTE award;

license fees and royalties on patents and copyrights; and

principal and interest on loans made with State, federal or federal PTE award funds.

Interest earned on advances of State, federal or federal PTE award funds is not program income. Except as otherwise provided in State or federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts or interest earned on any rebates, credits or discounts.

"Project cost" means total allowable costs incurred under an award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

"Property" means real property or personal property.

"Protected Personally Identifiable Information" or "Protected PII" means an individual's first name or first initial and last name in combination with any one or more types of information, including, but not limited to, the following:

social security number;

passport number;

credit card numbers;

security clearances;

bank numbers;

biometrics;

date and place of birth;

mother's maiden name;

criminal, medical and financial records; and

educational transcripts.

"Protected PII" does not include PII that is required by law to be disclosed. (See also the definition of Personally Identifiable Information.)

"Provisional rate" means a temporary indirect cost rate applicable to a specified period that is used for funding, interim reimbursement, and reporting indirect costs on State, federal or federal PTE awards pending the establishment of a final rate for the period.

"Public institutions of higher education" means *the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University,* and *the public colleges of the State* (Section 1 of the Board of Higher Education Act).

"Questioned cost" means a cost that is questioned by the auditor because of an audit finding:

That resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a State or federal award, including for funds used to match State or federal funds;

When the costs, at the time of the audit, are not supported by adequate documentation; or

When the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

"Real property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

"Recipient" means an entity that receives a State or federal award *directly from* a State or federal *agency to carry out an activity under an* award *program. "Recipient" does not include subrecipients.* (See the definition of non-federal entity.)

"Research and development " or "R&D" *means all research activities, both basic and applied, and all development activities that are performed by awardees*. The term "research" also includes activities involving the training of individuals in research techniques when these activities utilize the same facilities as other research and development activities and when these activities are not included in the instruction function. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes.

"SAM" means the federal System for Award Management (https://www.sam.gov). Illinois utilizes SAM.gov as the federal clearing house for qualification verification of potential awardees.

"SAIN" means the unique State award identification number assigned to each State award. The SAIN is system generated through the CSFA.

"Simplified acquisition threshold" means the dollar amount below which an awardee may purchase property or services using small purchase methods. Awardees adopt small purchase procedures to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by 48 CFR subpart 2.1 (Definitions) and adjusted for inflation in accordance with 41 USC 1908. The current simplified acquisition threshold for federal and federal PTE awardees is $150,000. The simplified acquisition threshold is applicable to local government and non-profit awardees receiving direct federal funding or federal pass-through funding. State agencies and

awardees receiving State funding are subject to the Illinois Procurement Code. (See the definition of micro-purchase.)

"Single Audit Act" means the federal Single Audit Act Amendments of 1996.

"Special purpose equipment" means equipment that is used only for research, medical, scientific or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments and spectrometers.

"Specific legislation" means both legislation that has already been introduced in a legislative body and a specific legislative proposal that an organization either supports or opposes. In the case of a referendum, ballot initiative, constitutional amendment, or other measure that is placed on the ballot by petitions signed by a required number or percentage of voters, an item becomes "specific legislation" when the petition is first circulated among voters for signature.

"State agency" means an Illinois *executive branch agency* that is authorized to issue awards of State funds or awards of federal funds as a PTE. *For purposes of GATA, "State agency" does not include public institutions of higher education.*

"State Cognizant Agency" or "SCA" means the State *grantmaking agency designated to carry out the responsibilities described in UR sections* 200.513 (Responsibilities), 200.205 (awarding agency review of risk posed by applicants), 200.207 (specific conditions for the fiscal and administrative risk assessment) and 200.213 (suspension and debarment), and appendices III through VII and IX to part 200, and GATA Section 25(6) (recipient/subrecipient prequalification requirements). The State of Illinois uses these State cognizant agencies as the State cognizant agencies for audit, indirect cost, prequalification and fiscal and administrative risk assessment. A list of State cognizant agencies can be found on GOMB's internal GATA implementation website.

"State fiscal year" means the period beginning on July 1 and ending on June 30.

"State grant" means:

the State financial assistance that an awardee receives directly from a State grantmaking agency or indirectly from a PTE; or

the instrument setting forth the terms and conditions when the instrument is the Grant Agreement, Cooperative Agreement or other agreement for assistance.

"State grant" does not include contracts issued pursuant to the Illinois Procurement Code that a State agency uses to buy goods or services from a contractor or a contract to operate State government-owned, contractor-operated facilities. (See also definitions of financial assistance, Grant Agreement and Cooperative Agreement.)

"State grant date" means the date that the State grant is signed by the authorized official of the State grantmaking agency.

"State grantmaking agency" means a State agency that provides a State funded grant/award or a federal pass-through award *to* an awardee. "State grantmaking agency has the same meaning as "State awarding agency".

"State interest" means the acquisition or improvement of real property, equipment or supplies under a State award*, the dollar amount that is the product of the State share of the total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.*

"State program" means all State awards that are assigned a single number in the CSFA or a cluster of programs.

"State share" means the portion of the total project costs that are paid by State funds.

"State Staff Inquiry Screen" means the intranet-based, centralized system used internally by the State of Illinois to manage pre- and post-award requirements of awardees.

"Strategic objective" means a goal that reflects the outcome or management impact a grantmaking agency is trying to achieve and generally includes the agency's role. Each objective is tracked through a suite of performance goals and other indicators. Strategic objectives and performance goals should facilitate prioritization and assessment for planning, management, reporting and evaluation purposes. Agencies should use strategic objectives to help decide which

indicators are most valuable to provide leading and lagging information, monitor agency operations, show how employees contribute to the organization's mission, determine needed program evaluation, communicate agency progress, and consider the impact of external factors on the agency's progress. The set of all agency strategic objectives should be comprehensive of all agency activity. Objectives are usually outcome-oriented; however, management and other objectives may be established to communicate the breadth of agency efforts. Federal OMB Circular A-11 (see https://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/s200.pdf) divides strategic objectives into 3 categories:

Mission Focused. A type of strategic objective that expresses more specifically the path an agency plans to follow to achieve or make progress on a single strategic goal.

Mission Focused (Crosscutting/Other). A type of strategic objective that is not directly tied to a single strategic goal, but may be tied to several or none. In some circumstances, agencies perform statutory or crosscutting activities that are not closely tied to a single strategic goal.

Management Focused. A type of strategic objective that communicates improvement priorities for management functions such as strategic human capital management, information technology, or financial stewardship. Often management objectives support more than one strategic goal.

"Student Financial Aid" or "SFA" *means federal awards under those programs of general student assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, that are administered by the United States Department of Education and similar programs provided by other federal agencies. "Student Financial Aid" does not include federal awards under programs that provide fellowships or similar federal awards to students on a competitive basis or for specified studies or research.* Individual direct recipients are not subject to the controls required by this Part.

"Subgrant" means a grant or award made to a first tier awardee pursuant to terms of the Grant Agreement. Terms of the Grant Agreement may specify that the primary grantee will utilize another party through a subgrant to carry out part of the State grant received by the grantee. "Subgrant" does not include payments to a contractor or payments to an individual who is a beneficiary of a State program. A

"subgrant" may be provided through any form of legal agreement, including an agreement that the grantee considers a contract.

"Subrecipient" means a first tier awardee *that* directly receives State or federal pass-through funding under the terms of an executed Grant Agreement. *"Subrecipient" does not include an individual who is a beneficiary of the program. A "subrecipient" may also be a recipient of other State or federal awards directly from a State or federal awarding agency.*

"Supplies" means all tangible personal property other than those described in the definition of equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the awardee for financial statement purposes or $5,000, regardless of the length of its useful life. (See the definitions of computing devices and equipment.)

"Suspension" means a post-award action by the State or federal agency or PTE that temporarily withdraws the State or federal agency's or PTE's financial assistance sponsorship under an award, pending corrective action by the awardee or subrecipient or pending a decision to terminate the award.

"Termination" means the ending of a federal or federal PTE award or State grant, in whole or in part, at any time prior to the planned end of the period of performance.

"Third-party in-kind contributions" means the value of non-cash contributions (i.e., property or services) that benefit a State- or federally-assisted project or program and are contributed by non-federal third parties, without charge, to an awardee under a State or federal award.

"Total compensation" means the cash and noncash dollar value earned by the executive during the grantee's or subrecipient's preceding fiscal year and includes the following: salary and bonus; awards of stock, stock options and stock appreciation rights; earnings for services under non-equity incentive plans; and change in pension value.

"Unallowable cost" means a cost specified by law or regulation, federal cost principles, or the terms and conditions of an award that may not be reimbursed under a Grant or Cooperative Agreement.

"Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards" or "Uniform Requirements" or "UR" *means those rules applicable to grants contained in 2 CFR 200*.

"Unliquidated obligations" means, for financial reports prepared on a cash basis, obligations incurred by the awardee that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the awardee for which an expenditure has not been recorded.

"Unobligated balance" means the amount of funds under a State or federal award that the awardee has not obligated. The amount is computed by subtracting the cumulative amount of the awardee's unliquidated obligations and expenditures of funds under the State grant or federal award from the cumulative amount of the funds that the State or federal awarding agency or PTE authorized the awardee to obligate.

"USC" means the United States Code.

"Voluntary committed cost sharing" means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the award on the part of the awardee *and that becomes a binding requirement of the award*. [30 ILCS 708/15]

Section 7000.40 Incorporations and Referenced Materials

a) References to Federal Statutes

1) Cash Management Improvement Act (31 USC 1)

2) Federal Funding Accountability and Transparency Act (FFATA) (31 USC 6101)

3) Federal Grant and Cooperative Agreement Act (31 USC 6301)

4) Freedom of Information Act (FOIA) (5 USC 552)

5) Higher Education Act of 1965, Title IV (20 USC 1070 through 1099d)

6) Improper Payments Elimination and Recovery Act of 2012 (31 USC 3321 note)

7) International Organizations Immunity Act (22 USC 288)

8) Internal Revenue Code (26 USC)

9) Simplified Acquisition Procedures: Inflation adjustment of acquisition-related dollar thresholds (41 USC 1908)

10) Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 (31 USC 7501)

b) References to Illinois Statutes

1) Grant Accountability and Transparency Act [30 ILCS 708] (Act or GATA)

2) Fiscal Control and Internal Auditing Act [30 ILCS 10]

3) Freedom of Information Act (FOIA) [5 ILCS 140]

4) Illinois Grant Funds Recovery Act (GFRA) [30 ILCS 705]; Section 15.1 creates the Illinois Single Audit Commission

5) Illinois State Auditing Act [30 ILCS 5]

6) Board of Higher Education Act [110 ILCS 205]

7) Illinois Procurement Code [30 ILCS 500]

8) State Property Control Act [30 ILCS 605]

9) Illinois State Collection Act of 1986 [30 ILCS 210]

10) State Budget Law [15 ILCS 20]; Section 50-25 creates Budgeting for Results

11) Rights of Crime Victims and Witnesses Act [725 ILCS 120]

12) Department of Human Services Act [20 ILCS 1305]

13) Grant Information Collection Act [30 ILCS 707]

14) Intergovernmental Cooperation Act [51 ILCS 220]

c) Incorporations by Reference

1) Federal Regulations

A) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200 (December 26, 2014)):

i) 2 CFR 200 Subpart B – General Provisions except for:

- With respect to section 200.203(6)(b) the timeframe shall be 45 calendar days;

- Section 200.204 requires that an appeal must be described and incorporated with the merit-based review process;

- Under section 200.205, a risk based approach as described in subsection (c) shall be used; and

- Section 200.210 contains State related references.

ii) 2 CFR 200 Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards

iii) 2 CFR 200 Subpart D – Post-Federal Award Requirements except for:

- In section 200.308(e), add that the State grantmaking agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for State and federal pass-through awards in which the State share of the project exceeds the Simplified

Acquisition Threshold and the cumulative amount of those transfers exceeds or is expected to exceed 10% per detail line item or $1,000, whichever is greater, of the total budget as last approved by the State grantmaking agency. The State grantmaking agency cannot permit a transfer that would cause any State appropriation to be used for purposes other than those consistent with the appropriation.

- In section 200.336, add that any entity of the State, including but not limited to the State grantmaking awarding agency, the Auditor General, the Attorney General, any Executive Inspector General, and the Inspector General of the State grantmaking agency, as applicable, or any of the authorized representatives, must have the right of access to any documents, papers or other records of the awardee that are pertinent to the State award in order to make audits, examinations, excerpts and transcripts. This right also includes timely and reasonable access to the awardee's personnel for the purpose of interview and discussion related to these documents.

iv) 2 CFR 200 Subpart E – Cost Principles

v) 2 CFR 200 Subpart F – Audit Requirements

vi) 2 CFR 200 Appendix I – Full Text of Notice of Funding Opportunity

vii) 2 CFR 200 Appendix II – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

viii) 2 CFR 200 Appendix III – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)

ix) 2 CFR 200 Appendix IV – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations

x) 2 CFR 200 Appendix V – State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans

xi) 2 CFR 200 Appendix VI – Public Assistance Cost Allocation Plans

xii) 2 CFR 200 Appendix VII – States and Local Government and Indian Tribe Indirect Cost Proposals

xiii) 2 CFR 200 Appendix VIII – Nonprofit Organizations Exempted from Subpart E – Cost Principles

xiv) 2 CFR 200 Appendix IX – Hospital Cost Principles

xv) 2 CFR 200 Appendix X – Data Collection Form (Form SF-SAC)

xvi) 2 CFR 200 Appendix XI – Compliance Supplement

B) Cost Accounting Standards (48 CFR 9904 (2014))

C) Federal Acquisition Regulations System (FAR) (48 CFR 1 (2014))

D) Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements (37 CFR 401 (2013))

E) Rules and Procedures for Efficient Federal-State Funds Transfers (31 CFR 205)

2) "Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs", Office of Management and Budget, Memorandum M-01-06 (2001)

3) Government Auditing Standards (also known as "GAGAS" or the "Yellow Book"), U.S. Government Accountability Office by the Comptroller General of the United States (2011 Revision) (http://www.gao.gov/yellowbook)

4) "Internal Control Integrated Framework" (2013), Committee of Sponsoring Organizations of the Treadway Commission (COSO), available at http://www.coso.org/ic.htm

5) "Policies for Federal Credit Programs and Non-Tax Receivables", Office of Management and Budget, Circular A-129 (2013), available at https://www.whitehouse.gov/omb/circulars_a129_rev2013

6) "Preparation, Submission, and Execution of the Budget", Office of Management and Budget, Circular A-11 (2015), available at https://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/s200.pdf

7) "Standards for Internal Control in the Federal Government" (2014) (also known as the "Green Book"), Comptroller General of the United States, available at http://www.gao.gov/products/GAO-14-704G

d) No later editions of the regulations and standards listed in subsection (c) are incorporated in this Part.

Section 7000.50 Catalog of State Financial Assistance (CSFA)

a) The Catalog of State Financial Assistance (http://grants.illinois.gov) is a single, authoritative, statewide, comprehensive source document of State financial assistance program information. The CSFA contains, at a minimum, the following information:

1) An introductory section that explains how to use the Catalog, suggested grant proposal writing methods, and grant application procedures;

2) A comprehensive indexing system that categorizes programs by issuing agency, eligible applicant, application deadline, function, popular name and subject area;

3) Comprehensive appendices showing State assistance programs that require coordination through GATA and regulatory, legislative and Executive Order authority for each program, commonly used abbreviations and acronyms, agency regional and local office addresses, and sources of additional information;

4) A list of programs that have been added to or deleted from the CSFA and the various program numbers and title changes;

5) Program number, title and popular name, if applicable;

6) The name of the State agency or independent agency and primary organization sub-unit administering the program;

7) The enabling legislation, including popular name of the Act, titles and Sections, Public Act number, and citation to the Illinois Compiled Statutes;

8) The type or types of financial and nonfinancial assistance offered by the program;

9) Uses and restrictions placed upon the program;

10) Eligibility requirements, including applicant eligibility criteria, beneficiary eligibility criteria, and required credentials and documentation;

11) Objectives and goals of the program;

12) Information regarding application and grant processing; application deadlines; range of approval or disapproval time; appeal procedures; and availability of a renewal or extension of assistance;

13) Assistance considerations, including an explanation of the grant formula, matching requirements, and the length and time phasing of the assistance;

14) Post-assistance requirements, including any reports, audits, and records that may be required;

15) Program accomplishments (if available) describing quantitative measures of program performance;

16) Regulations, guidelines, and literature containing citations to the Illinois Administrative Code, the Code of Federal Regulations, and other pertinent informational materials; and

17) The names, telephone numbers, and e-mail addresses of persons to be contacted for detailed program information at the headquarters, regional, and local levels.

b) The Notice of Funding Opportunity (NOFO) shall be generated from the CSFA.

c) All State grants, regardless of the funding source, shall be posted through the CSFA by the State grantmaking agency.

Section 7000.60 Program-specific Exceptions and Exemptions to UR and GATA

a) The Uniform Guidance exception rule is stated at UR section 200.102. GATA modeled its exception process after the federal process. If the federal OMB and awarding agency has granted an exception, GATU will accept that exception.

b) UR section 200.101 cites types of awards with exceptions to UR. All cited exceptions shall apply to federal and federal pass-through awards. If the State of Illinois funds an equivalent program, the State award will be subject to the same exceptions as the federal award it mirrors.

c) When a grant program is listed as exempt under UR section 200.101, the State agency must review the grant-specific requirements to determine if there are additional, grant-specific rules modeled after UR.

d) Per UR, exceptions shall not be given for UR section 200.330 through 200.332 or subpart F – Audit Requirements. All grants are subject to post-award requirements, awardee and subrecipient monitoring and management, and audit requirements.

e) State agencies shall complete and submit a "GATA Request for Exception Form" that must include the statutory federal or State reference authorizing the exception. All exceptions must be based on statutory authority.

f) GATU shall review all Requests for Exceptions and consult with the Governor's Compliance Office as necessary for final determination on the exception request.

g) All exceptions shall be requested in writing from the State agency and authorized in writing by GATU in the official Notice of Exception.

h) All federal, federal pass-through and State-funded programs in the State of Illinois will be assumed to be subject to UR and GATA unless GATU has distributed a written Notice of Exception to the requesting State agency.

i) Based on the Notice of Exception, State agencies are required to record the exceptions in the CSFA, the NOSA and the Uniform Grant Agreement.

Section 7000.70 Grantee Qualification Status

a) Prior to making an award, the State grantmaking agency or PTE is required by 31 USC 3321, 41 USC 2313 and Section 25(4)(C) of the Act to review information available through any GOMB- and/or OMB-designated repositories of government-wide eligibility qualification or financial integrity information, such as:

1) Federal Awardee Performance and Integrity Information System (FAPIIS);

2) Dun and Bradstreet;

3) Suspension and Debarment requirements (2 CFR 180); and

4) GATA requirements (Section 25(6)(G), (H) and (I) of the Act).

b) Illinois grantee registration is centralized and automated through GATU from https://www.grants.illinois.gov/portal.

c) An individual representing an organization must utilize the Illinois.gov Public Authentication Portal as a cyber security check and to formally associate the individual with the organization he or she represents. Authentication is initiated from the Grantee Portal (www.grants.illinois.gov/portal).

d) An entity must provide the following information annually to be registered with the State of Illinois as a grantee/awardee:

1) Organization name and contact information;

2) Federal Employee Identification Number (FEIN);

3) Data Universal Numbering System (DUNS) number; and

4) Organization type.

e) Illinois prequalification is centralized and includes an automated verification through www.SAM.gov and the GATA implementation website based on information provided during registration.

f) Based on the information provided, the entity is "qualified" to be an awardee if it:

1) has an active DUNS number;

2) has an active SAM.gov account;

3) has an acceptable fiscal condition;

4) is in good standing with the Illinois Secretary of State, if required;

5) is not on the Illinois Debarred and Suspended or Stop Payment List;

6) is not on the federal excluded parties list;

7) is not on the Sanctioned Party List maintained by HFS.

g) Upon registration, the Grantee Portal will list the status of each requirement. If a status is not "good", on-line HELP will provides an explanation and a link to correct the issue. The status of all requirements must be "good" for the entity to be qualified.

1) If an entity is on the Federal Excluded Parties List or the State Debarred and Suspended list, the entity is "Not Qualified". There is no remediation

available. The State of Illinois cannot do business with entities on the Federal Excluded Parties List or the State Debarred and Suspended list.

2) If an entity is on the Illinois Stop Payment List, is not in good standing with the Illinois Secretary of State, is on the HFS Sanctioned Parties list, does not have an active DUNS number, or has an expired SAM.gov account, the entity has a temporary "Not Qualified" status, but can remediate. On-line HELP through the Grantee Portal enables the entity to self-mediate the issue.

3) If an entity's verification confirmed all requirements under subsection (f) are met, the entity has a "Qualified" status.

h) Qualified status is re-verified nightly. If the entity's status changes, an email notice is sent to the designated representative with a link to the Grantee Portal. The entity shall utilize on-line HELP to self-mediate.

i) Registration and prequalification is required before an organization can apply for an award. State agencies shall use the State Staff Inquiry Screen to ensure an entity is "qualified" before accepting a grant application.

j) Local governments are responsible for determining how the governmental department or agency unit will register and prequalify. In the case of a county government, the decision should be made by the individual with the highest level of fiscal and administrative authority.

1) An entity may register as a single county if the county and the departments or agency units within the county use the same FEIN and:

A) Have one government-wide DUNS number;

B) Complete one government-wide Internal Control Questionnaire; and

C) Complete one government-wide indirect cost rate negotiation or election.

2) If it is determined that the departments should register and prequalify separately, each department must:

A) Have a separate DUNS number for each department or agency unit;

B) Utilize a registration name that includes both the name of the local government and the governmental department or agency (e.g., Sangamon County, Public Health Department);

C) Complete separate Internal Control Questionnaires (ICQs) for each department or agency unit; and

D) Complete separate indirect cost rate negotiations or elections for each department or agency unit.

Section 7000.80 Grantee Compliance Enforcement System; Illinois Stop Payment List

a) Grantees and applicants are subject to Section 26(6)(G) through (I) of GATA, which restricts grants/awards, subgrants and Cooperative Agreements to parties that are debarred, suspended or otherwise deemed ineligible for participation in State grant programs or activities.

b) GATA established a Grantee Compliance Enforcement System (the System) that outlines a statewide framework for State agencies to manage occurrences of noncompliance with grant requirements.

c) The System shall apply to all grants that are subject to UR and GATA. (All grants are assumed to be subject to UR and GATA unless an exception or exemption was authorized by GATA on behalf of the Governor's Compliance Office in accordance with Section 7000.60(f).)

d) GATA requires GOMB to maintain a list *that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, to receive grant funds from the State*. [30 ILCS 708/10] The list, termed the Illinois Stop Payment List, is a component of the System.

e) The Illinois Stop Payment List is an internal database available to authorized State of Illinois personnel authorized by the State agency Chief Accountability Officer (CAO). It is a central repository for cross-agency information sharing for the

purpose of improving grantee risk assessment processes and enhancing fiscal management transparency.

f) The Stop Payment List is a dynamic snapshot of awardees out of compliance with select grant management requirements. Entities on the Illinois Stop Payment List are in Stop Payment Status. Utilizing a centralized list of awardees in Stop Payment Status raises awareness of noncompliance to promote timely resolution and safeguarding of State resources.

g) Under the System, the severity of the awardee's noncompliance issue dictates the enforcement action required by the State grantmaking agency.

1) Delinquent Reporting Based on the Terms Specified in the Grant Agreement

A) Internal State agency protocols shall specify procedures for managing awardee submittal of required financial and performance reports. The protocol shall provide a due diligence process for State agency generated reminders to the awardee in advance of reporting due dates.

B) Internal State agency protocol shall allow for reporting extensions by the grantmaking agency due to extenuating circumstances. Reporting extensions must be justified in writing by the grantmaking agency. A report due date may only be extended one time.

C) The State grantmaking agency shall withhold payments to the entity if a report is more than 15 business days past the due date or the date specified by the State agency's rules (including approved extension). The internal State agency protocol shall include awardee notification of payment withholders within the agency.

D) If the report is not submitted within 30 business days after the due date or the date specified by the State agency's rules (including approved extension), the State grantmaking agency shall report the awardee on the Illinois Stop Payment List. (See Section 7000.260.)

2) The following occurrences of noncompliance will result in the awardee being immediately placed on the Illinois Stop Payment List:

A) Failure to submit a required refund payment or missed payment from the payment plan within 15 business days after the due date (including approved extensions);

B) Failure to clear fiscal/administrative monitoring issues;

C) Failure to submit an audit report within 15 business days after the due date (including approved extensions);

D) Failure to respond to an outstanding audit report or onsite review correction action for deficiencies and material weaknesses, including payment of questioned costs;

E) Fact-based discretionary issues documented by the Agency Director, General Counsel, Agency's Office of the Inspector General, Chief Financial Officer, Chief of Staff or Chief Operating Officer. (See Section 7000.260.)

3) In accordance with the Illinois State Collection Act of 1986, all debts under subsection (g)(2)(A) that exceed $250 and are more than 90 days past due (including approved extensions) shall be placed on the Comptroller's Offset System. All requirements of Section 5 of the Illinois State Collection Act of 1986 shall be applied.

h) State agencies may not execute or modify a grant to an entity on the Illinois Stop Payment List. State agencies shall refer to the State Staff Inquiry Screen or the Illinois Stop Payment List to verify that an entity is not on the Illinois Stop Payment List before entering into or modifying a Grant Agreement.

1) GOMB will initiate a nightly data inquiry to compare awardee FEIN and DUNS numbers on the Illinois Stop Payment List to the Illinois Comptroller's Data Warehouse to determine if any transactions have occurred after the Stop Pay Date.

2) If a payment transaction has been initiated to an entity on the Illinois Stop Payment list:

A) The State agency that initiated the transaction will be notified via email of the Stop Pay Status and provided a link to the awardee's Illinois Stop Payment record.

B) The State agency shall review the Illinois Stop Payment record and determine if the recent payment initiated by the State agency should be withheld. It is recommended that the Stop Payment Status be enforced; however, extenuating circumstances (e.g., consent decree not associated with the Illinois budget or matching requirements) may necessitate the payment.

C) If applicable, the State agency shall explain why the Stop Payment Status is being overridden using the Payment Justification field in the Illinois Stop Payment List. All decisions to override the Stop Payment Status must be justified in the List. The override can be valid for one payment or a period of time. The override cannot exceed the duration of the current fiscal year (including the lapse period).

i) Only the State agency that placed an awardee on the Illinois Stop Payment List can remove the Stop Pay Status.

1) The State agency that issued the Stop Pay Status is responsible for follow-up to resolve noncompliance.

2) When the noncompliance issues are resolved, the State agency that issued the Stop Pay Status shall remove the awardee from the Illinois Stop Payment List.

3) Refer to Section 7000.260 (Maintenance and Use of the Illinois Stop Payment List).

j) A Stop Pay Status is effective for 3 consecutive years. The Illinois Stop Payment List will archive all Stop Pay Statuses to document historic prior performance issues. State agencies are encouraged to consider all Stop Pay Status occurrences as part of the grantmaking or modifying process.

k) If criminal charges are brought as a result of an initial Stop Pay Status determination, the State of Illinois will invoke the Illinois Debarred Status. In accordance with 2 CFR 180.865, the period of debarment will be based on the seriousness of the causes for the debarment. State agencies shall not do business with an entity on either federal or Illinois Debarred Status.

Section 7000.90 Auditing Standards

Following UR section 200.501 (Audit Requirements):

a) A non-federal entity (awardee) that expends $750,000 or more during the non-federal entity's fiscal year in federal awards (federal pass-through and direct federal funds) must have a single audit conducted in accordance with UR section 200.514. Awardees meeting certain requirements may elect to have a program-specific audit conducted in accordance with UR section 200.507.

b) A non-federal entity that expends less than $750,000 during the non-federal entity's fiscal year in federal awards (federal pass-through and/or direct federal funds) from all sources is exempt from federal audit requirements for that year. These non-federal entities are not subject to the single audit requirements.

c) Non-federal entities who expend less than $750,000 in direct federal and federal pass-through funds from all sources are subject to the following audit requirements:

1) Non-federal entities who expend $300,000 or more in State, direct federal and federal pass-through funds, singularly or in any combination, and are not subject to the single audit:

A) Must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards; and

B) If deemed to be high risk based on their grantee risk profile (obtained from the Financial and Administrative Risk Assessment, the Merit-Based Review, or the Programmatic Risk Assessment):

i) Must have an audit conducted in accordance with GAGAS; and

ii) Are required to undergo either an on-site review conducted by the State Cognizant Agency or an agreed upon procedures engagement, paid for and arranged by the PTE or PTEs in accordance with UR section 200.425.

2) Non-federal entities who do not meet the requirements in subsection (c)(1) but have *revenues* in excess of $300,000 (from all sources) during the awardee's fiscal year must have a financial statement audit conducted in accordance with GAGAS.

d) For-profit Subrecipient. The PTE or PTEs are responsible for ensuring subrecipient compliance with established requirements. Methods to ensure compliance for State and federal awards to for-profit subrecipients may include pre-award audits, monitoring during the agreement period of performance, and post-award audits. See also UR section 200.331 (Requirements for Pass-through Entities).

1) For-profit Subrecipient Audit Requirements. For-profit subrecipients who expend $750,000 or more in direct federal and federal pass-through funds during their fiscal year are required to have a program-specific audit conducted in accordance with UR section 200.507 (Program-specific Audits).

A) State grantmaking agencies must provide the recipient/subrecipient the program-specific audit guide, when available.

B) If a program-specific guide is not available, the auditor and auditee have the same responsibilities for the program as they would have for a major program in a single audit.

2) For-profit subrecipients who expend less than $750,000 in direct federal and federal pass-through funds during their fiscal year are required to follow the audit requirements in subsection (c).

e) Single Audit and Program Specific Audit Report Submission. Single audits conducted in accordance with this Section, including any program or regulatory audit requirements, must be completed and the reporting package described in subsection (g) must be submitted by the non-federal entity (grantee/subrecipient) to the Federal Audit Clearing House, as required by UR section 200.512 and the

GATA Information Warehouse, within the earlier of 30 calendar days after receipt of the auditor's reports or 9 months after the end of the non-federal entity's audit period. If the due date falls on a Saturday, Sunday or State/federal holiday, the reporting package is due the next business day.

f) Financial Statement Audits conducted in accordance with this Section must be completed and the reporting package described in subsection (g) must be submitted by the non-federal entity to the GATA Information Warehouse within the earlier of 30 calendar days after receipt of the auditor's reports or 6 months after the end of the non-federal entity's audit period. If the due date falls on a Saturday, Sunday or State/federal holiday, the reporting package is due the next business day.

g) Reporting package submissions must include:

1) For Single Audit and Program Specific Audit submissions:

A) All items identified in UR section 200.512(c);

B) Management letters and AU 325 communication issued by the auditors, and their respective corrective action plans; and

C) Consolidated Year-end Financial Report with an "in relation to opinion".

2) For Financial Statement Audit submissions:

A) Financial Statements;

B) Summary schedule of Prior Audit Findings;

C) Auditor's report;

D) Corrective Action Plan;

E) Management letters and AU 325 communications issued by the auditors, and their respective corrective action plans; and

F) Consolidated Year-end Financial Report with an "in relation to opinion".

3) Non-federal entities that are not required to have an audit conducted must submit a Consolidated Year-end Financial Report.

Section 7000.95 Annual Report and 5-Year Review

a) *Effective January 1, 2016 and each January 1 thereafter, GOMB, in conjunction with ILSAC, shall submit to the Governor and the General Assembly a report that demonstrates the efficiencies, cost savings, and reductions in fraud, waste, and abuse as a result of the implementation of GATA and this Part*. [30 ILCS 708/95] GATA performance is addressed in Section 7000.400.

b) *GOMB shall review GATA at least once every 5 years after December 26, 2014 in conjunction with the federal review of the UR, Cost Principles, and Audit Requirements for Federal Awards as required by UR section 200.109 in order to determine whether any existing rules need to be revised or new rules adopted*. [30 ILCS 708/70]

SUBPART B: GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET (GOMB) RESPONSIBILITIES

Section 7000.100 GOMB Responsibilities

GOMB shall execute the specific requirements and responsibilities set forth in Section 55 of the Act.

Section 7000.110 GOMB Adoption of Supplemental Rules for Multi-year Grants

a) The Issuance of One-Year Grants to New Applicants

1) An awardee must have a minimum of 5 years of experience in administering grants (federal, State or private sources) to be eligible for a multi-year award.

2) All awardees with less than 5 years of experience in administering grants (federal, State or private sources) shall be limited to a grant term of one year.

b) The issuance of competitive grants in 3-year terms (one-year initial term with the option to renew for up to 2 additional years.

1) All grant programs that have been in existence for 5 years may utilize a multi-year award. A multi-year award is defined as a one-year grant with 2 one-year renewal options.

2) Agencies shall utilize a rolling multi-year schedule to manage the administrative responsibilities of rebidding. Under eligibility terms, agencies have discretion to stagger the grant terms and subsequent renewals.

Section 7000.120 GOMB Adoption of Supplemental Rules for Grant Payment Methods

a) The agency's grant program rules shall establish which of the State payment methods in this Section will be used.

b) Methods of payment to awardees must minimize the time elapsing between the transfer of funds by the State Comptroller and the expenditure or disbursement by the grantee, whether the payment is made by electronic funds transfer or by issuance or redemption of checks, warrants or payment by other means.

c) The following types of payment methods are allowed:

1) Reimbursement
Reimbursement is the preferred method of transferring State and federal pass-through payment. The State agency shall process the payment for submission to the Illinois Office of the Comptroller within 30 days after receipt of the billing, unless the agency reasonably believes the request to be improper.

2) Advance Payment

A) The specific grant program rules may authorize the awardee to be paid in advance. Advance payment shall only be allowed if the awardee demonstrates willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and expenditure or disbursement by the awardee and

financial management systems that meet the standards for fund control and accountability established in UR sections 200.302 and 327.

B) Advance payments shall be limited to 2 months of estimated expenses in accordance with the actual, immediate cash requirements of the awardee to carry out the purpose of the grant.

C) Advance payments must be reconciled to actual expenses prior to the next advance.

D) Utilizing the advance, the awardee shall make timely payment to any contractors in accordance with the contract provisions.

3) Combination of Advance Payment and Reimbursement

A) If the awardee cannot meet the criteria for advance payment and the State agency has determined that reimbursement is not feasible because the awardee lacks sufficient working capital, the agency may provide cash on a working capital advance basis.

B) The State agency shall advance cash payments to the awardee to cover estimated disbursement needs for an initial period generally reflecting the grantee's disbursing cycle. Thereafter, the agency must reimburse the grantee for its actual cash disbursements.

4) Use of Resources Before Requesting Cash Advance Payments
To the extent these funds are available, the awardee shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements and audit recoveries, and interest earned on these funds, before requesting additional cash payments.

5) Payment Withholding

A) Unless otherwise required by State statute, payments for allowable costs shall not be withheld at any time during the period of performance unless the conditions of Section 7000.80 apply, the awardee is determined to be "not qualified" in accordance with

Section 7000.320, or one or more of the following conditions exists:

i) The awardee has failed to comply with the project objectives, State statutes or regulations, or the Grant Agreement; or

ii) The awardee is delinquent in a debt to the State of Illinois (see the Illinois State Collection Act of 1986). Under these conditions, the agency may, upon reasonable notice, inform the awardee that the awardee shall not make payments for obligations incurred after a specified date until the delinquency is corrected or the indebtedness to the State is liquidated.

B) If the grant is suspended and payment is withheld because of the awardee's failure to comply with the Grant Agreement, payment must be released to the awardee upon subsequent compliance. Refer to Section 7000.80 for the Grantee Compliance Enforcement System and the Illinois Stop Payment List.

C) A payment must not be made to an awardee for amounts to be paid to contractors that the awardee retains to assure satisfactory completion of work. The payment shall be made when the awardee actually disburses the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

6) Deposit of Advanced State Funds

A) Advance payments of State funds must be deposited and maintained in insured accounts.

B) The State agency shall not require separate depository accounts for funds provided to a recipient/subrecipient or establish any eligibility requirements for depositories for funds provided to the awardee.

C) The awardee shall maintain advanced funds in interest-bearing accounts, unless:

i) The awardee receives less than $120,000 in State grants per year;

ii) The best reasonably available interest-bearing account would not be expected to earn interest of more than $500 per year on the advanced funds; or

iii) The depository would require an average or minimum balance higher than expected to be maintained by the recipient/subrecipient.

7) Interest on Advanced Funds
Interest earned in amounts up to $500 per year may be retained by the awardee for administrative expense. Any additional interest earned on advanced payments deposited in interest-bearing accounts shall be remitted annually to the State Treasurer. Remittances must include pertinent information of the payee and nature of payment in the memo area.

SUBPART C: STATE AGENCY RESPONSIBILITIES AND IMPLEMENTATION

Section 7000.200 State Agency Responsibilities

a) The specific requirements and responsibilities of State agencies and non-federal entities are set forth in Section 50 of the Act.

b) State agencies making State awards to non-federal entities must adopt rules reflecting UR subparts B through F by July 1, 2017 unless different provisions are required by law or an exception is granted by GATU in accordance with Section 7000.60.

1) In applying UR subparts D through F to State funded grants, the following terms shall have the following meanings:

Terms from 2 CFR 200 Subparts B Through F	Application to State Funded Awards

Federal awarding agency	State grantmaking agency
Non-federal entity	State grant recipient
Catalog of Federal Domestic Assistance or CFDA	Catalog of State Financial Assistance or CSFA
Federal financial assistance	State funds
Federal pass-through financial assistance	Federal pass-through
Federal statutes or regulations	State statutes or regulations

2) The following UR sections are applicable to State and federal pass-through grants, with the modifications listed in subsection (b)(1):

A) Subpart B – General Provisions (all sections)

B) Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards (all sections)

C) Subpart D – Post-Federal Award Requirements (all sections)

D) Subpart E – Cost Principles (all sections)

E) Subpart F – Audit Requirements (all sections)

F) Appendices (applicable sections)

i)	Appendix I	Notice of Funding Opportunity (Except Section E)
ii)	Appendix II	Contract Provisions for Non-Federal Entity Contracts Under Federal Awards
iii)	Appendix III	Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
iv)	Appendix IV	Indirect (F&A) Costs Identification

		and Assignment, and Rate Determination for Nonprofit Organizations
v)	Appendix V	State/Local Government-wide Central Service Cost Allocation Plans
vi)	Appendix VI	Public Assistance Cost Allocation Plans
vii)	Appendix VII	States and Local Government and Indian Tribe Indirect Cost Proposals
viii)	Appendix VIII	Nonprofit Organizations Exempted From Subpart E – Cost Principles of Part 200
ix)	Appendix IX	Hospital Cost Principles
x)	Appendix X	Data Collection Form (Form SF-SAC)
xi)	Appendix XI	Compliance Supplement
xii)	Appendix XII	Award Term and Condition for Recipient Integrity and Performance Matters

c) *Each State grantmaking agency shall appoint a Chief Accountability Officer to serve as a liaison to GATU and be responsible for the State agency's implementation of, and compliance with, the* UR and this Part.

d) *In order to effectively measure the performance of its awardees, each State grantmaking agency shall:*

1) *Require its awardees to submit a Periodic Performance Report (PPR) in the format prescribed by GATU* and available through the GATA Resource Library at www.grants.illinois.gov. *The frequency of PPR*

reporting shall be specified in the executed Grant Agreement and must be at least annually.

2) *Utilize the PPR to require its awardees to relate financial data to performance accomplishments of the award and, when applicable, require awardees to provide cost information to demonstrate cost-effective practices. The awardee's performance should be measured in a way that will help the State agency to improve program outcomes, share lessons learned, and spread the adoption of promising practices; and*

3) *Provide awardees with clear performance goals, indicators, and milestones through the Grant Agreement and shall establish performance reporting frequency and content to not only allow the State agency to understand the awardee's progress, but also to facilitate identification of promising practices among awardees and build the evidence upon which the State agency's program and performance decisions are made.*

e) *Each grantmaking agency shall enhance its processes to monitor and address noncompliance with reporting requirements and with program performance standards. When applicable, the process may include a corrective action plan. The monitoring process shall include a plan for tracking and documenting performance-based contracting decisions.* [30 ILCS 708/45(g)]

f) *GOMB shall provide such advice and technical assistance to the State agencies as is necessary or indicated in order to ensure compliance with the Act.* [30 ILCS 708/50]

g) Each State agency shall submit any exception requests to GATU for approval in accordance with Section 7000.60 (Program-specific Exceptions, Exemptions to UR and GATA).

Section 7000.210 State Agency Implementation

a) *State agencies shall implement* the policies and procedures applicable to federal and federal pass-through awards by adopting, *on or before July 1, 2017, rules for non-federal entities. The federal rules took effect for fiscal years on and after December 26, 2014, unless different provisions are required by State or federal statute or federal rule.*

b) *The standards set forth in the Act, which affect administration of* federal, *federal pass-through and State awards issued by State agencies, become effective once* adopted as rules *by the State agencies*. [30 ILCS 708/90]

Section 7000.220 State Cognizant Agency Responsibilities and Implementation

a) The State Cognizant Agency is the State agency that provides the most funding to the awardee based on State agency entries into the CSFA. Each awardee is assigned a State Cognizant Agency. The State Cognizant Agency assignments are recorded in the Grantee Portal and the State Staff Inquiry Screen.

b) As defined in Section 7000.30, the State Cognizant Agency is the State grantmaking agency designed to carry out specific pre-award responsibilities associated with prequalification, fiscal and administrative risk assessment, and indirect cost rate election/negotiation.

1) The State Cognizant Agency provides support as necessary to assist the applicants in completing the prequalification process. Refer to Section 7000.320.

2) The State Cognizant Agency reviews and accepts submitted ICQs pursuant to Section 7000.340(d)(1).

3) The State Cognizant Agency reviews and accepts indirect cost rate elections/negotiations pursuant to Section 7000.420.

4) The State Cognizant Agency designates staff to serve as the Indirect Cost Rate Subject Matter Expert to support Section 7000.420.

5) The State Cognizant Agency designates staff to serve as the Audit Report Review Subject Matter Expert to support Section 7000.90.

Section 7000.230 Institution of Higher Education Responsibilities and Implementation

a) UR and GATA requirements shall apply to awards funded by State appropriations and federal pass-through awards from a State agency to a public institution of higher education (IHEs).

b) IHEs shall be subject to UR appendix III (Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education).

Section 7000.240 Subrecipient/Contractor Determinations

a) An organization may concurrently receive State awards as a grantee, a subgrantee (subrecipient), and a contractor, depending on the substance of the Grant Agreement, Cooperative Agreement, Interagency Agreement or Intergovernmental Agreement between State agencies and awardees. A PTE must make case-by-case determinations of whether the entity receiving the funds is a subrecipient or contractor.

1) Subrecipient
A subaward is for the purpose of carrying out a portion of a Grant Agreement and creates a State assistance relationship with the subrecipient. Characteristics that support the classification of the grantee as a subrecipient include the following:

A) Determines who is eligible to receive what State and federal pass-through assistance;

B) Has its performance measured in relation to whether objectives of a State or federal pass-through program were met;

C) Has responsibility for programmatic decision making;

D) Is responsible for adherence to applicable State and federal pass-through program requirements specified in the State agency's rule; and

E) In accordance with its Grant Agreement, uses the State and federal pass-through funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for its own benefit.

2) Contractors
A contract is for the purpose of obtaining goods and services for the grantee's own use and creates a procurement relationship with the

contractor. Characteristics indicative of a procurement relationship between the awardee and a contractor are when the contractor:

A) Provides the goods and services within normal business operations;

B) Provides similar goods or services to many different purchasers;

C) Normally operates in a competitive environment;

D) Provides goods or services that are ancillary to the operation of the State and federal pass-through program; and

E) Is not subject to compliance requirements of the State award or federal pass-through program as a result of the agreement, though similar requirements may apply for other reasons.

3) Use of Judgment in Making Determination

A) In determining whether an agreement between a PTE and another non-federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement.

B) Each characteristics listed in subsection (a)(1) may not be present in all cases. The PTE must use judgment in classifying each agreement as a subaward/subgrant or a procurement contract.

b) The Recipient Checklist for Determining if the Entity Receiving Funds as a Contractor or Subrecipient Relationship should be used to document the subrecipient vs. contractor determination. The completed Checklist should be maintained for monitoring and audit purposes as evidence of the determination.

c) The Checklist is available on the GATA website (www.grants.illinois.gov).

Section 7000.250 CSFA Maintenance

a) Per UR Subpart C, State agencies shall maintain the Catalog of State Financial Assistance (CSFA) as the State's single, authoritative, statewide comprehensive source of State financial assistance program information.

b) State agencies shall enter data into the CSFA as follows:

1) When federal, federal pass-through or State funds are received by the State agency;

2) When awards are issued from the federal, federal pass-through or State funds; and

3) When exceptions or exemptions are given by GATU in writing on behalf of the Governor's Compliance Office for specific grant programs (see Section 7000.60).

c) State agencies are encouraged to establish a data transmission from the State agency's grants management system and the CSFA to automate CSFA maintenance. GOMB's Information Technology Manager (OMB.helpdesk@illinois.gov) is the point of contact for the automated data transmission.

d) State agencies shall generate the NOFO from the CSFA. CSFA-generated NOFOs will be published on the GATA website (www.grants.illinois.gov).

e) State agencies shall generate the NOSA from the CSFA.

Section 7000.260 Maintenance and Use of the Illinois Stop Payment List

a) The Grant Compliance Enforcement System is described in Section 7000.80.

b) If an awardee is not compliant with grant terms stated in Section 7000.80(g), the Grant Compliance Enforcement System shall go into effect.

1) Delinquent Reporting

A) State agency protocols shall dictate procedures for managing financial and programmatic reporting due dates. State agencies shall apply due diligence with awardees to support the administration of reporting requirements stated in the executed Grant Agreement and/or subsequent amendments.

B) State agency protocols shall establish a methodology for the State agency to withhold payments at the entity level as prescribed in Section 7000.80(g)(1).

i) The State agency shall have authority to override the payment hold and generate payment to the entity.

ii) The circumstances necessitating the override shall be documented and maintained by the State Agency.

C) If an outstanding report is not submitted within the timeframe stated in Section 7000.80(g)(1), the State agency shall proceed with Stop Payment Status as prescribed in Section 7000.80(g)(1).

2) The State grantmaking agency shall place the awardee on Stop Payment Status for other occurrences of noncompliance, in accordance with Section 7000.80(g)(2).

3) The State Agency shall perform the following due diligence before adding an awardee to the Illinois Stop Payment List:

A) The agency shall notify the awardee in writing of the pending Stop Payment Status. The notice shall include:

i) Applicable grant name and number;

ii) The specific noncompliance issues with supporting facts (e.g., specifications of delinquency);

iii) Instructions for correcting the noncompliance issues;

iv) Contact information to inquire and/or coordinate corrective action; and

v) The following statement: "State agencies cannot execute or modify grants to entities on Stop Payment Status. Payments to entities on the Illinois Stop Payment List are subject to additional authorization."

B) If the awardee does not respond or take corrective action to the notice of Stop Payment Status with 15 calendar days, the State agency shall put the awardee on the Illinois Stop Payment List.

4) The following information is required for the Illinois Stop Payment List:

A) Awardee's FEIN;

B) Awardee's DUNS number;

C) Awardee's name;

D) Stop Pay Date (date the Stop Payment Status was effective);

E) Stop Pay Reason (applicable noncompliance issues); and

F) Agency Contact (name, phone number and email address of State agency personnel with knowledge of the noncompliance issue).

5) The State agency can add an awardee to the Illinois Stop Payment List one of 2 ways:

A) By direct data entry into the Illinois Stop Payment List through the GATA implementation website; or

B) By utilizing an automated data transfer to the Illinois Stop Payment List from the State agency's grants management system. (Automated data transfers are strongly recommended to maintain data integrity. Data transfers can be coordinated through GOMB's Information Technology Manager.)

6) When the noncompliance issue is resolved, the State agency that placed the awardee on the Illinois Stop Payment List can remove it from the Illinois Stop Payment List. The methodology described in subsection (b)(5) is applied to remove a grantee from the Illinois Stop Payment List.

SUBPART D: STATE AND FEDERAL PASS-THROUGH PRE-AWARD REQUIREMENTS

Section 7000.300 Grant, Cooperative, Interagency and Intergovernmental Agreements

a) This Subpart applies to grants issued from State and federal pass-through funds.

b) The State agency shall decide on the appropriate instrument for the award (i.e., Grant Agreement or Cooperative Agreement):

1) Grant Agreements
A State agency shall use the Uniform Grant Agreement (see Section 7000.370) as the legal instrument reflecting a relationship between the State and an awardee when:

A) The principal purpose of the relationship is to transfer a thing of value to the awardee to carry out a public purpose of support or stimulation authorized by State or federal law; and

B) Substantial involvement is not expected between the State agency and the awardee when carrying out the activity contemplated in the Grant Agreement.

2) Cooperative Agreements
A State agency shall use a Cooperative Agreement as the legal instrument reflecting a relationship between the State and a recipient when:

A) The principal purpose of the relationship is to transfer a thing of value to the recipient to carry out a public purpose of support or stimulation authorized by State law instead of acquiring (by purchase, lease or barter) property or services for the direct benefit or use of the State government; and

B) Substantial involvement is expected between the State agency and the recipient when carrying out the activity contemplated in the Cooperative Agreement.

3) Interagency Agreements

A) A State agency shall use the Uniform Interagency Grant Agreement (UIGA) as the legal instrument reflecting a relationship between the State grantmaking agency and the awardee when:

i) The principal purpose of the relationship is to transfer a thing of value to the awardee to carry out a public purpose of support or stimulation authorized by State or federal law; and

ii) Substantial involvement is not expected between the State agency and the awardee when carrying out the activity contemplated in the Grant Agreement.

B) The UIGA should be used when issuing a grant, as defined in Section 7000.20, to another governmental entity (see the Intergovernmental Cooperation Act), such as a city, municipality, county health department, State university or State agency (whether or not under the Governor's jurisdiction).

C) Intergovernmental Agreements that pledge support, share data or pledge a joint effort on a project and do not constitute a grant should not use the UIGA.

D) Employment or personal services Intergovernmental Agreements should not use the UIGA.

4) Multiple Agreements
A State agency is not limited to establishing only one Grant Agreement and/or Cooperative Agreement between the State and an awardee on a jointly financed project involving amounts from more than one program or appropriation when different agreements would otherwise be appropriate for different parts of the project.

Section 7000.310 Public Notice of Grant Programs

a) The State agency must notify the public of available State grants in the Catalog of State Financial Assistance (CSFA).

1) The CSFA is the single, authoritative, comprehensive source of State grant program information.

2) The State agency shall only issue State and federal pass-through funds based on a program included in the CSFA.

b) For each program, the State agency must submit the following information to GATU:

1) Program Description – Grant program description, including its purpose, goals and measurement process;

2) Program Authority – Whether the program is created at the discretion of the agency or is prescribed by State statute;

3) Funding – Projected total amount and source of funds available for the program;

4) General Eligibility Requirements – The statutory and regulatory standards that determine the applicant's qualification for State grants under the program;

5) Auditing – Audit requirements; and

6) Indirect Costs – Approved statutory indirect costs limitations and restrictions.

c) The State agency shall provide official public notice of competitively issued grant funding opportunities through a NOFO generated from the CSFA and posted on the GATA website (www.grants.illinois.gov).

d) The State agency shall publish the NOFO for at least 45 calendar days and no less than 30 calendar days. The State agency may request an exception to the NOFO posting timelines from GOMB due to extenuating circumstances.

e) The NOFO shall be produced on a uniform, statewide template (see the GATU website). This information shall precede the text of the announcement. It shall disclose the information required under UR section 200.203 and shall reflect the additional State requirements of Section 30 of the Act. The following are some of the types of information required by UR section 200.203 and GATA Section 30:

1) State Agency Name;

2) Grant Program Title;

3) Announcement Type (i.e., initial announcement or modification of a previous announcement);

4) Funding Opportunity Number (assigned through the CSFA NOFO process);

5) Catalog of State Financial Assistance (CSFA) Number and Title;

6) Catalog of Federal Domestic Assistance (CFDA) Numbers (if applicable);

7) Estimated Total Program Funding;

8) Source of Funding;

9) Cost Sharing or Matching Requirement;

10) Approved Statutory Indirect Cost Limitations and Restrictions;

11) Key Dates, including:

A) Due dates for applications and for any letters of intent or pre-applications;

B) Date when program application materials will be available (if applicable); and

C) Date for technical assistance session (if applicable); and

12) Any additional information deemed necessary by the State agency.

f) In compliance with UR section 200.203, the State agency shall include the following information in the full text of the grant announcement:

1) Full programmatic description of the funding opportunity;

2) State grant information, including sufficient information to help an applicant make an informed decision about whether to submit an application;

3) Specific eligibility information, including any factors or priorities that affect an applicant's eligibility for selection;

4) Application preparation and submission information, including the applicable submission date and time;

5) Application review information, including the standards and process to be used to evaluate applications;

6) State grant administration information, including prior approval requirements;

7) Restrictions on pre-award costs (UR section 200.209 and 2 CFR 458; GATA Section 25(4)(f)); and

8) Any specific terms of, and conditions on, the grant.

g) GATU shall provide technical assistance to promote State agency compliance with requirements for public notice of grant programs and grant announcements for State and federal pass-through awards.

h) State agencies shall utilize the NOFO and the announcement of the grant program to communicate all relevant State requirements and conditions of the pending grant award.

i) State agencies shall utilize the Uniform Grant Agreement or the Uniform Interagency Agreement to communicate all relevant State requirements and conditions for the grant award.

j) Awardees are responsible for complying with all requirements of the statute authorizing the grant, this Part, the rules of the specific grant program, and the Grant Agreement.

Section 7000.320 Grantee Registration and Pre-qualification

a) All requirements of Section 7000.70 (Grantee Qualification Status) apply to State and federal pass-through awards.

b) Regardless of the source of funding (federal pass-through or State), all grantees are required to register with the State of Illinois, complete a prequalification process, and be determined "qualified" as described in Section 7000.70.

c) Qualification verification is performed annually based on a completed registration and nightly thereafter through an automated verification conducted by GOMB. Notification of a change in qualified status shall be communicated through the Grantee Portal and the State Staff Inquiry Screen.

Section 7000.330 Uniform Grant Application and Budget Template

a) Unless an exception has been granted and documented in the agency's rules and the CSFA, State agencies shall use the uniform grant application template provided by GATU and available through the GATA Resource Library at www.grants.illinois.gov.

b) The uniform grant application shall include a standard Agency Completed Section and a standard Grantee Completed Section.

c) The completed application template serves as the transmittal for the agency required documentation that must be submitted to apply for grant funding. Each grant application is available from the NOFO (see Section 7000.310) provided through the publicly accessible CSFA.

d) Unless an exception has been documented in the agency's administrative rules and the CSFA, State agencies shall use the uniform budget template provided by GATU and available through the GATA Resource Library at www.grants.illinois.gov.

1) Illinois' uniform budget template was modeled after the federal budget template (SF-524).

2) The budget template includes major line items and may be modified for additional grant-specific budget lines. Grantmaking agencies should format the template with the applicable line items before the template is released as part of the grant application.

3) The uniform budget template was designed as a compliant format with State agency flexibility. A budget template guide in the Resource Library of the GATU website provides guidance on budget template modification.

e) Unless otherwise required by State and federal statute, as part of the application process, the State agency shall require the award applicant to submit mandatory disclosures, certifications and representations required by State and federal statutes or regulations.

f) Conflict of Interest
State agency staff and the award applicant must not have any conflicts of interest or apparent conflicts of interest that may impair the fairness and impartiality of the grant process. Authoritative sources and guidance regarding conflict of interest and financial disclosure are provided through the GATA Resource Library at www.grants.illinois.gov.

1) Applicant Responsibilities

A) Applicants shall disclose, in a timely manner and in writing, to the State grantmaking agency:

i) All real or potential conflicts of interest related to the issuance or execution of the award; and

ii) All violations of State or federal criminal law involving fraud, bribery or gratuity violations potentially affecting the award.

B) Applicants must comply with disclosure requirements specified in Section 60(a)(5) of the Act.

C) Applicant failure to make the required disclosures may result in remedial actions, including:

i) Temporary withholding of cash payments pending correction of the deficiency or more severe enforcement action by the State grantmaking agency;

ii) Disallowance of (i.e., denial of both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;

iii) Whole or partial suspension or termination of the award;

iv) Initiation of suspension or debarment proceedings under 2 CFR 180. In the case of a PTE, the State agency may recommend that such a proceeding be initiated by the federal awarding agency;

v) Withholding further awards for the project or program; or

vi) Taking any other remedial action that may be legally available.

2) State Agencies
Unless prohibited by federal and/or State statutes or regulations, each State grantmaking agency or PTE is authorized to require the awardee to submit certifications and representations required by federal and State statute or regulations on an annual basis. Submissions may be required more frequently if the awardee fails to meet a requirement of a State or federal pass-through award.

Section 7000.340 Grantee Risk Assessments – Financial and Administrative (ICQ) and Programmatic

a) Risk Posed by Applicants

1) Review of Existing Recipient Information

A) For a grant applicant who is a prior awardee, the State agency shall review available information on the awardee's prior performance.

B) The State agency shall look for information that demonstrates a satisfactory record of executing programs or activities under federal and/or State awards, Cooperative Agreements, or procurement awards, as well as integrity and business ethics.

C) With written GATU approval, the State agency may issue a grant to an awardee that does not fully meet these standards if it determines that the nonattainment is not relevant to the current State grant under consideration or there are specific conditions that can appropriately mitigate the effects of the applicant's risk.

2) In evaluating risks posed by applicants, the State agency must use a risk-based approach that considers, at a minimum, the following criteria:

A) Financial stability;

B) Quality of management systems;

C) History of performance. The applicant's record in managing State grants or federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous grants/awards, and, if applicable, the extent to which any previous amounts will be expended prior to future grants;

D) Reports and findings from audits performed on prior grants/awards;

E) The applicant's ability to effectively implement statutory, regulatory or other requirements imposed on awardees; and

F) Other information. The State agency must also evaluate the risks posed by applicants discerned during the application process.

3) If the State agency determines that a State award will be issued notwithstanding the risks posed, the agency shall establish in the Grant Agreement specific conditions, corresponding to the degree of risk assessed, that reduce this risk. The program rules for the specific grant shall list the specific risk assessment criteria to be used. The grant announcement shall cross-reference this information.

b) The UR identifies that the risk assessment as a pre-award requirement best practice.

c) Formula-funded, federally mandated and legislatively mandated awards are subject to risk assessment unless the terms of funding explicitly exclude a risk assessment. A risk assessment exception must be approved by GATU and recorded in the CSFA pursuant to Section 7000.60.

d) There are 2 types of risk assessments: Financial and Administrative Risk Assessment and Programmatic Risk Assessment.

1) Financial and Administrative Risk Assessment. An automated Internal Control Questionnaire (ICQ) is used to review past performance of fiscal and administrative conditions on prior awards and the applicant's ability to conform with federal and State statutory requirements. The ICQ centralizes the fiscal and administrative risk assessment.

A) An entity is required to complete the ICQ once annually. All State agencies utilize the ICQ results.

B) The ICQ is a pre-award requirement. The timing of the ICQ is dependent on when the entity applies for State fiscal year funding.

C) The entity initiates the ICQ from the Grantee Portal (www.grants.illinois.gov/portal).

D) ICQ automation scores the questionnaire and assigns suggested specific conditions in response to the risk profile.

E) The State Cognizant Agency approves the risk profile and the subsequent specific conditions. All agencies issuing awards to the entity will apply the specific conditions resulting from the ICQ risk assessment.

F) Local governmental agencies that register and prequalify separately from the controlling local government must complete the ICQ at the agency level.

i) Governmental agencies must have a unique DUNS number but the same FEIN as the highest level of local government to be eligible to register separately.

ii) Separate ICQs may be appropriate if governmental agencies are independent in their fiscal and administrative responsibility and reporting structure.

iii) Specific conditions described in subsection (e) would apply to each ICQ.

2) Programmatic Risk Assessment. Program-specific risk assessments evaluate the entity's ability to successfully carry out the terms of a specific program. The assessment is customized based on the NOFO terms and the unique requirements of the grant.

A) An entity is required to complete the programmatic risk assessment as part of the application process.

B) The grantmaking agency distributes the customized programmatic risk assessment questionnaire to applicants that have met all other qualifications for an award.

C) The grantmaking agency scores the completed programmatic risk assessment questionnaire and applies the specific conditions in response to the risk profile.

D) The grantmaking agency approves the risk profile and the subsequent specific conditions. The specific conditions are applied to the Grant Agreement.

e) Specific Conditions

1) Within the Grant Agreement, the State agency shall impose additional specific grant conditions when:

A) It determines, pursuant to subsection (d), that the applicant presents a significant amount of risk resulting from a significant deficiency and/or material weakness identified by the pre-award process;

B) An applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a State grant or federal award;

C) An applicant or recipient fails to meet expected performance goals described in the Grant Agreement; or

D) An applicant or recipient is otherwise judged to be not responsible.

2) Additional State grant conditions may include items such as the following:

A) Requiring payments as reimbursements rather than advance payments;

B) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within any timeframes established by the Grant Agreement;

C) Requiring additional, more detailed financial reports;

D) Requiring additional project monitoring;

E) Requiring the awardee to obtain technical or management assistance; or

F) Establishing additional prior approvals.

3) The State grantmaking agency or PTE will utilize the NOSA to notify the applicant regarding specific conditions as follows:

A) The nature of the additional requirements;

B) The reason why the additional requirements are being imposed;

C) The nature of the action needed to remove the additional requirements, if applicable;

D) The time allowed for completing the actions, if applicable; and

E) The method for requesting reconsideration of the additional requirements imposed.

4) Awardees should utilize the Grantee Request to Remove a Specific Condition form when corrective action has been fully implemented. This form is available from the GATA Resource Library (www.grants.illinois.gov).

5) In response to the awardee's request to remove a specific condition via the Grantee Request to Remove a Specific Condition, the applicable State agency will remove any specific conditions promptly once the agency Director or designee determines that the issues have been corrected.

A) If the specific condition pertains to the ICQ risk assessment, the request must be reviewed by the State Cognizant Agency. The State Cognizant Agency shall determine if the implemented corrective action is sufficient and shall utilize the State Staff Inquiry Screen to remove the condition, if applicable.

B) If the specific condition pertains to a programmatic risk assessment or the merit-based review, the request must be reviewed by the State agency that issued the condition. The agency that issued the condition will determine if the implemented corrective action is sufficient and utilize the State Staff Inquiry Screen to remove the condition, if applicable.

Section 7000.350 Merit Based Review of Grant Application

a) A merit based application review is required for competitive (discretionary) Grant and Cooperative Agreements, unless prohibited by State or federal statute. This process must be described or incorporated by reference in the applicable NOFO.

b) If there is a multi-phase review process, the applicable NOFO must describe the phases.

c) Pursuant to UR section 200.204, state agencies shall follow the uniform Merit Based Review Policy developed by GATU and available through the GATA Resource Library at www.grants.illinois.gov.

d) As described in Section C of the Merit Based Review Policy, the merit based review must include the following evaluation criteria: need, capacity and quality. Additional parameters and criteria can be incorporated based on grant and agency requirements.

e) The merit based review shall be conducted by committee as described in Section D(5) of the Merit Based Review Policy. Evaluation committee members are required to sign the Merit Based Review Confidentiality Agreement and Conflict of Interest Disclosure forms available through the GATA Resource Library at www.grants.illinois.gov.

f) The Merit Based Review Policy includes an appeal process by which applicants can appeal the review process. Pursuant to Section F of the Merit Based Review Policy, competitive grant appeals are limited to the evaluation process. Evaluation scores may not be protested. Only the evaluation process is subject to appeal.

g) State agencies shall maintain a file of the grantmaking process that includes the written determination of grant issuance, grant application and requirements. The grantmaking file shall be available for audit-related purposes.

h) State agencies may impose specific conditions on the awardee based on the merit based review (see Section 7000.340(e) (Specific Conditions)).

Section 7000.360 Notice of State Award (NOSA)

a) Prior to a State agency issuing a grant/award, the State agency must verify that there are no outstanding pre-award requirements. This includes verification of qualification, acceptance of risk assessments, approved budget, conflict of interest disclosures, and required certifications. All outstanding pre-award requirements must be resolved before a NOSA can be issued.

b) If there are no outstanding requirements, the State grantmaking agency must issue a NOSA through the CSFA to comply with federal requirements.

c) The NOSA shall communicate:

1) Grant funding terms, including the source of funds;

2) Grant terms and conditions (including corresponding citations) specified by the funder, the State of Illinois, the grantmaking agency, and the terms of the specific grant program;

3) Specific conditions associated with the risk assessments and the merit based review, if applicable; and

4) That the application budget has been approved.

d) The State grantmaking agency shall release the NOSA to the applicant from the CSFA. The applicant shall receive the NOSA through the Grantee Portal.

e) The applicant shall review the NOSA and determine whether it will accept the specified terms of the award.

1) If the applicant accepts the NOSA, it is agreeing to all specified terms and conditions. Applicant acceptance triggers notification to the grantmaking agency. The CSFA will flag the NOSA as "accepted".

2) If the applicant denies the NOSA, it is refusing to accept the specified terms and conditions. Applicant denial triggers notification to the grantmaking agency. The CSFA will flag the NOSA as "denied". The grantmaking agency should contact the applicant to discuss the denial decision.

A) If an incorrect response to the ICQ triggered a specific condition, the grantmaking agency shall notify the State Cognizant Agency. The State Cognizant Agency shall release the ICQ to the organization for correction and resubmittal. If the updated ICQ alters the risk profile of the organization and changes the specific conditions for the organization, an updated NOSA shall be generated by the grantmaking agency and submitted to the applicant.

B) If the ICQ responses appear valid, the grantmaking agency may need to clarify capacity building necessary in the specified area and the process under which specific conditions can be removed (see Section 7000.340(e) (Specific Conditions).

f) Upon applicant acceptance of the NOSA, the grantmaking agency shall initiate the Grant Agreement following the State agency's protocol.

Section 7000.370 Uniform Grant Agreement

a) A State agency issuing a grant shall enter into a Grant Agreement with the awardee before any grant funds are transmitted to that recipient/subrecipient. The Grant Agreement must include the following:

1) Awardee Information

A) Name (which must match the name associated with the awardee's DUNS number);

B) Awardee's DUNS number.

2) Agency Information

A) Name of State agency;

B) Contact information for the awarding official specified in the NOFO;

C) Program under which the grant is being issued.

3) Grant Information

A) CSFA number and name;

B) Unique State award identification number (SAIN);

C) Project description;

D) Type of grant;

E) Award date;

F) Period of performance start and end date;

G) Amount of the grant, contingent upon available appropriations;

H) Total amount of State or federal pass-through funds allocated;

I) Estimated budget (funding provided by State grantmaking agency) approved by the State grantmaking agency;

J) Indirect cost rate for the State or federal pass-through award (including if the de minimis rate is charged or if there is a statutory limitation imposed by the funding agency);

K) Approved cost share or match, if applicable;

L) Identification of whether the award is for research and development; and

M) Any funds the agency may be authorized by statute to retain as its administrative expenses, citing the specific statutory authority.

4) General Terms and Conditions. State agencies must include in the Grant Agreement, as applicable, the following general terms and conditions, either by actual inclusion or by cross-reference:

A) Administrative requirements implemented by the State agency by rule;

B) State policy requirements, including State statutes or regulations that apply; and

C) Recipient integrity and performance matters.

5) Agency, Program or Grant Specific Terms and Conditions. The Grant Agreement shall include any terms and conditions necessary to communicate requirements that are specific to the grant, grant program or awardee, including citations to any relevant CFR or Illinois Administrative Code provisions, and other regulatory information.

6) Grant Performance Goals

A) The State agency shall indicate the timing and scope of expected performance by the awardee as related to the outcomes the program is intended to achieve.

B) When appropriate, the Grant Agreement shall include specific performance goals, indicators, milestones or expected outcomes, with an expected timeline for accomplishment.

7) Reporting requirements shall be clearly articulated so that they create a standard against which awardee performance can be measured. The State agency may include program-specific requirements, as required to meet agency strategic goals and objectives or performance goals that are relevant to the grant program.

8) Any other information that enables the State agency to adequately monitor the conduct of the awardee under the Grant Agreement and ensure adherence to the terms of the grant.

b) Revision of Budget and Program Plans

1) The approved budget for the State grant included in the Grant Agreement may include either the State and non-State share or only the State share, depending upon the specific State agency rules. The budget shall relate clearly to project or program performance.

2) An awardee shall not deviate from the budget, project scope, or objective stated in the Grant Agreement except with mutual agreement of the State grantmaking agency and the awardee. However, some revisions and deviations shall not be made without prior approval of the State grantmaking agency as required by subsection (b)(3).

3) Revisions – Nonconstruction Grant Agreements

A) Mandated Prior Approval. For nonconstruction grants, the awardee shall request prior approval from the State agency for any of the following program or budget-related reasons:

i) Change in the scope or the objective of the project or program (even if there is no associated budget revision).

ii) Change in a key person specified by the recipient/subrecipient in the application or the Grant Agreement.

iii) Disengagement from the project for more than 3 months, or a 25% reduction in time devoted to the project, by the approved project director or principal investigator.

iv) Transfer of funds budgeted for participant support costs.

v) Unless described in the application and funded by the Grant Agreement, a subgrant transferring or contracting out of any work under a State award, including a fixed amount subgrant. This provision does not apply to the acquisition of supplies, material, equipment or general support services.

vi) Changes in the approved awardee cost-share or match.

vii) The need arises for additional State funds to complete the project.

B) Prior Approval at the State Agency's Discretion

i) If the State agency determines that additional prior approvals are needed to guarantee the integrity of a grant program, prior approval can be required in the program rules if universally applicable or in the Grant Agreement if awardee specific.

ii) If the State agency determines that granting blanket approval of additional revisions in or deviations from the budget, project scope or objective stated in a nonconstruction Grant Agreement is warranted and will cause no threat to the integrity of the grant program, the agency shall include those policies in its grant program rules if universally applicable or in the Grant Agreement if awardee specific.

iii) No discretionary prior approval shall be required without GATU approval.

C) Transfer of Funds

i) The State agency may, in its program rules or a specific Grant Agreement, allow transfer of funds among direct cost categories or programs, functions and activities if the cumulative amount of these transfers does not exceed 10% of the detail line or $1,000, whichever is greater.

ii) The agency shall not permit a transfer that would cause any State appropriation to be used for purposes other than those for which that appropriation was made.

4) Revisions – Construction Grants. For State construction grants, no revisions or deviations in the budget stated in the nonconstruction Grant Agreement shall occur without the mutual agreement of the agency and the awardee.

5) When a State agency makes a State grant that provides support both for construction and nonconstruction work, the agency may require the awardee to obtain prior approval from the agency before making any fund or budget transfers between the two types of work supported.

6) When requesting approval for budget revisions, the recipient shall use the same format for budget information that was used in the application, unless the State agency's rules indicate that a letter of request suffices.

7) Within 30 calendar days after receipt of a request for budget revisions, the agency shall review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the agency shall inform the recipient in writing of the date the recipient may expect the decision.

SUBPART E: STATE POST-AWARD REQUIREMENTS

Section 7000.400 GATA Performance Measurement

a) In compliance with GATA Section 95, GOMB, in conjunction with the Illinois Single Audit Commission, shall submit the annual report described in Section 7000.95(a).

b) GATA performance shall be evaluated in the following areas:

1) Number of entities placed on the Illinois Debarred and Suspended List and/or Illinois Stop Payment List;

2) Savings realized as a result of the GATA implementation;

3) Reduction in the number of duplicative audits;

4) Number of persons trained to assist awardees and subrecipients;

5) Number of awardees to whom a fiscal agent was assigned.

Section 7000.410 Awardee Performance Measures

a) State agencies shall apply UR sections 200.301 (Performance Measurement) and 328 (Monitoring and Reporting Program Performance) for awardee performance oversight.

b) State agencies must provide awardees with clear performance goals, indicators and milestones and establish performance reporting frequency.

1) The awardee must submit performance reports at the interval required by the State agency, as specified in the Grant Agreement. Intervals must be no less frequent than annually and no more frequent than quarterly, except in unusual circumstances as communicated through the Grant Agreement specific conditions.

2) Annual reports are generally due 60 calendar days after the reporting period. Quarterly or semiannual reports must be due 30 calendar days after the reporting period. Due dates must be communicated through the Grant Agreement.

c) The State agency shall require the awardee to use the Periodic Performance Report (PPR) to articulate performance outcomes. In addition, each State grantmaking agency shall utilize the PPR to:

1) *Require its awardees to relate financial data to performance accomplishments of the award; and*

2) When applicable, require awardees *to provide cost information to demonstrate cost-effective practices*. [30 ILCS 708/50(c)(1)]

d) The awardee's performance shall be measured in a way that will help the State grantmaking agency and other applicants and recipients to improve program outcomes, share lessons learned, spread the adoption of promising practices, and build the evidence upon which the State agency's program and performance decisions are made.

e) The State grantmaking agency shall utilize the performance measurement data provided by the awardee to manage execution of the Grant Agreement.

1) Actual accomplishments during the specified period should be compared to the objectives of the award. Reasons for not meeting goals should be specified.

2) Trends in performance should be addressed through technical assistance, desk and/or field reviews, and/or monitoring. If applicable, the State agency may consider a change (increase or decrease) in the amount of the award based on awardee performance.

Section 7000.420 Centralized Indirect Cost Rate Negotiation

This Subpart applies to State grantmaking agencies, State awardees receiving awards from State and federal pass-through funds. With permission from the federal government, Illinois has centralized the negotiation and election of indirect cost rates with State and federal pass-through awardees.

a) The State of Illinois' Indirect Cost Rate Negotiator will support the negotiation of indirect cost rates and/or cost rate elections. A User Guide for the centralized indirect cost rate negotiation system is provided in the GATA Resource Library to support State agency and awardee use of the system.

b) Requirements for State Grantmaking Agencies

1) Illinois shall utilize the centralized Indirect Cost Rate System. This system will be used by awardees to make an annual indirect cost rate election or negotiate a rate with the State of Illinois pursuant to one of the following options. Options for indirect cost rate election or negotiation include:

A) If eligible, election of the de minimis rate of 10% modified total direct costs (MTDC) allowed by UR section 200.414(f);

B) If applicable, submit a copy of the current federal Negotiated Indirect Cost Rate Agreement (NICRA);

C) Election of "no rate", meaning the awardee will not request or receive reimbursement for any indirect costs; or

D) Negotiate a rate with the State of Illinois.

2) All approved elections and negotiated rates shall be recorded in the State Staff Inquiry Screen for State agency reference.

3) Once a rate is negotiated or an election accepted, all State grantmaking agencies are required to accept the approved rate, unless an exception has been granted by GATU requiring a lower rate or limitation on the amount charged.

4) The awardee may volunteer to accept a lower indirect cost rate on an award. State agencies shall not force or coerce an awardee to take a lower rate.

c) Requirements for State Cognizant Agencies (SCA)

1) The assigned SCA is required to review and, if appropriate, accept the negotiated rate or election of its awardee. Acceptance must be recorded in the Illinois' centralized Indirect Cost Rate System.

2) The SCA shall provide technical support to its assigned awardees during the indirect cost rate negotiation/election process.

3) On a case-by-case basis, the State of Illinois Indirect Cost Rate Negotiator shall determine if the submitted indirect cost rate proposal is complete for negotiation. Independence issues require the Negotiator to be separated from proposal development. If the submitted proposal is not complete, the Negotiator shall notify the SCA and the awardee.

4) If the submitted proposal is not complete and the Indirect Cost Rate Negotiator cannot proceed with a rate negotiation, the SCA shall review the awardee's proposal submitted in the centralized Indirect Cost Rate System and provide additional technical assistance to the awardee or notify GATU that additional technical support may be necessary.

5) If, after receiving additional assistance from the SCA and GATU, it is determined that an awardee lacks the capacity to prepare a complete proposal in compliance with federal cost principles, a final determination notification will be sent to the awardee. The final determination notification must include the reasons why the proposal did not meet the minimum requirements and recommend the awardee seek professional assistance in order to proceed with a future State negotiated indirect cost rate proposal. The recommendation may also include alternatives to a State negotiated rate, such as the election of the 10% de minimis rate, if eligible.

A) If issues appear to be close to resolution, GATU may allow additional technical assistance to be offered by the Negotiator; or

B) GATU may concur with the SCA. If so, GATU and the SCA shall notify the awardee that professional assistance is required to complete the negotiation process.

d) Requirements for an Organization Receiving a State or Federal Pass-through Funded Award.

1) Annually, each organization receiving an award from a State grantmaking agency is required to enter the centralized Indirect Cost Rate System and

make one of the following elections for indirect costs to State and federal pass-through grants:

A) Federal Negotiated Indirect Cost Rate Agreement (NICRA);

B) Election of the de minimis rate of 10% of MTDC;

C) Election not to charge indirect costs; or

D) Negotiation of an indirect cost rate.

2) The awardee shall make one election or negotiate one rate that all State agencies must accept unless there are federal or State program limitations, caps or supplanting issues.

3) The accepted election or negotiated rate shall be recorded in the Grantee Portal and the State Staff Inquiry Screen.

4) The awardee may volunteer to accept a lower indirect cost rate on an award. State agencies are not allowed to force or coerce an awardee to take a lower rate.

5) Awardees that fail to make an election or negotiate a rate in the centralized Indirect Cost Rate System will not be allowed to charge indirect costs to awards. Any indirect costs previously reimbursed during the corresponding grant period without making an election may be credited against future payments.

e) Requirements for Local Education Agencies (LEAs)

1) Based upon the U.S. Department of Education delegation agreement number 2011-103, the Illinois State Board of Education (ISBE) has authority to develop indirect cost rates for LEAs. The indirect cost rates developed by ISBE for the LEAs shall apply for all State and federal pass-through awards issued by State agencies to the LEAs.

2) LEA indirect cost rates will be posted centrally by GOMB in the State Staff Inquiry Screen. LEAs are not required to enter information into the centralized Indirect Cost Rate System (see subsection (b)(1)).

f) Requirements for Local Governments

1) Based on how the local government registers (in accordance with Section 7000.220), the local governmental department or agency unit shall make an indirect cost rate election or negotiate a rate with the State through the Indirect Cost Rate System. If the governmental department or agency unit registers separately, for example, each governmental department or agency unit would negotiate or make a separate indirect cost rate election.

A) Local governments can negotiate one indirect cost rate that will cover all governmental departments or agency units; or

B) Local governments can negotiate an indirect cost rate per individual governmental department or agency unit.

2) If a governmental department or agency unit receives more than $35 million in direct federal funding, it must submit an indirect cost rate proposal to its federal cognizant agency. The State of Illinois cannot negotiate an indirect cost rate for local governmental departments or agency units receiving more than $35 million in direct federal funding.

A) If the governmental department or agency unit chooses not to negotiate a rate with its federal cognizant agency, no indirect costs can be reimbursed.

B) If the federal cognizant agency will only negotiate a rate for their administered programs, the local government shall request an exception from GATU.

3) If the local governmental department or agency unit receives less than $35 million in direct federal funding, it must submit an indirect cost rate proposal to the State of Illinois' centralized Indirect Cost Rate System.

A) Per UR appendix VII, these governmental departments or agency units must develop an indirect cost proposal in accordance with this subsection (f) and maintain the proposal and related supporting documentation for audit and monitoring.

B) These proposals shall be submitted to the State of Illinois for review and monitoring. The proposals are not required to be submitted to the federal cognizant agency for indirect costs.

C) The State of Illinois is required to monitor the rate. Monitoring includes reviewing the allocation methodology for reasonableness and to ensure no unallowable costs are included in the rate methodology.

4) If a local governmental department or agency unit does not receive direct federal funding, it must submit an indirect cost rate proposal through the centralized Indirect Cost Rate System.

5) All local governments that utilize a central service cost allocation plan must submit this plan in conjunction with an indirect cost rate proposal.

g) Requirements for Nonprofits

1) Nonprofits that receive direct federal funding must negotiate an indirect cost rate with their federal cognizant agency.

A) If the nonprofit chooses not to negotiate a rate with its federal cognizant agency, no indirect costs can be reimbursed.

B) If the federal cognizant agency will only negotiate a rate for its administered programs, the nonprofit shall request an exception from GATU.

2) The State of Illinois cannot negotiate an indirect cost rate for nonprofits that receive direct federal funding.

h) Retention of Indirect Cost Rate Proposals and Central Service Cost Allocation Plans

This subsection applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, central service cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

1) If Submitted for Negotiation
If the proposal, plan or other computation is required to form the basis for negotiation of the rate, the 3-year retention period for the supporting record starts from the date of that submission.

2) If Not Submitted for Negotiation
If the proposal, plan or other computation is not required for negotiation purposes, the 3-year retention period for the proposal, plan or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan or other computation.

Section 7000.430 Records Retention

a) Financial records, supporting documents, statistical records, and all other awardee records pertinent to a State award shall be retained for 3 years after the date of submission of the final expenditure report or, for awards renewed quarterly or annually, after the date of the submission of the quarterly or annual financial report to the State agency.

b) State agencies shall not impose any other record retention requirements upon awardees, with the following exceptions:

1) If any litigation, claim or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

2) When the awardee is required in writing by the State agency or the Auditor General to follow a different retention policy, that policy shall be followed.

3) Records for real property and equipment acquired with State funds must be retained for 3 years after final disposition.

4) When records are transferred to or maintained by the agency, the 3-year retention requirement is not applicable to the awardee.

5) When awardees are required to report program income after the period of performance, the retention period for the records pertaining to the program

income starts from the end of the awardee's fiscal year in which the program income is earned.

6) Refer to Section 7000.420(h) for retention requirements regarding indirect cost rate proposals and cost allocation plans.

c) Requests for Transfer of Records
The State agency shall require the awardee to transfer specified records to its custody when it determines that the records possess long-term retention value. However, in order to avoid duplicate recordkeeping, the agency may make arrangements for the awardee to retain any records that are continuously needed for joint use.

d) Methods for Collection, Transmission and Storage of Information
The State agency and the awardee shall, whenever practicable, collect, transmit and store State grant-related information in open and machine readable formats, but the agency shall always provide or accept paper versions upon request. If paper copies are submitted, the agency shall not require more than an original and 2 copies. When original records are paper, electronic versions may be made and substituted if they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

e) Access to Records

1) Awardee Records
Any entity of the State, including, but not limited to, the State agency, the Auditor General, the Attorney General, any Executive Inspector General, and the Inspector General of the State agency, as applicable, or any of their authorized representatives, shall have access to any documents, papers or other records of the awardee that are pertinent to the grant in order to make audits, examinations, excerpts and transcripts. The right also includes timely and reasonable access to the awardee's personnel for the purpose of interview and discussion related to these documents.

2) Confidentiality for Crime Victims
Pursuant to the Rights of Crime Victims and Witnesses Act and other Illinois victim protection laws, only under extraordinary and rare circumstances shall the access in subsection (e)(1) include knowledge of the true names of victims of a crime. When access to the true names of

victims of a crime is necessary, appropriate steps to protect this sensitive information shall be taken by both the awardee and the State agency. Any access to this information, other than under a court order or subpoena issued by a court of competent jurisdiction pursuant to a bona fide confidential investigation, shall be approved by the head of the State agency.

3) Expiration of Right of Access
The right of access granted by this Section lasts as long as the records are retained. State agencies shall not impose any other access requirements upon awardees.

f) Restrictions on Public Access to Records
No State agency shall place restrictions on the awardee limiting public access to the awardee's records pertinent to a State grant, except as required by law, when necessary to safeguard protected personally identifiable information or when the awardee demonstrates that these records will be kept confidential and would have been exempted from disclosure by FOIA if the records had belonged to the State agency. FOIA does not apply to records that remain under a awardee's control except as required under this Section. Unless required by federal or State statute, awardees are not required to permit public access to their records. The awardee's records provided to a State agency generally will be subject to FOIA and applicable exemptions.

Section 7000.440 Grant Closeout

a) The State agency will close out the award when it determines that all applicable administrative actions and all required work of the awardee have been completed by the awardee.

b) The awardee and the State agency shall take the following action to complete grant closeout at the end of the period of performance:

1) The awardee must submit, no later than 60 calendar days after the end date of the period of performance, all financial, performance and other reports required by the Grant Agreement. The State agency may approve extensions when requested. Extension shall only be issued under extraordinary circumstances that were not in the control of the awardee.

2) Unless the State agency authorizes an extension, an awardee must liquidate all obligations incurred under the grant not later than 60 calendar days after the end of the period of performance specified in the Grant Agreement.

3) The State agency shall make prompt payments to the awardee for allowable reimbursable costs under the grant.

4) The awardee must promptly refund any balances of unobligated cash that the agency paid in advance and that are not authorized to be retained by the awardee for use in other projects.

5) Consistent with the Grant Agreement, the State agency shall make a settlement for any upward or downward adjustments to the State and federal share of costs after closeout reports are received.

6) The awardee must account for any real and personal property acquired with State funds or received from the State.

7) The State agency shall complete all closeout actions for State grants no later than one year after receipt and acceptance of all required final reports.

Section 7000.450 Continuing Responsibilities

a) The closeout of a State grant does not affect any of the following:

1) The right of the State agency to disallow costs and recover funds based on a later audit or other review. The agency must make any cost disallowance determination and notify the awardee within the record retention period.

2) The obligation of the awardee to return any funds due as a result of later refunds, corrections or other transactions, including final indirect cost rate adjustments.

3) Consolidated year-end financial report. (See Section 7000.90(g).)

4) Audit requirements established in this Part.

5) Property management and disposition requirements in UR sections 200.310 through 316.

6) Records retention. (See Section 7000.430.)

b) After closeout of the grant, a relationship created under the Grant Agreement may be modified or ended in whole or in part with the consent of the agency and the awardee, provided the responsibilities of the awardee referred to in subsection (a) are considered and provision is made for continuing responsibilities of the awardee, as appropriate.

c) Collection of Amounts Due

1) Any funds paid to the awardee in excess of the amount to which the awardee is finally determined to be entitled under the Grant Agreement constitute a debt to the State of Illinois. If not paid within 60 calendar days after demand, the State agency may reduce the debt by:

A) Making an administrative offset against other requests for reimbursements;

B) Withholding advance payments otherwise due to the awardee;

C) Arranging a repayment plan; or

D) Other action permitted by the Illinois State Collection Act of 1986.

2) The agency shall charge interest on an overdue debt in accordance with the Illinois State Collection Act of 1986. The date from which interest is computed is not extended by litigation or the filing of appeal.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF PROPOSED AMENDMENT

1) Heading of the Part: Long Term Care Reimbursement Changes

2) Code Citation: 89 Ill. Adm. Code 153

3) Section Number: 153.125 — Proposed Action: Amendment

4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]

5) Complete Description of the Subjects and Issues Involved: This proposed amendment implements PA 100-23 by increasing the reimbursement rate under the Medical Assistance Program for facilities licensed under the ID/DD Community Care Act by an amount sufficient to provide a $0.75 per hour wage increase to non-executive staff. This proposed amendment also increases the reimbursement rate for facilities licensed under the MC/DD Act by an amount sufficient to provide a $0.75 per hour wage increase to non-executive staff.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace any emergency rule currently in effect? Yes

8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? No

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking does not affect units of local government.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Any interested parties may submit comments, data, views, or arguments concerning this proposed rulemaking. All comments must be in writing and should be addressed to:

Mollie Zito
General Counsel
Illinois Department of Healthcare and Family Services

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF PROPOSED AMENDMENT

201 South Grand Avenue E., 3rd Floor
Springfield IL 62763-0002

217/782-1233
HFS.Rules@illinois.gov

The Department requests the submission of written comments within 45 days after the publication of this Notice. The Department will consider all written comments it receives during the first notice period as required by Section 5-40 of the Illinois Administrative Procedure Act [5 ILCS 100/5-40].

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

14) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not anticipated by the Department when the most recent regulatory agendas were published.

The full text of the Proposed Amendment begins on the next page:

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF PROPOSED AMENDMENT

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
SUBCHAPTER e: GENERAL TIME-LIMITED CHANGES

PART 153
LONG TERM CARE REIMBURSEMENT CHANGES

Section
153.100 Reimbursement for Long Term Care Services
153.125 Long Term Care Facility Rate Adjustments
153.126 Long Term Care Facility Medicaid Per Diem Adjustments
153.150 Quality Assurance Review (Repealed)

AUTHORITY: Implementing and authorized by Articles III, IV, V, VI and Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V and VI and 12-13].

SOURCE: Emergency rules adopted at 18 Ill. Reg. 2159, effective January 18, 1994, for maximum of 150 days; adopted at 18 Ill. Reg. 10154, effective June 17, 1994; emergency amendment at 18 Ill. Reg. 11380, effective July 1, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 16669, effective November 1, 1994; emergency amendment at 19 Ill. Reg. 10245, effective June 30, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 16281, effective November 27, 1995; emergency amendment at 20 Ill. Reg. 9306, effective July 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 14840, effective November 1, 1996; emergency amendment at 21 Ill. Reg. 9568, effective July 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 13633, effective October 1, 1997; emergency amendment at 22 Ill. Reg. 13114, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 16285, effective August 28, 1998; amended at 22 Ill. Reg. 19872, effective October 30, 1998; emergency amendment at 23 Ill. Reg. 8229, effective July 1, 1999, for a maximum of 150 days; emergency amendment at 23 Ill. Reg. 12794, effective October 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 13638, effective November 1, 1999; emergency amendment at 24 Ill. Reg. 10421, effective July 1, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 15071, effective October 1, 2000; emergency amendment at 25 Ill. Reg. 8867, effective July 1, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 14952, effective November 1, 2001; emergency amendment at 26 Ill. Reg. 6003, effective April 11, 2002, for a maximum of 150 days; emergency amendment repealed at 26 Ill. Reg. 12791, effective August 9, 2002, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 11087, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17817, effective November 27, 2002; emergency amendment at 27 Ill. Reg. 11088, effective July 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 18880, effective November 26, 2003; emergency amendment at 28 Ill. Reg. 10218,

effective July 1, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 15584, effective November 24, 2004; emergency amendment at 29 Ill. Reg. 1026, effective January 1, 2005, for a maximum of 150 days; emergency amendment at 29 Ill. Reg. 4740, effective March 18, 2005, for a maximum of 150 days; amended at 29 Ill. Reg. 6979, effective May 1, 2005; amended at 29 Ill. Reg. 12452, effective August 1, 2005; emergency amendment at 30 Ill. Reg. 616, effective January 1, 2006, for a maximum of 150 days; emergency amendment modified pursuant to the Joint Committee on Administrative Rules Objection at 30 Ill. Reg. 7817, effective April 7, 2006, for the remainder of the maximum 150 days; amended at 30 Ill. Reg. 10417, effective May 26, 2006; emergency amendment at 30 Ill. Reg. 11853, effective July 1, 2006, for a maximum of 150 days; emergency expired November 27, 2006; amended at 30 Ill. Reg. 14315, effective August 18, 2006; emergency amendment at 30 Ill. Reg. 18779, effective November 28, 2006, for a maximum of 150 days; amended at 31 Ill. Reg. 6954, effective April 26, 2007; emergency amendment at 32 Ill. Reg. 535, effective January 1, 2008, for a maximum of 150 days; emergency amendment at 32 Ill. Reg. 4105, effective March 1, 2008, for a maximum of 150 days; amended at 32 Ill. Reg. 7761, effective May 5, 2008; amended at 32 Ill. Reg. 9972, effective June 27, 2008; amended at 33 Ill. Reg. 9347, effective July 1, 2009; emergency amendment at 34 Ill. Reg. 17462, effective November 1, 2010, for a maximum of 150 days; amended at 35 Ill. Reg. 6171, effective March 28, 2011; amended at 35 Ill. Reg. 19524, effective December 1, 2011; emergency amendment at 36 Ill. Reg. 10416, effective July 1, 2012 through June 30, 2013; amended at 36 Ill. Reg. 17405, effective December 1, 2012; amended at 37 Ill. Reg. 10529, effective June 27, 2013; emergency amendment at 38 Ill. Reg. 15732, effective July 7, 2014, for a maximum of 150 days; amended at 38 Ill. Reg. 23799, effective December 2, 2014; emergency amendment at 39 Ill. Reg. 6956, effective May 1, 2015 through June 30, 2015; emergency amendment at 41 Ill. Reg. 12632, effective September 25, 2017, for a maximum of 150 days; amended at 41 Ill. Reg. _____, effective _____.

Section 153.125 Long Term Care Facility Rate Adjustments

a) Notwithstanding the provisions set forth in Section 153.100, long term care facility (SNF/ICF and ICF/MR) rates established on July 1, 1996 shall be increased by 6.8 percent for services provided on or after January 1, 1997.

b) Notwithstanding the provisions set forth in Section 153.100, long term care facility (SNF/ICF and ICF/MR) rates and developmental training rates established on July 1, 1998, for services provided on or after that date, shall be increased by three percent. For nursing facilities (SNF/ICF) only, $1.10 shall also be added to the nursing component of the rate.

c) Notwithstanding the provisions set forth in Section 153.100, long term care

facility (SNF/ICF and ICF/MR) rates and developmental training rates established on July 1, 1999, for services provided on or after that date, shall include:

1) an increase of 1.6 percent for SNF/ICF, ICF/MR and developmental training rates;

2) an additional increase of $3.00 per resident day for ICF/MR rates; and

3) an increase of $10.02 per person, per month for developmental training rates.

d) Notwithstanding the provisions set forth in Section 153.100, SNF/ICF rates shall be increased by $4.00 per resident day for services provided on or after October 1, 1999.

e) Notwithstanding the provisions set forth in Section 153.100, SNF/ICF, ICF/MR and developmental training rates shall be increased 2.5 percent per resident day for services provided on or after July 1, 2000.

f) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates effective on July 1, 2001 shall be computed using the most recent cost reports on file with the Department no later than April 1, 2000, updated for inflation to January 1, 2001.

1) The Uniform Building Value shall be as defined in 89 Ill. Adm. Code 140.570(b)(10), except that, as of July 1, 2001, the definition of current year is the year 2000.

2) The real estate tax bill that was due to be paid in 1999 by the nursing facility shall be used in determination of the capital component of the rate. The real estate tax component shall be removed from the capital rate if the facility's status changes so as to be exempt from assessment to pay real estate taxes.

3) For rates effective July 1, 2001 only, rates shall be the greater of the rate computed for July 1, 2001 or the rate effective on June 30, 2001.

4) All accounting records and other documentation necessary to support the costs and other information reported on the cost report to be used in

accordance with rate setting under Section 153.125(f) shall be kept for a minimum of two years after the Department's final payment using rates that were based in part on that cost report.

g) Notwithstanding the provisions set forth in Section 153.100, intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled nursing facilities for persons under 22 years of age (SNF/Ped), shall receive an increase in rates for residential services equal to a statewide average of 7.85 percent. Residential rates taking effect March 1, 2001, for services provided on or after that date, shall include an increase of 11.01 percent to the residential program rate component and an increase of 3.33 percent to the residential support rate component, each of which shall be adjusted by the geographical area adjuster, as defined by the Department of Human Services (DHS).

h) For developmental training services provided on or after March 1, 2001, for residents of long term care facilities, rates shall include an increase of 9.05 percent and rates shall be adjusted by the geographical area adjuster, as defined by DHS.

i) Notwithstanding the provisions set forth in Section 153.100, daily rates for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be increased by 2.247 percent for services provided during the period beginning on April 11, 2002, and ending on June 30, 2002.

j) Notwithstanding the provisions set forth in Section 153.100, daily rates effective on July 1, 2002, for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be reduced to the level of the rates in effect on April 10, 2002.

k) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates effective on July 1, 2002 will be 5.9 percent less than the rates in effect on June 30, 2002.

l) Notwithstanding the provisions set forth in Section 153.100, daily rates effective on July 1, 2003, for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be increased by 3.59 percent.

m) Notwithstanding the provisions set forth in Section 153.100, developmental training rates effective on July 1, 2003 shall be increased by 4 percent.

n) Notwithstanding the provisions set forth in Section 153.100, pending the approvals described in this subsection (n), nursing facility (SNF/ICF) rates effective July 1, 2004 shall be 3.0 percent greater than the rates in effect on June 30, 2004. The increase is contingent on approval of both the payment methodologies required under Article 5A-12 of the Public Aid Code [305 ILCS 5/5A-12] and the waiver granted under 42 CFR 433.68.

o) Notwithstanding the provisions set forth in Section 153.100, the "Original Building Base Cost" for nursing facilities (SNF/ICF) which have been rented continuously from an unrelated party since prior to January 1, 1978, effective on July 1, 2004, shall be added to the capital rate calculation using the most recent cost reports on file with the Department no later than June 30, 2004. The "Original Building Base Cost" as defined in 89 Ill. Adm. Code 140.570 shall be calculated from the original lease information that is presently on file with the Department. This original lease information will be used to capitalize the oldest available lease payment from the unrelated party lease that has been in effect since prior to January 1, 1978, and continued to be in effect on December 31, 1999. Before the lease payment is capitalized, a 15 percent portion will be removed from the oldest available lease payment for movable equipment costs. After the lease payment is capitalized, a portion of the capitalized amount will be removed for land cost. The land cost portion is 4.88 percent. The remaining amount will be the facility's building cost. The construction/acquisition year for the building will be the date the pre-1978 lease began. The allowable cost of subsequent improvements to the building will be included in the original building base cost. The original building base cost will not change due to sales or leases of the facility after January 1, 1978.

p) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates effective on January 1, 2005 will be 3.0 percent more than the rates in effect on December 31, 2004.

q) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates shall be increased by the difference between a facility's per diem property, liability and malpractice insurance costs as reported in the cost report that was filed with the Department and used to establish rates effective July 1,

2001, and those same costs as reported in the facility's 2002 cost report. These costs shall be passed through to the facility without caps or limitations.

r) Notwithstanding the provisions set forth in Section 153.100, daily rates effective on January 1, 2006 for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be increased by 3 percent.

s) Notwithstanding the provisions set forth in Section 153.100, developmental training rates for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), effective on January 1, 2006 shall be increased by 3 percent.

t) Notwithstanding the provisions set forth in Section 153.100, for facilities that are federally defined as Institutions for Mental Disease (see Section 145.30), a socio-development component rate equal to 6.6% of the nursing component rate as of January 1, 2006 shall be established and paid effective July 1, 2006. This rate shall become a part of the facility's nursing component of the Medicaid rate. While this rate may be adjusted by the Department, the rate shall not be reduced.

u) Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the support component of the rates taking effect on January 1, 2008 shall be computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006.

1) Support rates taking effect on January 1, 2008 shall be adjusted based on audits of cost report data in accordance with 89 Ill. Adm. Code 140.582(b) and 140.590. The audited cost report data will be used to retroactively update the resulting support rate effective January 1, 2008, after the 45-day appeal period from Section 140.582(b) has passed.

2) All accounting records and other documentation necessary to support the costs and other information reported on the cost report to be used in accordance with rate setting under this subsection (u) shall be kept for a minimum of two years after the Department's final payment using rates that were based in part on that cost report.

v) Notwithstanding the provisions set forth in Section 153.100, pursuant to Public Act 95-0744, for services beginning August 1, 2008, the socio-development component for facilities that are federally defined as Institutions for Mental Disease (see 89 Ill. Adm. Code 145.30) shall equal 6.6% of the facility's nursing component rate as of January 1, 2006, multiplied by a factor of 3.53.

w) Notwithstanding the provisions set forth in Section 153.100, pursuant to Public Act 95-0744, for services beginning January 1, 2009, the support component for skilled and intermediate care facilities that was effective on January 1, 2008, computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006, shall be increased to the amount that would have been derived using standard Department of Healthcare and Family Services methods, procedures and inflators described in Sections 140.533, 140.551, 140.553 and 140.561.

x) Notwithstanding the provisions set forth in Section 153.100, effective November 1, 2010, the program and support components of the per diem rate for ICF/MR qualifying under 89 Ill. Adm. Code 144.102 shall be adjusted in accordance with that Section.

y) Notwithstanding the provisions set forth in Section 153.100, pursuant to Public Act 96-1530, for services beginning May 1, 2011, the socio-development component for facilities that are federally defined as Institutions for Mental Disease (IMD) (see 89 Ill. Adm. Code 145.30) and that are Medicaid certified will have the nursing component of their rate fully funded using the MDS methodology and will also receive an increase to their socio-development component rate. The socio-development component rate increase will be equal to two-thirds of the difference between the highest nursing rate among the Medicaid certified IMD facilities and the individual IMD's nursing rate. This rate change is subject to approval by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services.

z) Notwithstanding the provisions set forth in Section 153.100, effective for services beginning May 1, 2011, facilities that are federally defined as Institutions for Mental Disease (see 89 Ill. Adm. Code 145.30) and determined to be Subpart T facilities (see 89 Ill. Adm. Code 145.10) will receive an increase to their socio-development component rate of $.50 per day, per resident.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF PROPOSED AMENDMENT

aa) Notwithstanding the provisions set forth in Section 153.100, effective for services beginning August 1, 2017, facilities licensed by the Department of Public Health under the ID/DD Community Care Act [210 ILCS 47] as an ID/DD facility and medically complex for the developmentally disabled facilities licensed under the MC/DD Act [210 ILCS 46] as an MC/DD facility will receive an increase to their reimbursement rates sufficient to provide a $0.75 per hour wage increase for non-executive staff.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Consumer Installment Loan Act

2) Code Citation: 38 Ill. Adm. Code 110

3)

Section Numbers:	Adopted Actions:
110.10	Amendment
110.60	Amendment
110.236	Amendment

4) Statutory Authority: Implementing and authorized by Section 22 of the Consumer Installment Act [205 ILCS 670/22]

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Financial Institutions and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 6780; June 16, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace any emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, DFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plain language where appropriate; provide continuity across the

balance of our Title 38 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 110
CONSUMER INSTALLMENT LOAN ACT

SUBPART A: GENERAL PROVISIONS

Section
110.1 Definitions
110.10 Minimum Requirements for Office Records
110.15 Application for License; Controlling Person
110.20 Loan Register
110.30 Individual Account Records
110.40 File of Original Papers
110.50 Cash Book
110.60 Alphabetical Record of Co-Makers, Obligors or Guarantors
110.65 Permanent File
110.70 Payments
110.80 Simple Interest Loans
110.90 Cancellation and Return of Documents
110.100 Finance Charges − Rebates and Delinquency Charges
110.110 Hypothecation at the Time of the Sale of Obligor's Notes
110.120 Legal Forms
110.130 Judgments
110.140 Sale of Security
110.150 Trouble File
110.160 Lien Charges
110.170 Insurance
110.180 Office and Office Hours
110.190 Advertising
110.200 Other Business
110.210 Examination Remittances
110.215 Document Preparation Fee
110.216 Small Consumer Loans; Charges Permitted
110.220 Credit Practices
110.225 Verification of Amount Owing
110.230 General
110.235 Relocation

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

110.236 Name Change
110.240 Hearing Procedures
110.250 Limited Purpose Branch
110.260 Off-Site Records
110.265 Servicing of Accounts by Contract
110.270 Revocation or Suspension of License
110.280 Gross Monthly Income Verification Documentation
110.290 Consumer Reporting Service

SUBPART B: TITLE-SECURED LENDING

Section
110.300 Definitions
110.310 Applicability of Rule
110.320 Application for License
110.330 Renewal of License
110.340 Simple Interest and Replacement
110.350 Release of Lien
110.360 Availability of Debt Management Services
110.370 Lending Limits and Refinancing
110.380 Second Notice
110.390 Possession of Vehicle
110.400 Loan Proceeds
110.410 Security Interest
110.420 Approved Database
110.430 Gross Monthly Income Verification

SUBPART C: MORTGAGE LENDING

Section
110.500 Definitions (Repealed)
110.505 Applicability of Rule (Repealed)
110.510 Good Faith Requirements (Repealed)
110.515 Fraudulent or Deceptive Practices (Repealed)
110.520 Prohibited Refinances (Repealed)
110.525 Negative Amortization (Repealed)
110.530 Negative Equity (Repealed)
110.535 Balloon Payments (Repealed)
110.540 Financing of Certain Points and Fees (Repealed)
110.545 Financing of Single Premium Insurance Products (Repealed)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

110.550	Lending Without Due Regard to Ability to Repay (Repealed)
110.555	Verification of Ability to Repay (Repealed)
110.560	Payments to Contractors (Repealed)
110.565	Counseling Prior to Perfecting Foreclosure (Repealed)
110.570	Mortgage Awareness Program (Repealed)
110.575	Offer of Mortgage Awareness Program (Repealed)
110.580	Third Party Review (Repealed)

110.APPENDIX A	Estimated Monthly Income and Expenses Worksheet (Repealed)
110.APPENDIX B	Mortgage Ratio Worksheet (Repealed)
110.TABLE A	Illinois Rule of 78 Fractions for Rebating Charges According to Number of Months Originally Contracted For and Number of Months Prepaid in Full for Contracts of 2 to 120 Months (Repealed)
110.TABLE B	Rule of 78 Percentage Rebate Table (Repealed)

AUTHORITY: Implementing and authorized by Section 22 of the Consumer Installment Loan Act [205 ILCS 670/22].

SOURCE: Filed and effective June 19, 1970; amended at 3 Ill. Reg. 24, p. 16, effective June 15, 1979; emergency amendment at 4 Ill. Reg. 5, p. 372, effective January 16, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 36, p. 138, effective September 22, 1980; amended at 5 Ill. Reg. 1352, effective February 3, 1981; codified at 7 Ill. Reg. 11721; amended at 9 Ill. Reg. 1343, effective January 17, 1985; amended at 11 Ill. Reg. 2749, effective January 28, 1987; emergency amendment at 11 Ill. Reg. 14141, effective August 7, 1987, for a maximum of 150 days; amended at 12 Ill. Reg. 10456, effective June 7, 1988; amended at 19 Ill. Reg. 44, effective December 22, 1994; amended at 20 Ill. Reg. 5799, effective April 8, 1996; emergency amendment at 22 Ill. Reg. 1485, effective January 2, 1998, for a maximum of 150 days; emergency expired May 31, 1998; amended at 22 Ill. Reg. 13657, effective July 14, 1998; amended at 25 Ill. Reg. 6227, effective May 17, 2001; amended at 25 Ill. Reg. 7456, effective August 1, 2001; expedited correction at 29 Ill. Reg. 5776, effective August 1, 2001; amended at 26 Ill. Reg. 14232, effective October 1, 2002; amended at 30 Ill. Reg. 12558, effective July 7, 2006; amended at 33 Ill. Reg. 4142, effective April 1, 2009; amended at 35 Ill. Reg. 7319, effective April 21, 2011; amended at 41 Ill. Reg. 12380, effective October 6, 2017.

SUBPART A: GENERAL PROVISIONS

Section 110.10 Minimum Requirements for Office Records

a) Every licensee shall keep the following records at the licensed location in any

medium or format that accurately reproduces original documents or papers:

1) Loan register.

2) Individual account records, including transaction histories of obligors.

3) File of all original papers.

4) Cash book.

5) Alphabetical record of all co-makers, obligors or sureties.

6) Permanent file.

b) Records for loans made under the Act shall be kept separate or readily identifiable from other types of business conducted in the office.

c) Electronic data processing, combination forms and special office systems may be used if in accordance with standard accounting procedures and if they contain the information enumerated in subsection (a).

(Source: Amended at 41 Ill. Reg. 12380, effective October 6, 2017)

Section 110.60 Alphabetical Record of Co-Makers, Obligors or Guarantors

The alphabetical record shall show the account number and the name of each co-maker, obligor, or guarantor who is currently indebted to the licensee, together with sufficient information to locate the account record. A licensee may maintain these files in any medium or format that accurately reproduces original documents or papers.

(Source: Amended at 41 Ill. Reg. 12380, effective October 6, 2017)

Section 110.236 Name Change

Whenever the licensee desires to amend the name of the licensed business, the licensee shall submit to the Division, within 15 days after amending the name, the following:

~~a) $300 amended name change fee.~~

a~~b~~) Amended Articles of Incorporation, if the licensee is a corporation.

b~~c~~) Amended organization papers, if the licensee is an entity other than a corporation.

(Source: Amended at 41 Ill. Reg. 12380, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Currency Exchange Act

2) Code Citation: 38 Ill. Adm. Code 120

3)

Section Numbers:	Adopted Actions:
120.10	Amendment
120.20	Amendment
120.30	Amendment

4) Statutory Authority: Implementing and authorized by Section 19 of the Currency Exchange Act [205 ILCS 405].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Financial Institutions and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 6787; June 16, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace any emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plain language where appropriate; provide continuity across the

balance of our Title 38 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 120
CURRENCY EXCHANGE ACT

Section
120.5 Definitions
120.10 Minimum Requirements for Office Records − Community Currency Exchanges
120.20 Minimum Requirements for Office Records − Ambulatory Currency Exchanges
120.30 Cash Sheet
120.40 Check Register
120.50 Money Order Register
120.60 Money Orders
120.70 Checks Written by Exchange
120.80 "NSF" Checks and Items for Collection
120.90 Returned Items Record
120.100 Postdated Checks (Repealed)
120.110 Timely Deposits
120.120 Food Stamps Account (Repealed)
120.125 Supplemental Nutrition Assistance Program
120.130 Reconciling Accounts
120.140 Reference Material
120.150 Annual Report Information
120.160 Retention of Records
120.170 Physical Condition of Exchange Premises (Repealed)
120.180 Display of Fee Schedules
120.190 Continuity of Operations
120.200 Out-of-Town Trips
120.210 Bribery and Gratuities
120.220 Conviction of Crime
120.230 Ambulatory License Application
120.240 Ambulatory Office Records
120.250 Sale of Capital Stock
120.260 Corporate Officers and Directors
120.270 Fines, Suspension, or Revocation of License
120.280 Cease and Desist
120.290 Hearing Procedures

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

AUTHORITY: Implementing and authorized by Section 19 of the Currency Exchange Act [205 ILCS 405].

SOURCE: Filed August 15, 1973; amended at 2 Ill. Reg. 5, p. 1, effective February 9, 1978; old rules repealed, new rules adopted at 3 Ill. Reg. 26, p. 167, effective June 30, 1979; emergency amendment at 5 Ill. Reg. 264, effective December 19, 1980, for a maximum of 150 days; codified at 7 Ill. Reg. 11724; amended at 9 Ill. Reg. 1358, effective January 17, 1985; amended at 36 Ill. Reg. 13851, effective September 7, 2012; amended at 40 Ill. Reg. 9167, effective August 1, 2016; amended at 41 Ill. Reg. 12387, effective October 6, 2017.

Section 120.10 Minimum Requirements for Office Records − Community Currency Exchanges

Every licensed location must maintain the following records in any medium or format that accurately reproduces original documents or papers:

a) Daily cash sheets (see Section 120.30) must be maintained on premises for 90 days after the date of the daily cash sheet.

b) Bank statements.

c) Money order register (see Section 120.50) or carbonized copy of money order stating original issue amount.

d) General ledger and supporting journals.

e) Copy of the latest Annual Report filed with the Department.

f) Transmittal record for utility bills, vehicle licenses, certificates of title, vehicle stickers, stored value cards, and any other type of transmittal made for the benefit of a third party.

g) Record of daily transactions.

h) Check register (see Section 120.40).

i) Corporate records.

j) Copies of all contracts and business agreements entered into by the currency

exchange.

(Source: Amended at 41 Ill. Reg. 12387, effective October 6, 2017)

Section 120.20 Minimum Requirements for Office Records − Ambulatory Currency Exchanges

Every licensed location must maintain the following records in any medium or format that accurately reproduces original documents or papers:

a) Bank statements and itemized deposit slips.

b) Money order register or carbonized copy of money order.

c) General ledger and support journals.

d) Copy of the latest Annual Report filed with the Department.

e) All corporate records.

(Source: Amended at 41 Ill. Reg. 12387, effective October 6, 2017)

Section 120.30 Cash Sheet

a) A cash sheet must be prepared daily for each day's business reflecting all transactions for that day. A fiscal day may be used. All items on the cash sheet must be balanced at the end of the day or prior to the opening of the next days business. The cash sheet may be maintained by the licensee in any medium or format that accurately reproduces original documents or papers.

b) The closing cash count must include all cash and cash items. Cash items include postage stamps, tokens and stamped envelopes sold in the currency exchange.

c) The beginning and ending number of money orders issued each day must be recorded on the cash sheet.

d) Returned checks must not be counted as part of the cash on hand.

e) Payment for utility bills and all other company bills must be remitted to the

respective utility or other company by the currency exchange before the end of the next business day.

(Source: Amended at 41 Ill. Reg. 12387, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Financial Institutions Code

2) Code Citation: 38 Ill. Adm. Code 200

3)

Section Numbers:	Adopted Actions:
200.412	Amendment
200.430	Amendment

4) Statutory Authority: Implementing and authorized by the Financial Institutions Code [20 ILCS 1205/1].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Financial Institutions and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 41 Ill. Reg. 6793; June 16, 2017

10) Has JCAR issued a Statement of Objection to this Rulemaking? No

11) Differences between Proposal and Final Version: In Section 200.412(b), in the second sentence "or in compliance with Supreme Court Rule 707" was added following "Illinois".

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards

are up to date; use plain language where appropriate; provide continuity across the balance of our Title 38 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
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The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION~~INSTITUTIONS~~

PART 200
FINANCIAL INSTITUTIONS CODE

SUBPART A: DEFINITIONS

Section
200.100 Definition of Terms Used in this Part

SUBPART B: RULES OF GENERAL APPLICATION

Section
200.200 Applicability
200.202 Notice of Summary Action
200.205 Notification of Noncompliance or Material Change
200.210 Display of Certificates or Registrations
200.215 Prohibition on Filing Application
200.220 Computation of Time
200.221 Requirements as to Proper Form
200.225 Place of Filing
200.230 Additional Information
200.235 Additional Exhibits
200.240 Information Unknown or Not Reasonably Available
200.245 Requirements as to Paper, Printing and Language
200.250 Number of Copies – Signatures
200.270 Extension of Date for Filing
200.280 Non-Public Distribution of Information
200.290 Provisions for Granting of Variance from Rules

SUBPART C: NON-BINDING STATEMENTS AND DECLARATORY RULINGS

Section
200.310 Request for Non-Binding Statements
200.320 Request for Declaratory Rulings

SUBPART D: PROCEDURES FOR ADMINISTRATIVE HEARINGS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Section
200.400 Preamble
200.402 Qualifications and Duties of the Administrative Law Judge
200.404 Notice of Hearing
200.406 Institution of a Contested Case by the Department
200.408 Requirement to File an Answer
200.410 Amendment or Withdrawal of the Notice of Hearing
200.412 Representation
200.414 Special Appearance
200.416 Substitution of Parties
200.418 Failure to Appear
200.420 Motions
200.422 Requirements Relating to Continuances
200.424 Rules of Evidence
200.425 Standard of Proof
200.426 Form of Papers
200.428 Bill of Particulars
200.430 Discovery
200.432 Examination of Witnesses
200.434 Subpoenas
200.436 Pre-Hearing Conferences
200.438 Record of a Pre-Hearing Conference
200.440 Hearings
200.442 Record of Proceedings
200.444 Record of Hearing
200.446 Orders
200.448 Stipulations
200.450 Open Hearings
200.452 Corrections to the Transcript

AUTHORITY: Implementing and authorized by the Financial Institutions Code [20 ILCS 1205].

SOURCE: Adopted at 16 Ill. Reg. 12879, effective August 7, 1992; amended at 41 Ill. Reg. 12393, effective October 6, 2017.

SUBPART D: PROCEDURES FOR ADMINISTRATIVE HEARINGS

Section 200.412 Representation

a) Any individual may appear personally on his or her own behalf.

b) A party may be represented by an attorney. The attorney shall be licensed in Illinois or in compliance with Supreme Court Rule 707. Attorneys who appear in a representative capacity must file a written notice of appearance setting forth:

1) the name, business address and telephone number of the attorney;

2) the name and address of the party represented; and

3) an affirmative statement indicating that the attorney is licensed in Illinois.

c) A corporation may be represented by an officer, upon presentation to the Department of a duly executed resolution of the Board of Directors, authorizing the officer to act in a representative capacity and setting forth the powers that~~which~~ the officer is authorized to exercise.

d) A partnership may be represented by any general partner.

e) Attorneys appearing before the Department shall conform their conduct to the Illinois Code of Professional Responsibility, effective January 1, 2010~~August 1, 1990~~. Any failure to behave in a manner that~~which~~ permits the efficient functioning of the hearing process shall authorize the Administrative Law Judge to take the following actions:

1) substitution of written argument in place of oral argument; or

2) exclusion of an attorney from the proceeding for conduct that impedes an orderly determination of the rights of the parties.

f) If any of the above actions are taken by the Administrative Law Judge, it shall be done as a matter of record, and the Administrative Law Judge shall state for the record the specific reasons for the action~~therefor~~.

(Source: Amended at 41 Ill. Reg. 12393, effective October 6, 2017)

Section 200.430 Discovery

a) Discovery shall not be the subject of motions presented to the Administrative Law Judge, except as provided in Section 200.420~~ of this Part~~.

b) Upon written request served on the opposing party, any party shall be entitled to:

1) the name, business and home addresses and telephone number, if available, of each witness who may be called to testify;

2) copies of each document that~~which~~ may be offered as evidence; and

3) a description of any other evidence that~~which~~ may be offered.

c) The~~ above~~ information in subsection (b) will be provided within ~~ten (~~10~~)~~ days after service of a written request.

d) Whether or not a request is made, during discovery a respondent shall be entitled to:

1) any exculpatory evidence in the Department's possession. Exculpatory evidence is any evidence that~~which~~ tends to support the respondent's position or to call into question the credibility of a Department witness; and

2) copies of any investigative report that~~which~~ purports to be a memorandum of interview of the respondent.

e) Upon a written request served on the respondent at any time after a Notice of Hearing is filed, or at any stage of the hearing, the respondent will be required to produce within 30~~ten (10)~~ days after service of a written request nonprivileged documents, books, records or other evidence that relates~~which relate~~ to the issues set forth in the Notice of Hearing.

f) No file of a Department examiner, investigator or attorney shall be subject to discovery except as stated in subsection (d)~~ above~~ relating to exculpatory evidence and memoranda of interviews of a respondent.

g) In accordance with Section 200.436~~ of this Part~~, in large or complex cases, at the discretion of the Administrative Law Judge, a pre-hearing conference with the parties and the Administrative Law Judge may be scheduled in appropriate cases.

Consistent with the expedited nature of administrative hearings, the Administrative Law Judge may, at the pre-hearing conference, establish the extent of, and schedule for, the production of relevant documents and other information, including the deposition of witnesses.

h) Subject to constitutional privileges and to grants of confidentiality under the Act and the Illinois Freedom of Information Act [5 ILCS 140]~~(Ill. Rev. Stat. 1991, ch. 116, par. 201 et seq.),~~ a party may serve on any other party a written request for the admission by the latter of the truth of any specified relevant fact set forth in the request or for the admission of genuineness of any relevant documents described in the request. Copies of the documents shall be served with the request unless copies have already been furnished. The failure of a party to respond to a request within ~~ten (~~10~~)~~ days after service shall be deemed to be an admission of the truth of the fact or the genuiness of the documents~~thereof~~.

i) These provisions shall be construed to impose a continuing obligation upon the parties to exchange new information as it becomes available.

j) The Administrative Law Judge, upon application of any party to a proceeding in which there has been a failure to abide by the discovery provisions of this Section~~herein~~, is authorized to take the following actions:

1) limitation of evidence;

2) substitution of written argument in place of oral argument; and

3) exclusion of an attorney from the proceeding for conduct that impeded an orderly determination of the rights of the parties.

(Source: Amended at 41 Ill. Reg. 12393, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Payday Loan Reform Act

2) Code Citation: 38 Ill. Adm. Code 210

3)

Section Numbers:	Adopted Actions:
210.10	Amendment
210.60	Amendment

4) Statutory Authority: Implementing and authorized by the Payday Loan Reform Act [815 ILCS 122]

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Financial Institutions and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 6800; June 16, 2017

10) Has JCAR issued a Statement of Objection to this Rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace any emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plain language where appropriate; provide continuity across the

balance of our Title 38 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
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217/785-0813
fax: 217/557-4451

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DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 210
PAYDAY LOAN REFORM ACT

Section
210.1 Definitions
210.10 Minimum Requirements for Office Records
210.15 Application for Payday Lender License; Controlling Person
210.16 Dual Licensure Limitation
210.20 Loan Register
210.30 Individual Account Records
210.40 File of Original Papers
210.50 Cash Book
210.60 Alphabetical Record of Co-Makers, Consumers or Guarantors
210.65 Permanent File
210.70 Payments and Refunds
210.72 Loan Terms
210.75 Installment Payday Loans
210.80 Cancellation and Return of Documents
210.90 Hypothecation at the Time of the Sale of Consumer's Loan Agreement
210.100 Legal Forms
210.110 Judgments
210.120 Trouble File
210.130 Office and Office Hours
210.140 Advertising
210.150 Other Business
210.160 Examination Remittances
210.170 General
210.180 Relocation
210.190 Name Change
210.200 Hearing Procedures
210.210 Off-Site Records
210.220 Servicing of Accounts by Contract
210.230 Revocation or Suspension of License
210.240 Consumer Written Verification of Compliance with Act
210.250 Gross Monthly Income Verification
210.260 Certified Database/Commercially Reasonable Method of Verification

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

210.270 Violation of Federal Law − Section 670 of the John Warner National Defense Authorization Act

AUTHORITY: Implementing and authorized by the Payday Loan Reform Act [815 ILCS 122].

SOURCE: Adopted at 29 Ill. Reg. 21008, effective December 16, 2005; amended at 35 Ill. Reg. 7343, effective April 21, 2011; amended at 37 Ill. Reg. 216, effective February 19, 2013; amended at 41 Ill. Reg. 12400, effective October 6, 2017.

Section 210.10 Minimum Requirements for Office Records

a) Every licensee shall keep the following records at the licensed location in any medium or format that accurately reproduces original documents or papers:

1) Loan register.

2) Individual account records, including transaction histories of consumers.

3) File of all original papers.

4) Cash book.

5) Alphabetical record of all co-makers, consumers or sureties.

6) Permanent file.

7) Information required by Section 2-55 of the Act.

b) Records for loans made under the Act shall be kept separate or readily identifiable from other types of business conducted in the office, if allowed.

c) Electronic data processing, combination forms and special office systems may be used if in accordance with standard accounting procedures and if they contain the information enumerated in subsection (a).

(Source: Amended at 41 Ill. Reg. 12400, effective October 6, 2017)

Section 210.60 Alphabetical Record of Co-Makers, Consumers or Guarantors

The alphabetical record shall show the account number and the name of each co-maker, consumer or guarantor who is currently indebted to the licensee, together with sufficient information to locate the account record. A licensee may maintain these files in any medium or format that accurately reproduces original documents or papers.

(Source: Amended at 41 Ill. Reg. 12400, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Residential Mortgage License Act of 1987

2) Code Citation: 38 Ill. Adm. Code 1050

3)

Section Numbers:	Adopted Actions:
1050.320	Repealed
1050.490	Amendment
1050.710	Repealed
1050.720	Repealed
1050.730	Repealed
1050.740	Repealed
1050.750	Repealed
1050.810	Amendment
1050.820	Amendment
1050.860	Amendment
1050.1010	Amendment
1050.1110	Amendment
1050.1176	Amendment
1050.1230	Repealed
1050.1305	Repealed
1050.1320	Amendment
1050.1350	Amendment
1050.2100	Repealed
1050.2110	Repealed
1050.2112	Repealed
1050.2115	Repealed
1050.2120	Repealed
1050.2125	Repealed
1050.2130	Repealed
1050.2135	Repealed
1050.2140	Repealed
1050.2145	Repealed
1050.2150	Repealed
1050.2155	Repealed
1050.2160	Repealed
1050.2165	Repealed
1050.2170	Repealed
1050.2175	Repealed
1050.2180	Repealed

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1050.2185	Repealed
1050.2190	Repealed
1050.2195	Repealed
1050.2200	Repealed
1050.2210	Repealed
1050.2220	Repealed
1050.2230	Repealed
1050.2240	Repealed
1050.2250	Repealed
1050.2260	Repealed
1050.2270	Repealed
1050.APPENDIX A	Repealed
1050.APPENDIX B	Repealed

4) Statutory Authority: Implementing and authorized by the Residential Mortgage License Act of 1987 [205 ILCS 635/4-1(g)].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rulemaking, including any material incorporated by reference, is on file in the principal office of the Division of Banking and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 5061; May 19, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: A number of technical corrections were made by agreement with JCAR. In addition, an amendment to Section 1050.1350 was added, in response to a JCAR inquiry following 1st Notice publication. JCAR noted that our rationale for repealing Sections 1050.1230 and 1050.1305 and revision of Section 1050.1320 was to reflect "new CFPB-required" consumer notification procedures/measures, but questioned where those new standards were cited. To address JCAR's question, we provided specific reference to the federal rules that require new

CFPB-consumer notification disclosures by adding Section 1050.1350 and amending the language therein.

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: These amendments will:

Repeal Section 1050.320 (Application for Renewal of an Illinois Residential Mortgage License) to remove a conflict with the 30-day timely renewal application deadline in Section 2-6 of the Act.

Amend Section 1050.490 (Bonding Requirements) to remove the submission by licensees of paper surety bonds and facilitate use of the new electronic surety bond feature that Illinois has adopted through the NMLS.

Repeal Sections 1050.710-1050.750 (Foreclosure Rate) as Public Act 99-0015 amended the regulations' underlying Act Section 4-8 to now instead address Loan Delinquency data and its implementation.

Amend Sections 1050.810-1050.820 & 1050.860 (Transfer of Servicing & Payoff Notices) to repeal consumer notice provisions preempted by the federal Consumer Financial Protection Bureau (CFPB) in its amendments to federal Regulation Z, effective 1/1/2014, and also changes a deadline for payoff statements to conform to this CFPB rulemaking.

Amend Section 1050.1010 (Loan Brokerage Agreement) including to update and add references to the CFPB's adopted TILA-RESPA Integrated Disclosure (TRID) Loan Estimate form replacing the Good Faith Estimate form in most residential mortgage transactions.

Amend Section 1050.1110 (Borrower Information Document) to update and add references to the CFPB's adopted TRID Loan Estimate form replacing the Good Faith Estimate form in most residential mortgage transactions. Also updates and

adds reference to the CFPB's "Your Home Loan Toolkit" that has replaced the settlement cost booklet.

Amend Section 1050.1176 (Record Retention) to permit servicers to eliminate the paper record-keeping requirement and retain their records in electronic or digital format as is currently permitted for all other licensees.

Repeal Section 1050.1230 (Changes Affecting Loans in Process) to reflect new CFPB-required notifications to consumers of loan term changes in TRID process.

Repeal Section 1050.1305 (Approval Notice) to reflect new CFPB-required notifications to consumers of loan term changes in TRID process.

Amend Section 1050.1320 (Charges to Seller) to update and add a reference to the CFPB's adopted TRID Loan Estimate form replacing the Good Faith Estimate form in most residential mortgage transactions.

Repeal Subparts R (Registration of Loan Originators) & S (Provisional Registration of Loan Originators) to reflect that both Subparts have been superseded by Section 7-1A, et seq. of Article VII (Mortgage Loan Originator License Required) of the Act.

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 1050
RESIDENTIAL MORTGAGE LICENSE ACT OF 1987

SUBPART A: DEFINITIONS

Section
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1050.110 Definitions
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AUTHORITY: Implementing and authorized by the Residential Mortgage License Act of 1987 [205 ILCS 635/4-1(g)].

SOURCE: Filed January 18, 1974; amended at 2 Ill. Reg. 2, p. 1, effective January 16, 1978; codified at 8 Ill. Reg. 4524; amended at 9 Ill. Reg. 17393, effective October 24, 1985; Part repealed by emergency rule at 12 Ill. Reg. 3041, and new Part adopted by emergency rule at 12 Ill. Reg. 3079, effective January 13, 1988, for a maximum of 150 days; Part repealed at 12 Ill. Reg. 8683, and new Part adopted at 12 Ill. Reg. 8685, effective May 10, 1988; emergency amendment at 12 Ill. Reg. 9721, effective May 18, 1988, for a maximum of 150 days; amended at 13 Ill. Reg. 17056, effective October 20, 1989; amended at 15 Ill. Reg. 8580, effective May 28, 1991; emergency amendment at 16 Ill. Reg. 2915, effective February 10, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 10463, effective June 23, 1992; emergency amendment at 16 Ill. Reg. 12634, effective August 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 20179, effective December 9, 1992; amended at 17 Ill. Reg. 3513, effective March 2, 1993; transferred from Chapter III, 38 Ill. Adm. Code 450 (Commissioner of Savings and Loan Associations) to Chapter VIII, 38 Ill. Adm. Code 1050 (Commissioner of Savings and Residential Finance) pursuant to Savings Bank Act [205 ILCS 205] at 17 Ill. Reg. 4475; emergency amendment at 19 Ill. Reg. 11080, effective July 13, 1995, for a maximum of 150 days; emergency expired December 11, 1995; amended at 19 Ill. Reg. 15465, effective October 31, 1995; amended at 20 Ill. Reg. 388, effective January 1, 1996; recodified from Chapter VIII, Commissioner of Savings and Residential Finance, to Chapter II, Office of Banks and Real Estate, pursuant to PA 89-508, at 20 Ill. Reg. 12645; amended at 21 Ill. Reg. 10972, effective August 1, 1997; amended at 22 Ill. Reg. 230, effective December 19, 1997; amended at 24 Ill. Reg. 64, effective January 1, 2000; emergency amendment at 24 Ill. Reg. 19322, effective December 15, 2000, for a maximum of 150 days; emergency repealed at 25 Ill. Reg. 3696, effective January 30, 2001 in response to an objection of the Joint Committee on Administrative Rules at 25 Ill. Reg. 1857; amended at 25 Ill. Reg. 6174, effective May 17, 2001; emergency amendment at 27 Ill. Reg. 10783, effective July 1, 2003, for a maximum of 150 days; emergency expired November 27, 2003; amended at 28 Ill. Reg. 797, effective December 29, 2003;

emergency amendment at 28 Ill. Reg. 7137, effective April 30, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 10352, effective June 29, 2004; amended at 28 Ill. Reg. 13351, effective September 21, 2004; amended at 29 Ill. Reg. 14808, effective September 26, 2005; amended at 29 Ill. Reg. 19187, effective November 10, 2005; amended at 34 Ill. Reg. 17339, effective October 29, 2010; amended at 36 Ill. Reg. 250, effective January 1, 2012; amended at 38 Ill. Reg. 2019, effective December 27, 2013; amended at 41 Ill. Reg. 12405, effective October 6, 2017.

SUBPART C: LICENSING

Section 1050.320 Application for Renewal of an Illinois Residential Mortgage License (Repealed)

~~Each applicant for a renewal of an Illinois Residential Mortgage License shall file a renewal application on a form prescribed by the Director. The completed renewal application shall be received by the Director no later than 60 days prior to the licensee's annual renewal date and shall be accompanied by an investigation fee, as set forth in Section 1050.210 of this Part. Upon completion of the investigation that the findings set forth in Section 2-2 of the Act have been met, the Director shall issue a renewal license.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART D: OPERATIONS AND SUPERVISION

Section 1050.490 Bonding Requirements

a) In lieu of a paper surety bond, each~~Each~~ licensee shall file and maintain an electronic surety~~a~~ bond in the Nationwide Multistate Licensing System and Registry in conformance with Section 3-1 of the Act. The amount of the bond shall be ~~in the amount of~~ not less than $25,000 and in an amount~~$20,000, except that minimum bond amounts shall be determined annually by the Director,~~ according to the scale in subsection (b)~~, upon implementation of the Nationwide Mortgage Licensing System. For the purposes of this Section, the form of the indemnity bond shall be defined as a licensure, surety or any other form of bond that is individually submitted to the Director for consideration as an approved bond~~.

b) Each Mortgage Loan Originator must be covered by the electronic~~a~~ surety bond filed and maintained by his or her employing licensee pursuant to subsection (a).

Registered exempt companies shall file and maintain electronic surety bonds in the same manner as subsection (a) for the purpose of covering their Mortgage Loan Originator employees~~through employment with a licensed mortgage broker or mortgage banker or registered exempt company~~. Licensed mortgage brokers and mortgage bankers and exempt company registrants must file and maintain an electronic~~a~~ surety bond that provides coverage for each sponsored Mortgage Loan Originator in an amount that reflects the dollar amount of Illinois mortgage loans applied for or originated by its Mortgage Loan Originators during the preceding calendar year. The surety bond amount will be set for each licensed mortgage broker and mortgage banker and registered exempt company ~~and adjusted as necessary annually by the Director~~ in accordance with the following scale, based upon Illinois residential mortgage loans brokered, funded, originated, serviced or purchased, as the case may be, during the preceding calendar year:

Loans	**Bond Amount**
$0 - $5,000,000	$25,000
$5,000,001 - $20,000,000	$50,000
$20,000,001 - $50,000,000	$75,000
$50,000,001 - $100,000,000	$100,000
Over $100,000,000	$150,000

The Director may require licensed mortgage brokers and mortgage bankers and registered exempt companies to file reports of Illinois mortgage loan volumes with the Director or Nationwide Multistate~~Mortgage~~ Licensing System and Registry for purposes of determining that the bond is in an amount that complies with the scale in this subsection (b)~~the annual minimum bond amount~~. Based upon these reports, the Director may cause licensed mortgage brokers and mortgage bankers and registered exempt companies to adjust the amount of the bonds to an amount that complies with the scale in subsection (b).

c) Each electronic surety bond required pursuant to Section 3-1 of the Act and this Section shall be for a perpetual term.~~:~~

~~1) concurrent with the term of the license or registration, commencing with licenses or registrations issued by the Department with an expiration date of December 31, 2010; and~~

~~2) concurrent with the license or registration for new or renewed bonds~~

~~thereafter.~~

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART F: LOAN DELINQUENCY EXAMINATION~~FORECLOSURE RATE~~

Section 1050.710 Computation of National Residential Mortgage Foreclosure Rate (Repealed)

~~On March 1 of each year, or as soon as possible thereafter, the Director shall calculate the National Residential Mortgage Foreclosure Rate on government-insured residential mortgage loans in accordance with the terms of Section 4-8 of the Act. The calculation shall be made based on documentation obtained from the Department of Housing and Urban Development and from the Veterans Administration.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.720 Computation of Illinois Residential Mortgage Foreclosure Rate (Repealed)

~~a) The Illinois Residential Mortgage Rate shall be that rate determined annually by the Director in accordance with Section 4-8(a) of the Residential Mortgage License Act [705 ILCS 635/4-8(a)].~~

~~b) Each licensee shall compute its Illinois Residential Mortgage Foreclosure Rate on mortgage loans on a form prescribed by the Director. The form shall be filed by March 1 of each year.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.730 Excess Foreclosure Rate (Repealed)

~~Whenever a licensee's Illinois Residential Mortgage Foreclosure Rate for a particular year exceeds the calculated National Residential Mortgage Foreclosure Rate for the same year, the Director shall conduct an examination of that licensee and shall hold public hearings in accordance with Section 4-8(d) of the Act.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.740 Loan Delinquency~~Foreclosure Rate~~ Hearing

a) Authority. The Director may~~shall~~ hold public hearings concerning a licensee that is subject to examination pursuant to Section 4-8 of the Act~~1050.730 of this Subpart~~. The hearing shall be held in accordance with Section 4-8(c) of the Act.

b) Notice. Written notice of the time, place, date and subject of the hearing shall be posted in both the Springfield and Chicago offices of the Division at least 10 days prior to the hearing. The Director may distribute such notice to other interested persons upon request.

c) Testimony. Testimony at the public hearings shall be taken in accordance with Section 4-8(c) of the Act. Testimony may be either oral or written. If oral, the party proposing to testify must complete a witness slip that shall be provided at the hearing. If written, the proposed testimony must be received by the Director prior to the hearing. Notwithstanding the foregoing, testimony shall be permitted at the hearing only if the party proposing to testify has completed, and the Director has received, either a written letter of complaint or a consumer complaint form as prescribed by the Director.

d) Hearings. Hearings held under this Section shall be for informational purposes only and shall not be subject to Subpart N of this Part.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.750 Director's Authority − Unusually High Rate (Repealed)

~~The Director may take any action permitted to be taken by Sections 1050.730 and 1050.740 of this Subpart or at any other Section of this Part whenever the Director determines that a licensee's foreclosure rate on government-insured mortgage loans in a particular area, as deemed by the Director on a case-by-case basis, is higher than a rate deemed appropriate by the Director in that particular area. The Director shall determine the appropriate rate for a particular area by calculating the average of the foreclosure rates on government-insured mortgage loans in the same area for the same period of time based on information filed with the Director pursuant to the Act. A licensee's rate that exceeds the average shall be considered unusually high.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART G: SERVICING

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Section 1050.810 New Loans

~~a)~~Payment instructions shall be issued in time to reasonably assure receipt by the customer at least 15 days before the first payment is due and shall include, but not be limited to the following:

a~~1~~) The name, address and telephone number of the entity to whom payments are to be made and the name of the person to whom inquiries should be directed. Such phone numbers shall be toll free to the customer;

b~~2~~) The exact amount of the monthly payment and a plain English explanation of the method of calculation; and

c~~3~~) A clear and conspicuous statement as to monthly date of each payment, regardless of interval between due date and assessment of any late-payment penalty.

~~b)Accompanying the payment instructions on a new residential mortgage loan shall be a clear and conspicuous statement alerting the customer that if servicing on the loan is transferred, notice to that effect will come from both the current and new servicer. The statement shall offer a toll free telephone arrangement for the customer to verify a notice of transfer of servicing.~~

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.820 Transfer of Servicing

a) No licensee shall sell or transfer servicing to, or accept or purchase servicing from, any entity other than a licensee or an entity exempt from licensing pursuant to Section 1-4(d) of the Act unless specifically authorized by the Director.

b) Any licensee who is a party to an arrangement for large transfers of servicing shall make certain that sufficient staff and facilities are dedicated to the transfers to prevent inconvenience to mortgagors.

c) Notice to Mortgagor of Transfer. Licensee shall comply with the notice requirement set forth in 12 CFR 1024.33 (Mortgage Servicing Transfers) (2017, no subsequent dates or editions included).~~Whenever the servicing of a residential mortgage loan is transferred or sold by a licensee, or purchased or accepted by a licensee, each licensee who is a party to the arrangement shall issue to the~~

~~mortgagor, simultaneous with the transfer, a notice that shall include at a minimum:~~

~~1) where and to whom to address questions relating to the mortgage, and a toll-free telephone arrangement of the licensee that purchased or accepted the mortgage for doing so;~~

~~2) the name and address to whom payments are to be submitted for at least the next three months;~~

~~3) the amount of each payment required for the next three months. However, there shall be no violation of this requirement when the licensee is unable to predict accurately precise amounts for each of the next three months. Examples of such situations may include a residential mortgage loan contract calling for a potential rate change during the relevant period, or the scheduled annual analysis of an escrow (impound) account for payment of a real property taxes and/or hazard insurance.~~

~~4) the effective date of the transfer;~~

~~5~~) ~~reassurance that the transfer of servicing does not affect the terms and conditions of the mortgage;~~

~~6) the name and address of the primary regulatory authority having jurisdiction over the residential lending activities of the entity to whom payments are to be sent.~~

d) ~~Additional~~ Responsibilities of Transferring Licensee. Responsibilities~~In addition to the notice to mortgagor described in subsection (c), responsibilities~~ of a licensee who transfers or sells servicing on a residential mortgage loan shall ~~include but not be limited to~~:

1) Promptly providing the insurance carrier or agent with a notice of transfer identifying both the policy number and loan number when servicing includes payment of hazard insurance premiums;

2) Promptly notifying the tax-bill service or taxing authority of the transfer when servicing includes payment of real property taxes;

3) Forward to the buying or accepting servicer:

A) Escrow (impound) balances;

B) Correspondence, bills, receipts and documents relating to the transferred loans;

C) Mortgage payments daily, for a period of at least 60 days.

e) In addition to the notice described in subsection (c), responsibilities of a licensee buying or accepting transfer of servicing of a residential mortgage loan shall include but not be limited to:

1) Promptly furnishing to the customer payment identification materials required by the licensee for efficient processing of customer remittances. Examples of such items are payment coupon books and preprinted envelopes;

2) Promptly responding to each mortgagor's questions regarding payoffs, assumptions, statements of account and general servicing procedures;

3) Practicing forbearance with the mortgagor when sorting out transfer-related problems, including but not limited to delinquency and assessment of late charges.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.860 Payoff of Outstanding Mortgage Loan

a) When a check or other negotiable instrument received in final payment is deposited in a financial institution, the licensee's refund policy shall conform to Section 4-213 of the Uniform Commercial Code [810 ILCS 5/4-213] time requirements on making such funds available for withdrawal by the licensee.

b) Payoff Letter. Within 7~~10~~ business days of receipt of a written request from an entity authorized by the borrower, a licensee shall furnish a written notice of the total amount required to pay in full on an outstanding mortgage loan, as of a specified date. Such payoff letter shall itemize and explain all charges included in the total figure stated.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART I: LOAN BROKERAGE PRACTICES

Section 1050.1010 Loan Brokerage Agreement

Before a mortgage loan applicant (also referred to in this Section as "borrower" or "customer") signs a completed residential mortgage loan application or gives the licensee any consideration, whichever comes first, a loan brokerage agreement shall be required and shall be in writing and signed by both the mortgage loan applicant and a licensee whose services to the customer shall be loan brokering as defined at Section 1-4(o) of the Act.

a) The loan brokerage agreement shall carry a clear and conspicuous statement that, upon request, a copy of the agreement shall be made available to the borrower or the borrower's attorney for review prior to signing.

b) Both the licensee's authorized representative and the borrower shall sign and date the loan brokerage agreement~~ at the same time~~, and a copy of the executed agreement shall be given to the customer~~ at the time of signing~~.

c) The loan brokerage agreement shall contain an explicit description of the services the licensee agrees to perform for the borrower and an accounting of estimated loan costs and fees paid to the licensee that may be provided through reference to, or be taken from, a good faith estimate or TILA-RESPA Integrated Loan Estimate. The loan brokerage agreement ~~of all consideration and remuneration to be exchanged in connection with those services. In the same section of the agreement~~ shall contain~~be~~ language~~,~~ of prominence equal to or greater than the estimate, listing the types of situations or conditions that could materially affect the amounts indicated as a result of details that could not be known by the licensee at the time of signing the loan brokerage agreement. Examples of such situations or conditions include, but are not limited to, an appraised value different from that estimated by the borrower or credit obligations that the borrower fails to report.

d) The loan brokerage agreement shall carry a clear and conspicuous statement as to the conditions under which the borrower is obligated to pay the licensee.

e) The loan brokerage agreement shall provide that, if the licensee makes false or

misleading statements in the agreement, the borrower may, upon written notice:

1) void the agreement;

2) recover monies paid to the broker for which no services have been performed; and

3) recover actual costs, including attorney fees for enforcing the borrower's rights under the loan brokerage agreement.

f) The loan brokerage agreement shall incorporate by reference the Loan Brokerage Disclosure Statement described in Section 1050.1020.

g) Except for a Rate-Lock Fee Agreement in accordance with Section 1050.1335, the loan brokerage agreement shall be the only agreement between the borrower and licensee with respect to a single loan; provider, however, that the licensee also shall provide to the customer any disclosure statement necessary to comply with Federal and State requirements, including, but not limited to, the Consumer Protection Credit Act (15 USC 1601), Equal Credit Opportunity Act (Title VII), and Truth in Lending Act (Title I) and Consumer Fraud and Deceptive Business Practices Act [815 ILCS 505].

h) The loan brokerage agreement shall contain the name and Unique Identifier in the Nationwide Multistate~~Mortgage~~ Licensing System and Registry of any licensee and Mortgage Loan Originator assisting the licensee in performing services for the borrower.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART J: LOAN APPLICATION PRACTICES

Section 1050.1110 Borrower Information Document

Borrower Information Document. Before a mortgage loan applicant, also referred to in this Subpart as "borrower" or "customer", signs a completed residential mortgage loan application or gives the licensee any consideration, whichever comes first, the licensee shall give the customer a Borrower Information Document. The document may be incorporated into or appended to the material as is necessary for compliance with relative Federal requirements, including but not limited to Regulation Z (12 CFR 226). Except for the explicit wording required by subsection

(a) of this Section, the following format is for illustrative purposes only; however, all of the following information shall be included in the document:

a) Regulatory Disclosure Statement: The following statement: "This document is being provided to you pursuant to the Residential Mortgage License Act of 1987 and Rules promulgated thereunder (38 Ill. Adm. Code 1050). The purpose of this document is to set forth those exhibits and materials you should receive or be receiving in connection with your residential mortgage loan application with (name of licensee), holder of License (license number) and regulated by the State of Illinois, Division of Banking, under the aforesaid Act".

b) Significant information: Significant information on the types of situations that could affect the processing of the loan but that may not be known by the licensee at the time the application was taken. Examples of such situations include, but are not limited to:

1) An appraisal value different from that estimated by the borrower;

2) Credit obligations the borrower fails to report;

3) A change in the borrower's financial circumstances that would result in his or her ineligibility for the loan; or

4) A material change or discontinuation of a loan program by an investor or other entity, such as the U.S. Department of Housing and Urban Development, the Veterans' Administration or a private investor.

c) "Your Home Loan Toolkit~~Settlement Cost Booklet~~": If the mortgage relates to the purchase of the security real estate, a "Your Home Loan Toolkit" as required by the federal Consumer Financial Protection Bureau that describes the home buying process~~"Settlement Cost Booklet" as required by Federal law (Real Estate Settlement Procedures Act (12 USC 2601 et seq.)) that describes the settlement process~~. The "Your Home Loan Toolkit" may be obtained at the CFPB website: consumerfinance.gov, or from the United States Government Printing Office (GPO) at the GPO website: bookstore.gpo.gov. This toolkit, released on March 31, 2015 and effective October 3, 2015, is hereby incorporated by reference with no subsequent dates or editions included.

d) Good Faith or Loan Estimate of Costs:

1) For any residential mortgage loan, regardless of whether it represents a position of first or junior lien against the security real estate, a good faith estimate or TILA-RESPA Integrated Loan Estimate of the costs that will be paid in connection with the financing as outlined in Regulation Z (12 CFR 226).

2) If the mortgage relates to the purchase of the security real estate, a good faith estimate or TILA-RESPA Integrated Loan Estimate of the amount and nature of charges discussed at Section 1050.1320(b) of this Part.

e) Loan Application: A copy of the loan application or equivalent form that will have to be signed and delivered to the lender in order to obtain the loan.

f) Mortgage Escrow Account Act, Related Document: If the mortgage is not FHA-insured or VA-guaranteed and relates to the purchase of owner-occupied, single-family security real estate, unless there is a certainty that the lender will not require maintenance on an escrow account for payment of taxes, a copy of the Mortgage Escrow Account Act [765~~205~~ ILCS 910], along with a copy of the document to be executed by the applicant at closing with respect to use of a pledged time deposit account in lieu of an escrow account pursuant to that Act.

g) "Consumer Handbook on Adjustable Rate Mortgages": If the mortgage is an adjustable rate mortgage representing a first-lien position with respect to the security real estate, the "Consumer Handbook on Adjustable Rate Mortgages", as required by Federal regulations (12 CFR 535.33), that describes the special features of adjustable rate mortgages.

h) Documents upon Request: Upon request by the applicant, the following information shall be provided:

1) A sample of the form of note and mortgage that will be executed if the loan applied for is approved;

~~2) A sample copy of the commitment letter;~~

2~~3~~) A general description of underwriting standards that will be considered in evaluating the application.

i) Dated Customer Acknowledgment: A provision for an applicant to acknowledge receipt of each of the above-listed disclosures, showing the date of receipt.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.1176 Record Retention

a) Record Retention. Pursuant to Section 2-4(c) of the Act, each licensee shall retain all records prepared or received in the course of its residential mortgage business for 36 months.

1) For records pertaining to the activities of loan brokering or originating, the 36 month period shall begin on the date of the loan closing or other termination date of the loan process.

2) For records pertaining to buying/selling loans on the secondary market, the 36 month period shall begin on the date the loan was sold.

3) For records pertaining to the servicing of loans, the 36 month period shall begin on the date the loan was paid off or on the date the servicing rights were sold.

b) Format of Retention. Records pertaining to the activities of loan brokering, loan originating, or buying/selling loans on the secondary market may be retained for the 36 month period:

1) In hard copy or paper-based form; or

2) In electronic or digital form. The electronic or digital form must be capable of legible hard copy reproduction and the licensee must accurately and authentically preserve any alterations, erasures or similar indications of changes on the documents. The licensee must also retain documentation that explains the process used to convert hard copy or paper-based documents to electronic or digital formats and specifies the date of conversion, the method of conversion, and the disposition of the original hard copy or paper-based document.

~~c) Format of Retention – Servicing. Records pertaining to the activity of loan servicing must be retained for the 36 month period in hard copy or paper-based~~

~~form.~~

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART K: GENERAL LENDING PRACTICES

Section 1050.1230 Changes Affecting Loans in Process (Repealed)

~~a) If it is determined that a borrower does not qualify for the loan amount, terms or program for which he or she applied and the costs of another recommended program would materially differ from the costs itemized on the good faith estimate, the licensee immediately shall provide to the customer a written and, when possible, a verbal, plain-English explanation of any program the licensee recommends as one for which the borrower may be qualified. The explanation shall include, but not be limited to, detailed information on costs to the borrower.~~

~~b) When any notice is received from a secondary market underwriter, an investor, the Federal Housing Administration or the Veteran's Administration that materially affects a loan in process, the licensee processing the loan application shall so notify the customer in writing and, when possible, verbally, immediately upon receipt of the notice. Examples include, but are not limited to, future or immediate change of rules or requirements, discontinuation of a specific loan program, failure by the borrower to qualify, and alternatives, if any, available to the borrower.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART L: COMMITMENT AND CLOSING PRACTICES

Section 1050.1305 Approval Notice (Repealed)

~~Immediately upon approval of a residential mortgage loan application, the licensee shall deliver to the applicant, also referred to in this Section as "borrower" or "customer", either personally or via first class United States mail or private delivery service, a written loan approval notice stating the terms and condition of the residential mortgage loan agreed to by the licensee and borrower. The approval notice shall state the following:~~

~~a) The exact expiration date of the loan commitment;~~

~~b) All economic terms of the loan and their duration; and~~

~~c) Whether the economic terms are fixed or, if subject to change, a plain English explanation of the time when, circumstances under, and extent to which they may be changed.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.1320 Charges to Seller

a) Except for FHA-insured or VA-guaranteed residential mortgage loans, no licensee shall:

1) impose any charges upon a seller under a borrower's purchase contract;

2) condition any commitment for a residential mortgage loan upon the agreement of the seller to pay such charges; or

3) incur any charges on behalf of the seller, unless specifically authorized by that seller to do so.

b) With respect to FHA-insured or VA-guaranteed residential mortgage loans, the licensee shall provide, at time of application, a written good faith estimate or TILA-RESPA Integrated Loan Estimate Disclosure of the amounts and nature of charges to be paid that are disallowed by the applicable Federal agency for payment by the buyer. A clear and conspicuous statement shall disclose that such charges are disallowed by the applicable Federal agency for payment by the borrower. Examples of such charges may include, but are not limited to, tax service fee, assignment fee, underwriter fee.

c) For purposes of this Section, "seller" refers to the vendor of real estate that is the subject of the residential mortgage loan.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.1350 Compliance with Other Laws

Commitment and closing procedures, including those involving TILA-RESPA Intergrated Disclosures set forth at 12 CFR 1024 (2017) and 12 CFR 1026 (2017), of a licensee shall comply

with applicable Federal and State statutes and regulations, including but not limited to the following:

a) The Interest Act [815 ILCS 205];

b) Mortgage Escrow Account Act [765 ILCS 910];

c) Consumer Fraud and Deceptive Business Practices Act [815 ILCS 505];~~.~~

d) The Truth in Lending Act (15 USC 1601) as implemented by Regulation Z (12 CFR 1026) (2017));

e) The Real Estate Settlement Procedure Act of 1974 d (12 USC 2601) as implemented by Regulation X (12 CFR 1024) (2017).

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART R: REGISTRATION OF LOAN ORIGINATORS

Section 1050.2100 Mortgage Loan Originators; Applicability (Repealed)

~~Pursuant to the implementation of the federal Secure and Fair Employment for Mortgage Licensing Act (SAFE Act) (12 USC 51 et seq.), this Subpart does not apply to mortgage loan originators licensed pursuant to Section 7-1A of the Illinois Residential Mortgage License Act of 1987.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2110 Application for Registration (Repealed)

~~a) Each applicant for registration as a Loan Originator shall file with the Division a completed, signed application, on forms supplied by the Division, that includes:~~

~~1) a clear copy of a state identification card containing a current photo;~~

~~2) a complete work history for the 3 years immediately preceding the date of application;~~

~~3) the name, address, phone number and license number of the licensee that the applicant is or will be employed as a Loan Originator and the start date of employment or prospective employment;~~

~~4) verification of fingerprint processing from the Illinois Department of State Police, or its designated agent for fingerprint processing, that complies with the form and manner for requesting and furnishing criminal history record information prescribed by the Department of State Police. These fingerprints shall be verified with the Department of State Police and Federal Bureau of Investigation criminal history record databases;~~

~~5) proof of passage of the examination or qualification for an exemption specified in Section 1050.2115;~~

~~6) verification that the applicant has not been convicted of any criminal offense, including a misdemeanor or felony, or has not been subject to any adverse judgment involving financial crimes or a criminal or civil act involving monies, breach of trust, moral turpitude, or misfeasance or malfeasance, or a detailed explanation describing fully all convictions and adverse judgements;~~

~~7) A statement that the applicant is in compliance with Sections 1050.2165, 1050.2185, 1050.2190, and 1050.2195.~~

~~8) certification from the employing licensee of the name of the Loan Originator, office location where employed, and employment hire date, which shall be electronically submitted to the Division's website;~~

~~9) the required fees set forth in Section 1050.245 of this Part.~~

~~b) If an applicant has held or holds any professional license in another jurisdiction, certification of that registration must be submitted to the Division directly from the state or territory in which the applicant was licensed stating whether the file on the applicant contains any record of disciplinary actions taken or pending.~~

~~c) The Director shall consider an application for registration withdrawn if it does not contain all of the information required under subsection (a) and if the information is not submitted to the Director within 15 business days after the Director requests the information.~~

~~d) If any information changes after the filing of the initial application, the applicant shall provide updated information in writing within 30 calendar days to the Division. Failure to provide updated material may result in a fine of $50 per violation for the initial failure and $100 per violation for each additional failure.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2112 Evaluation of Applications (Repealed)

~~a) Evaluations of Applications – Criminal History~~

~~1) Criminal history record information is defined as information collected by criminal justice agencies as defined in the Illinois Uniform Conviction Information Act [20 ILCS 2635] regarding individuals, consisting of identifiable descriptions and notation of arrests, detention, indictments, information, or other formal criminal charges, and any disposition arising therefrom, sentencing, correctional supervision and release. The individual records must contain both information sufficient to identify the subject of the record and notations regarding any formal criminal justice transaction involving the identified individual.~~

~~2) In determining whether an applicant for a Loan Originator Certificate of Registration is fit for registration because of criminal history record information, the Division shall consider the following standards:~~

~~A) Whether the crime was a felony;~~

~~B) An applicant shall not be considered fit for registration if the applicant has been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign or military court at any time preceding the date of application, if the felony involved an act of fraud, dishonesty or a breach of trust, forgery or money laundering;~~

~~C) For felonies not subject to subsection (a)(2)(B), an applicant shall not be considered fit for registration if the applicant has been convicted of, or pled guilty or nolo contendere to, a felony in a~~

~~domestic, foreign or military court during the 7-year period preceding the date of the application for registration;~~

~~D)~~ ~~Whether, in the case of a misdemeanor related to finances or moral turpitude, more than 5 years have elapsed since the date of completion of imposed sentence;~~

~~E)~~ ~~Whether the conviction was from a city ordinance violation or conviction for which a jail sentence was not imposed; and~~

~~F)~~ ~~For crimes not subject to subsection (a)(2)(B) or (C), whether the applicant has been sufficiently rehabilitated to warrant public trust. The Division shall consider the following factors in considering whether an applicant has been presumed to be rehabilitated:~~

~~i)~~ ~~Completion of probation;~~

~~ii)~~ ~~Completion of parole supervision;~~

~~iii)~~ ~~In the case of a felony not subject to parole supervision, if more than 10 years have elapsed after final discharge or release from any term of imprisonment without any subsequent conviction; or~~

~~iv)~~ ~~In the case of a misdemeanor related to finances and moral turpitude, if more than 5 years have elapsed after final discharge or release from any term of imprisonment without any subsequent conviction.~~

~~3)~~ ~~For crimes not subject to subsection (a)(2)(B) or (C), any one of the following factors may outweigh the presumption of rehabilitation:~~

~~A)~~ ~~Lack of compliance with terms of punishment (i.e., failure to pay fines or make restitution, violation of the terms of probation or parole);~~

~~B)~~ ~~Unwillingness to undergo, or lack of cooperation in, medical or psychiatric treatment/counseling;~~

~~C) Falsification of an application for registration with the Division; and~~

~~D) Failure to furnish to the Division additional information or failure to appear for a conference with the Division in relation to the applicant's application for registration.~~

~~4) The following criminal history records shall not be considered in connection with an application for registration:~~

~~A) Juvenile adjudications;~~

~~B) Records of arrest not followed by a conviction;~~

~~C) Convictions overturned by a higher court; and~~

~~D) Convictions that have been the subject of a pardon or expungement.~~

~~b) Evaluation of Applications – Civil Judgment and Credit History~~
~~In determining whether an applicant for a Loan Originator Certificate of Registration is fit for registration because of civil judgments identified in the applicant's credit history or otherwise that involve finances, breach of trust, moral turpitude, or misfeasance or malfeasance, the Division shall consider the totality of the circumstances of any outstanding and unpaid civil judgments against the applicant and any civil judgments where satisfaction of the judgment has occurred 5 years or less before the date of application.~~

~~c) Evaluation of Applications – Disciplinary Actions taken by Regulatory Agencies~~
~~In determining whether an applicant for a Loan Originator Certificate of Registration is fit for registration because of a disciplinary action taken by a regulatory agency, the Division shall consider the following standards:~~

~~1) An applicant shall not be considered fit for registration if the applicant has ever had a Mortgage Loan Originator license, or an equivalent Loan Originator registration, revoked in any governmental jurisdiction, except that a subsequent formal vacation of a revocation shall not be deemed a revocation.~~

~~2) Whether a professional license or registration held by the applicant that is financially related, including but not limited to residential mortgage, banking, securities, insurance, real estate, and appraisal, has been disciplined by a state or Federal regulator.~~

~~3) Whether the applicant has been barred, removed, and/or prohibited by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the U.S. Department of Housing and Urban Development or the Illinois Department of Financial and Professional Regulation, or appears on a list maintained by the Office of Foreign Asset Control of the United States Department of the Treasury.~~

~~d) Determination and Hearing~~
~~The applicant/registrant may be given an opportunity to appear at a Division conference regarding the matter. If the applicant is afforded an opportunity to appear at a Division conference, the applicant/registrant will be notified in writing by the Division. Failure to appear at the conference shall result in denial or refusal to issue or renew an applicant's/registrant's Loan Originator Certificate of Registration. If the applicant chooses not to attend the conference or was not afforded the opportunity of a conference, he/she may request a formal hearing regarding such determination prior to final action by the Division in accordance with 38 Ill. Adm. Code 1050.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2115 Examination (Repealed)

~~a) Each applicant for an initial Loan Originator Certificate of Registration shall pass a written examination approved by the Director to determine the applicant's competency to be a Loan Originator. The Director may prepare, charge a nonrefundable fee for, and conduct examinations. The Director may also designate an independent testing service to perform these activities on behalf of the Director. In addition, any person who desires to take the written examination shall apply in writing on forms approved by the Director. The examination shall be comprehensive and shall evaluate the applicant's knowledge of residential mortgage financing, including but not limited to:~~

~~1) Residential mortgage financing fundamentals, including, but not limited to, industry overview, mortgage products and life cycle, and qualification calculations and principles; and~~

~~2) Legal, regulatory, and ethical requirements including Federal, State, and local requirements and ethical responsibility.~~

~~b) Notwithstanding anything to the contrary required by subsection (a), each applicant who is able to verify possession of a professional certification approved by the Director that requires at least 18 hours of continuing education every three years shall be exempt from the residential mortgage financing fundamentals portion of the examination and shall be required to take only the legal, regulatory, and ethical requirements portion of the examination.~~

~~c) Exception for Solicitors~~

~~1) Notwithstanding anything to the contrary required by subsection (a) of this Section and subject to the Director's approval, an applicant for a Loan Originator Certificate of Registration shall not be required to pass an examination if the applicant avers, and does in fact, limit his or her activity as a Loan Originator, pursuant to Section 1-4(hh) of the Act, to soliciting residential mortgage loan applications, which includes collecting from prospective borrowers personal or financial information for the sole purpose of conveying this information to a licensee and its registered Loan Originator or an exempt entity and its employee performing exempt loan originator services.~~

~~2) The Director may approve the registration of a Loan Originator applicant to solicit residential mortgage loans as provided in this Part under a classification of "no examination required", provided that:~~

~~A) the employing licensee or licensee pursuant to Section 1-4(d)(6) of the Act expressly, in writing on a form approved by the Director, assumes full and direct legal responsibility for the solicitation activity performed on behalf of or in the name of the licensee or that benefits or is intended to benefit the licensee;~~

~~B) the Loan Originator will perform no activities for which an examination under this Part is required, subject to discipline by the~~

~~Director of the Loan Originator and his or her employing licensee or licensee pursuant to Section 1-4(d)(6) of the Act; and~~

~~C)~~ ~~otherwise meets the requirements of this Part and the Act and does not undermine the purposes of this Part and the Act.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2120 Continuing Education Requirements for Loan Originators (Repealed)

~~a)~~ ~~Each calendar year, a Loan Originator shall complete a minimum of 6 hours of continuing education in residential mortgage financing and related topics, as approved by the Director. The employing licensee shall be responsible for ensuring compliance with these requirements for each Loan Originator it employs.~~

~~b)~~ ~~Any Loan Originator who possesses a professional certification approved by the Director shall be exempt from the continuing education requirements of this Section. For a professional certification to be eligible for approval, it must require at a minimum 18 hours of continuing education related to residential mortgage lending every 3 years.~~

~~c)~~ ~~A Loan Originator who is admitted to practice law pursuant to the Illinois Supreme Court rule shall be exempt from the continuing education requirements of this Section.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2125 Certificate of Registration Issuance (Repealed)

~~a)~~ ~~The Director shall issue a Certificate of Registration for the applicant to the employing licensee (or issue and hold until requested by the employing licensee) or at the Director's discretion may issue a Certificate of Registration to the applicant if he or she meets the following conditions:~~

~~1)~~ ~~The applicant has met the requirements of Sections 1050.2110, 1050.2115, and 1050.2165;~~

~~2)~~ ~~An investigation has been conducted as required by Section 1050.2110;~~

~~3) The applicant complies with the Act, this Part, and other applicable law;~~

~~4) The applicant has not been convicted of any criminal offense or subject to any adverse judgment described in Section 1050.2110(a)(2), unless the Director finds that the applicant is rehabilitated and is currently honest, truthful, and of good reputation;~~

~~5) The applicant's character and general fitness command the confidence of the public and warrant the belief that the applicant's employment by a licensee will be conducted honestly and fairly in compliance with the Act, this Part, and other applicable law; and~~

~~6) If the Director has previously denied the applicant a license or registration under the Act or this Part, a period of 24 months must pass from the date of that denial and the taking of a new application for the applicant's Certificate of Registration.~~

~~b) The Director shall issue the Certificate of Registration subject to the following conditions:~~

~~1) Each Loan Originator's Certificate of Registration shall be mailed to the employing licensee and maintained by the employing licensee at its main office, or to the applicant if the Director so chooses under subsection (a). The Director may institute an electronic registration system and retain all certificates within that system. If the Loan Originator is not employed by a licensee at the time the Certificate of Registration is issued, the Director shall retain the Certificate of Registration.~~

~~2) Each Loan Originator and employing licensee shall provide written notification to the Director within 15 calendar days after obtaining information that the Loan Originator employed by the licensee is convicted of any criminal offense; is subject to any adverse judgment in any jurisdiction involving financial crimes or criminal or civil acts involving monies, breach of trust, moral turpitude, misfeasance or malfeasance; or has been convicted in any jurisdiction of a crime that is a felony in that jurisdiction. The notification shall describe fully all convictions and adverse judgments.~~

~~3) If a Loan Originator's employment with a licensee ceases for any reason, the employing licensee shall return the Certificate of Registration to the Director within 10 calendar days after the date the employment ceases. If applicable, the employing licensee also shall provide a report pursuant to Section 6-2(4) of the Act and comply with Section 1050.2135. Licensees may be subject to discipline for filing a frivolous, false, or misleading report under Section 6-2(4) of the Act.~~

~~4) Pending the transfer of a Loan Originator's Certificate of Registration to another licensee and written confirmation from the Director, a licensee may employ a Loan Originator as an exclusive employee on a temporary basis for a period not to exceed 45 calendar days.~~

~~5) No licensee shall employ a person or entity to perform the duties of a Loan Originator, except a person with a current Loan Originator Certificate of Registration or Temporary Permit issued under Section 1050.2155.~~

~~6) A Certificate of Registration and the authority granted by that certificate are granted only to the Loan Originator. The Certificate of Registration and authority shall not in any manner be assigned or transferred to or used by any other person or entity.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2130 Roster of Registered Loan Originators (Repealed)

~~The Director shall establish and maintain a public roster of all persons with active Loan Originator Certificates of Registration and Temporary Permits. The Director may charge costs of reproduction for copies of the roster.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2135 Pocket Card (Repealed)

~~a) Upon issuance of a Loan Originator Certificate of Registration, the Director shall issue a pocket card to the licensee for each Loan Originator employed by the licensee. The pocket card shall be in a form prescribed by the Director and shall specify the period for which the Loan Originator is registered, as stated on the Loan Originator's Certificate of Registration. The licensee shall deliver the pocket~~

~~card to the Loan Originator and the Loan Originator shall carry the pocket card when engaging in activities that are subject to licensure or registration under the Act and shall display the card on demand to the Director, law enforcement and regulatory officials, employing licensees, authorized representatives of the borrower, including the borrower's attorney, and borrowers or consumers.~~

~~b)~~ ~~At the end of the Loan Originator's employment, the employing licensee shall retrieve a Loan Originator's pocket card and shall return it and the Loan Originator's Certificate of Registration to the Director. If the employing licensee is unable to retrieve the pocket card, the employing licensee shall notify the Director in writing when the Loan Originator's Certificate of Registration is submitted to the Director.~~

~~c)~~ ~~When the employing licensee is unable to retrieve the Loan Originator's pocket card, the subsequent employer, when so informed by the Director, shall retrieve the pocket card and return the pocket card to the Director prior to employing the Loan Originator.~~

~~d)~~ ~~After the Loan Originator's pocket card is returned to the Director, the Director shall issue a new pocket card to the subsequent employing licensee for the Loan Originator.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2140 Certificate of Registration Renewal (Repealed)

~~a)~~ ~~Certificates of Registration shall be renewed on or before the date of expiration of the current Certificate of Registration. Each Loan Originator shall be responsible for renewal of his or her Certificate of Registration. Failure of the Loan Originator to receive renewal forms shall not relieve the Loan Originator of this responsibility. Failure to timely renew the Certificate of Registration shall render the Certificate of Registration inactive unless the Director approves otherwise in writing.~~

~~b)~~ ~~A Certificate of Registration may be renewed if the Director finds the following conditions are met:~~

~~1)~~ ~~The renewal application is complete, including payment of the non-refundable renewal fee in a form authorized by the Director;~~

2) ~~The renewal applicant has verified that he or she has complied with Section 1050.2120;~~

3) ~~The renewal applicant has complied with Section 1050.2125; and~~

4) ~~The renewal applicant's current Certificate of Registration is not suspended or revoked.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2145 Certificate of Registration Transfer Application or Inactive Notice (Repealed)

~~A Loan Originator may apply to the Director for the transfer of his or her Certificate of Registration to another licensee. Application for transfer shall be in a form approved by the Director and shall include the fee set forth in Section 1050.210.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2150 Inactive Registration Status; Reactivation (Repealed)

a) ~~A Loan Originator's Certificate of Registration shall be considered on Inactive Registration Status at any time a Loan Originator is not employed by a licensee.~~

b) ~~Inactive Registration Status commences when the employing licensee or the Loan Originator returns the Certificate of Registration to the Director or when the subsequent employing licensee fails to provide sufficient information to the Director to permit transfer of the Certificate of Registration.~~

c) ~~The Director may grant and create a category or categories of inactive or inoperative status.~~

d) ~~A Loan Originator who receives a Temporary Permit as an employee of a licensee pursuant to Section 1050.2155 is not deemed on Inactive Registration Status.~~

e) ~~When a Loan Originator has been on Inactive Registration Status for more than 90 calendar days, prior to resuming active status, the Loan Originator shall pay to the~~

~~Director a Loan Originator Registration Reactivation Fee in the amount set forth in Section 1050.210.~~

~~f)~~ ~~A Loan Originator's Inactive Registration Status expires on the date of expiration of the underlying Loan Originator's Certificate of Registration. If a Loan Originator's period of inactivity exceeds the expiration date on his or her Certificate of Registration, a Loan Originator shall submit a new application for a Certificate of Registration with a fee in the amount set forth in Section 1050.210.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2155 Temporary Permits (Repealed)

~~a)~~ ~~If a timely and complete application for transfer of a Certificate of Registration has been filed, a subsequent employing licensee may request and the Director may grant a Temporary Permit allowing a Loan Originator employed by the employing licensee to engage in the performance of the activities of a Loan Originator. A Temporary Permit shall be valid for a period of 45 calendar days from date granted, unless extended for an additional 45 calendar days by the Director for administrative convenience.~~

~~b)~~ ~~The Loan Originator may work only for the employing licensee stated on the Temporary Permit. The licensee shall be responsible for all activities performed by the Loan Originator operating under the Temporary Permit. Upon receipt of a Temporary Permit application, the Director shall notify the Loan Originator's prior employing licensee in writing that a Temporary Permit has been requested for the Loan Originator. Within 10 calendar days after receipt of the Director's notice, the prior employing licensee shall return the Loan Originator's Certificate of Registration to the Director and comply with Section 1050.2135.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2160 Confidential Information (Repealed)

~~a)~~ ~~Pursuant to Section 4-2(e) of the Act and this Section, examination and work papers and any other designated information, including all information relating to an examination of a licensee for Loan Originator activities or an investigation of a Loan Originator, are the property of the Director and shall not be disclosed except as provided in Section 4-2(e) of the Act and this Section. In addition, except as~~

~~provided in this Section, the Director may not disclose the following Loan Originator or applicant information: social security numbers, employer identification numbers, financial account numbers, the identity of the institution where financial accounts are maintained, personal financial information, and criminal background information.~~

~~b)~~ ~~The Director shall not disclose confidential information as provided in this Section to anyone other than the Loan Originator, the Loan Originator's employing licensee, law enforcement officials or regulatory agencies deemed by the Director to have a legitimate or appropriate regulatory interest, or to a party presenting a lawful subpoena. Any information shared by the Director shall be used only in connection with an official investigation, proceeding or action, or in connection with a lawful subpoena presented to the Director.~~

~~c)~~ ~~No licensee or person in possession of confidential information as provided in this Section may disclose that information for any reason or under any circumstances not specified in Section 4-2(e) of the Act or this Section without the prior authorization of the Director. If any licensee or person knowingly and willfully furnishes confidential supervisory information or other confidential information in violation of Section 4-2(e) of the Act or this Section, the Director may impose a civil monetary penalty up to $1,000 for the violation against the licensee or person.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2165 Averments (Repealed)

~~Each application for a Loan Originator Certificate of Registration shall be accompanied by the following averments stating that the applicant:~~

~~a)~~ ~~Will not obtain a Certificate of Registration through any false or fraudulent representation of a material fact or any omission of a material fact required by State law, or make any misrepresentation in any registration or license application.~~

~~b)~~ ~~Will not make a false or misleading statement of a material fact, omit a required statement or make a false promise regarding a material fact, through advertising or other means, or engage in a course of misrepresentation.~~

~~c) Will not engage in conduct that constitutes or dishonest dealings.~~

~~d) Has not been convicted of any criminal offense; has not been subject to any adverse judgment in any jurisdiction involving financial crimes or criminal or civil act involving monies, breach of trust, moral turpitude, misfeasance or malfeasance; or has not been convicted in any jurisdiction of a crime that is a felony in that jurisdiction, which matter has not been previously disclosed to the Director in an initial or renewal application for a Certificate of Registration. The applicant will notify in writing the Director and his or her employing licensee within 10 calendar days after any change in status as averred under this subsection and shall describe fully all such convictions and adverse judgments.~~

~~e) Will not knowingly make, propose, or solicit fraudulent, false, or misleading statements on any mortgage document or on any document related to a mortgage, including a mortgage application, real estate appraisal, or real estate settlement or closing document. For purposes of this subsection, "fraudulent, false, or misleading statement" does not include an inadvertent mathematical error, an inadvertent transposition of a number, a typographical error, or any other bona fide error.~~

~~f) Will not knowingly instruct, solicit, propose, or cause a person to sign a borrower's signature not their own on a mortgage related document, or solicit, accept or execute any contract or other document related to the residential mortgage transaction that contains any blanks to be filled in after signing or initialing the contract or other document, except for forms authorizing the verification of application information.~~

~~g) Will not discourage any applicant from seeking or participating in housing or financial counseling either before or after the consummation of a loan transaction, or fail to provide information on counseling resources upon request.~~

~~h) Will not charge for any ancillary products or services, not essential to the basic loan transaction for which the consumer has applied, without the applicant's knowledge and written authorization.~~

~~i) Will not charge for any ancillary products or services not actually provided in the transaction.~~

~~j) Will not include any loan terms or features that could have a material financial impact on the applicant without clearly explaining their function and implications.~~

~~k) Will give reasonable consideration to a borrower's ability to repay the debt and, if applicable, comply with Section 15 of the High Risk Home Loan Act.~~

~~l) Will not take an application for a loan that carries a higher cost, due to credit risk and/or credit score, than the applicant is qualified for based on the underwriting guidelines utilized by the Loan Originator's employing licensee.~~

~~m) Will not engage in any discrimination in loan origination activities as provided in applicable State and Federal statutes and regulations, including but not limited to the Equal Opportunity Credit Act (15 USC 1691).~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2170 Suspension or Revocation of Registration, Refusal to Renew, Fines (Repealed)

~~a) In addition to any other action authorized by the Act, this Part, or other applicable law, the Director may do the following:~~

~~1) Suspend, revoke, reprimand, or place on probation a Loan Originator or refuse to renew or otherwise discipline a Certificate of Registration if the Director finds that the Loan Originator has violated the Act, this Part, or other applicable law or has been convicted of a criminal offense.~~

~~2) Impose a fine of not more than $1,000 for each day for each violation of the Act or this Part that is committed. If the Loan Originator engages in a pattern of repeated violations, the Division may impose a fine of not more than $2,000 for each day for each violation committed. In determining the amount of a fine to be imposed pursuant to the Act and this Part, the Director shall consider all of the following:~~

~~A) The seriousness of the violation;~~

~~B) The Loan Originator's good faith efforts to prevent the violation; and~~

~~C) The Loan Originator's history of violations and compliance with orders.~~

~~b) In addition to any other action authorized by the Act, this Part, or other applicable law, the Director may investigate alleged violations of the Act, this Part, or other applicable law or complaints concerning any such violation. The Director may seek a court order to enjoin the violation.~~

~~c) In addition to any other action authorized by the Act, this Part, or other applicable law, if the Director determines that a Loan Originator is engaged in or is believed to be engaged in activities that may constitute a violation of the Act, this Part, or other applicable law, the Director may issue a cease and desist order to compel the Loan Originator to comply with the Act, this Part, or other applicable law or, upon a showing that an emergency exists, may suspend any Certificate of Registration for a period not exceeding 180 calendar days, pending investigation.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2175 Loan Originator Hearings; Fees and Costs (Repealed)

~~a) A hearing can be requested and will be conducted by the procedure described in Subpart N.~~

~~b) The Director shall receive and there shall be paid to the Director a fee of $250 for each party that requests a hearing pursuant to this Subpart R, unless waived by the Director. In determining whether to waive the fee, the Director shall consider the financial hardship imposed on the party.~~

~~c) In addition to filing fees set forth in subsection (b), each party to the hearing shall be required to pay its pro rata share of expenses, including, but not limited to, hearing officer expenses, witness and mileage fees, transcript costs and such other incidental costs as may be authorized by the hearing officer or by the Director, unless waived by the Director. In determining whether to waive the costs or a portion of the costs, the Director shall consider the financial hardship on the party.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2180 Criminal Proceedings (Repealed)

~~In addition to any other action authorized by the Act, this Part, or other applicable law, the Director may request any law enforcement body with proper jurisdiction to initiate criminal proceedings by presenting evidence of criminal activity engaged in by any person or entity.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2185 Violations of Tax Acts (Repealed)

~~The Director shall refuse to issue or renew, or shall suspend or revoke, the Certificate of Registration of any applicant or Loan Originator who fails to file a return, pay the tax, penalty, or interest shown in a filed return, or pay any final assessment of tax, penalty, or interest, as required by any other tax Act administered by the Department of Revenue, Internal Revenue Service, or any other tax agency, until such time as the requirements of any such tax Act are satisfied as determined by the appropriate taxing agency.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2190 Disciplinary Action for Educational Loan Defaults (Repealed)

~~The Director shall deny a Certificate of Registration or renewal to an applicant or Loan Originator who has defaulted on an educational loan or scholarship provided or guaranteed by the Illinois Student Assistance Commission (ISAC) or any governmental agency of this State as determined by ISAC; provided, however, that the Director may issue a Certificate of Registration or renewal if the applicant or Loan Originator has established and maintains a satisfactory repayment record as determined by ISAC or other appropriate governmental agency.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2195 Nonpayment of Child Support (Repealed)

~~In cases in which the Illinois Department of Healthcare and Family Services (HFS) has determined under Article X of the Illinois Public Aid Code [305 ILCS 5/Art. X] that a Loan Originator or applicant is more than 30 calendar days delinquent in the payment of child support and has subsequently certified the delinquency to the Director, the Director shall refuse to issue or renew or may revoke or suspend that person's Certificate of Registration or may take other disciplinary action against that person based solely on the certification of delinquency by HFS. Redetermination of the delinquency by the Director shall not be required. The Director shall not renew any license if HFS has certified the Loan Originator to be more than 30 calendar days delinquent in the payment of child support unless the Loan Originator has arranged for payment~~

~~of past and current child support obligations in a manner satisfactory to HFS. The Director may impose conditions, restrictions, or disciplinary action upon that renewal.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

SUBPART S: PROVISIONAL REGISTRATION OF LOAN ORIGINATORS

Section 1050.2200 Purpose (Repealed)

~~a) Section 7-1 of the Act requires that a Loan Originator register with the Director pursuant to administrative rules adopted by the Director. This Subpart S provides for provisional registration of Loan Originators from July 1, 2004 through December 31, 2004. During this period of provisional registration, provided the Director issues a Provisional Certificate of Registration, the Loan Originator shall be in compliance with the registration requirement of Section 7-1 of the Act. All Provisional Certificates of Registration shall expire on December 31, 2004, subject to the conditions of this Subpart.~~

~~b) During the period of provisional registration, a Loan Originator may apply for a regular initial, and annually renewable, Certificate of Registration. The procedure and requirements for this application will be set forth in general administrative rules adopted by the Director. Loan Originators who fail to submit a timely and complete application for a regular initial Certificate of Registration shall not be permitted to act as a Loan Originator after December 31, 2004.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2210 Definitions (Repealed)

~~In addition to the definitions included in the Act and Section 1050.110, the following definitions apply to this Subpart S.~~

~~"Applicant" means a natural person that is applying for a Provisional Certificate of Registration under this Subpart S.~~

~~"Loan Originator" has the meaning given to the term in Section 1-4(hh) of the Act [205 ILCS 635/1-4(hh)].~~

~~"Person" means a natural person.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2220 Registration Required (Repealed)

~~Pursuant to Section 7-1 of the Act, no person shall act or assume to act as a Loan Originator after June 30, 2004 unless registered with the Director under this Subpart S. After June 30, 2004, no person or entity shall employ any person to act or assume to act as a Loan Originator unless the person is registered under this Subpart.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2230 Exemptions (Repealed)

~~The registration requirements of this Subpart do not apply to persons who act or assume to act as a Loan Originator exclusively as an employee of an exempt entity as defined in Section 1-4(d)(1) and (d)(1.5) of the Act; provided that the exempt entity assumes full and direct legal responsibility for the activities of the Loan Originator or the Loan Originator is subject to the examination and regulation of a federal depository institution regulator.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2240 Application for Provisional Certificate of Registration; Contents; Amendment (Repealed)

~~a) No person shall be registered as a Loan Originator unless the person submits to the Director a complete application for a Provisional Certificate of Registration as set forth in this Section. The application shall contain:~~

~~1) The name, home address, U.S. Postal Service mailing address, work address, e-mail address if available, date of birth, Social Security Number, and phone number of the applicant.~~

~~2) The name, business address, Residential Mortgage License Number, Tax Identification Number, contact name, telephone number, and e-mail address of the applicant's current or prospective employer.~~

~~3) A nonrefundable application fee payable to the Director in the amount of $125 in the form of a certified check, money order, credit card charge, or~~

~~other form authorized by the Director. Payment of this nonrefundable application fee shall be deemed to be payment of the nonrefundable application fee required for application for a regular initial Certificate of Registration but only if the applicant submits a complete application for a regular initial Certificate of Registration on or before December 1, 2004.~~

~~b) The Applicant shall amend her or his application for Provisional Certificate of Registration whenever a change occurs that renders the information contained in the application not accurate in any material respect. The amendment shall be filed in writing within 5 business days after the change.~~

~~c) The Director shall review the application in a timely manner and notify the applicant in writing of any material deficiencies. The Director may suspend processing of any application if the applicant fails to rectify deficiencies within 10 days after the Director's notice of the deficiencies.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2250 Issuance of Provisional Certificate of Registration; Effective Date; Conditions (Repealed)

~~a) If the Director finds that the application for Provisional Certificate of Registration is complete, the Director shall issue a Provisional Certificate of Registration to the applicant's licensee employer as evidence of registration. If the applicant is not currently employed by a licensee, the Director shall retain the Provisional Certificate of Registration for later delivery to a licensee employer.~~

~~b) The Provisional Certificate of Registration shall be in the form specified by the Director.~~

~~c) The Provisional Certificate of Registration shall be for the use of the applicant only and shall not be assigned, transferred, or used by any other person or entity.~~

~~d) The Provisional Certificate of Registration shall be effective from the date issued and shall in all cases expire on December 31, 2004, unless the expiration date is extended in writing by the Director; provided that the Provisional Certificate of Registration shall become ineffective immediately if the Provisional Certificate of Registration is suspended or revoked or if a regular initial Certificate of Registration is issued or denied by the Director.~~

~~e) The holder of the Provisional Certificate of Registration shall amend the documents and information on file with the Director whenever a change occurs that renders any of the documents or information not accurate in any material respect. The amendment shall be filed with the Director in writing within 10 days after the change.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2260 Loan Origination Practices (Repealed)

~~a) A Loan Originator shall act in compliance with applicable requirements and standards of the Act, this Part, and any other law affecting the origination of residential mortgage loans.~~

~~b) Each residential mortgage loan application file shall contain a separate document that sets forth the name, address, registration number, and employer of the Loan Originator that acted as the Loan Originator for the loan and the name of the borrower and purchaser and the address of the property purchased.~~

~~c) The Loan Originator's Provisional Certificate of Registration shall be displayed on demand to the Director, law enforcement and regulatory officials, employing licensees, consumers, and their representatives.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

Section 1050.2270 Enforcement (Repealed)

~~a) In addition to any other action authorized by the Act, this Part, or other applicable law, the Director may revoke or suspend the Loan Originator's Provisional Certificate of Registration for violation of the Act, this Part, or other applicable law.~~

~~b) In addition to any other action authorized by the Act, this Part, or other applicable law, the Director may revoke or suspend the Loan Originator's Provisional Certificate of Registration for submitting false or misleading information on the application for a Provisional Certificate of Registration.~~

~~e) In addition to any other action authorized by the Act, this Part, or other applicable law, if the Director determines that a Loan Originator is engaged in or is believed to be engaged in activities that may constitute a violation of the Act, this Part, or other applicable law, the Director may issue a cease and desist order to compel the Loan Originator to comply with the Act, this Part, or other applicable law or, upon a showing that an emergency exists, may suspend any Provisional Certificate of Registration for a period not exceeding 180 days, pending investigation.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Section 1050.APPENDIX A Estimated Monthly Income and Expenses Worksheet (Repealed)

~~ESTIMATED MONTHLY INCOME:~~

~~1. Paychecks (Net/Take Home)~~	~~$~~ _____	
~~2. Interest/Dividends~~	_____	
~~3. Social Security/Pension~~	_____	
~~4. Alimony/Child Support~~	_____	
~~5. Other~~	_____	
~~6. Total Estimated Monthly Income (Add Lines 1 through 5)~~		~~$~~ _____

~~ESTIMATED MONTHLY EXPENSES:~~

~~7. Mortgages/Rent~~	~~$~~ _____
~~8. Homeowner's/Renter's Insurance~~	_____
~~9. Real Estate Taxes~~	_____
~~10. Water & Sewer~~	_____
~~11. House Repairs~~	_____
~~12. Groceries~~	_____
~~13. Telephone~~	_____
~~14. Gas (House)~~	_____
~~15. Electric~~	_____
~~16. Credit Cards~~	_____
~~17. Car Payments~~	_____
~~18. Car Insurance~~	_____
~~19. Licenses (Car)~~	_____
~~20. Gas (Car)~~	_____
~~21. Car Repairs/Maintenance~~	_____
~~22. Clothing~~	_____
~~23. Medical/Dental~~	_____
~~24. Medical Insurance~~	_____

	_____	
~~25. Prescriptions~~	_____	
~~26. Loan Payments (Not included in Line 7 or 17)~~	_____	
~~27. Tuition~~	_____	
~~28. Contributions~~	_____	
~~29. Cellular Telephone~~	_____	
~~30. Pager~~	_____	
~~31. Recreation/Vacation~~	_____	
~~32. Other Insurance (Life, etc.)~~	_____	
~~33. Income Taxes~~	_____	
~~34. Alimony/Child Support~~	_____	
~~35. Transportation~~	_____	
~~36. Miscellaneous~~	_____	
~~37. Other~~	_____	
~~38. Total Estimated Monthly Expenses (Add Lines 7 through 37)~~		~~$~~_____
~~39. *Excess/Deficit (Subtract Line 38 from Line 6)~~		~~$~~_____

~~* If Line 38 is greater than Line 6, your estimated monthly expenses exceed your estimated monthly income.~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Section 1050.APPENDIX B Mortgage Ratio Worksheet (Repealed)

~~Part I~~

~~LOAN-TO-VALUE RATIO~~

~~1.Mortgage Amounts~~ ~~$~~_____

~~2.Appraised Value~~ ~~$~~_____

~~3.Line 1 divided by Line 2~~ ~~$~~_____

~~Note: This is the percentage of the purchase price/appraised value of your home that will be allocated to your total mortgage. A percentage rate over 80% may result in you incurring additional costs.~~

_____

~~Borrower's Signature~~

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

~~Part II~~

~~INCOME RATIO~~

~~MONTHLY HOUSING EXPENSES:~~

~~1.Principal and Interest Payment~~	~~$~~_____	
~~2.Homeowner's Insurance~~	_____	
~~3.Real Estate Tax~~	_____	
~~4.Mortgage Insurance Premium~~	_____	
~~5.Homeowner's Association Fee~~	_____	
~~6.Ground Rents~~	_____	
~~7.Payments on Existing or Proposed 2nd Mortgage~~	_____	
~~8.Total Housing Expense (Add Lines 1 through 7)~~		~~$~~_____

~~MONTHLY GROSS INCOME:~~

~~9.Gross Salary~~	~~$~~ _____	
~~10.Dividends/Interest~~	_____	
~~11.Social Security/Pension~~	_____	
~~12.Alimony/Child Support~~	_____	
~~13.Other~~	_____	
~~14.Total Gross Income~~		~~$~~ _____
~~15.Divide Line 8 by Line 14~~		_____

~~Note: This is the percentage of your gross monthly income that will be allocated to your mortgage expenses.~~

~~Part III~~

~~LONG-TERM DEBT RATIO~~

~~MONTHLY EXPENSES:~~

~~1.Total Housing Expense (Part II, Line 8)~~	~~$~~ _____	
~~2.Credit Cards~~	_____	
~~3.Car Payments~~	_____	
~~4.Loans (Not Included on Line 1 or 3)~~	_____	
~~5.Alimony/Child Support~~	_____	
~~6.Total Expenses (Lines 1 through 5)~~		~~$~~ _____

~~MONTHLY INCOME:~~

~~7.Total Gross Income (Part II, Line 14)~~	~~$~~ _____
~~8.Divide Line 6 by Line 7~~	_____

~~Note: This is the percentage of your gross monthly income that will be allocated to your mortgage expenses and other debt that you pay on a monthly basis.~~

_____

~~Borrower's Signature~~

(Source: Repealed at 41 Ill. Reg. 12405, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

1) Heading of the Part: Savings Bank Act

2) Code Citation: 38 Ill. Adm. Code 1075

3) Section Number: 1075.130 — Adopted Action: Amendment

4) Statutory Authority: Implementing and authorized by the Savings Bank Act [205 ILCS 205].

5) Effective Date of Rule: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rule, including any material incorporated by reference, is on file in the principal office of the Division of Banking and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 41 Ill. Reg. 6805; June 16, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: There were none.

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Section listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plan language where appropriate; provide continuity across the balance of our Title 38 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 1075
SAVINGS BANK ACT

SUBPART A: FILINGS

Section
1075.100 Filings
1075.110 Conditions
1075.120 Examination Fees
1075.130 Regulatory~~Supervisory~~ Fees
1075.140 Adjusted Supervisory Fees (Repealed)
1075.141 Special Credit (Repealed)
1075.150 Withdrawal of Application or Other Filings

SUBPART B: DEFINITIONS

Section
1075.200 Definitions

SUBPART C: REPORTS

Section
1075.300 Contracts
1075.310 Financial Reports

SUBPART D: OPERATIONS

Section
1075.400 Capital Stock (Repealed)
1075.410 Minimum Capital Requirement
1075.415 Conflicting Federal Powers, Law and Regulations
1075.420 Advertising
1075.430 Maintenance of Records
1075.440 Business Plan
1075.450 Excess Insurance
1075.455 Vacancies in the Board of Directors

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

1075.460 Bond of Officers, Organization Directors, Employees and Agents
1075.465 Indemnification of Officers, Organization Directors, Employees and Agents
1075.470 Deceptively Similar Names
1075.480 Manner of Display of Annual Meeting Notice
1075.490 Procedures for Exercise of Dissenters Rights

SUBPART E: INVESTMENTS

Section
1075.500 Prudent Person Rule
1075.505 Investment Underwriting Practice
1075.510 Discrimination and Redlining
1075.515 Loans Secured by Real Estate
1075.520 Construction Loans
1075.525 Mobile Home Financing (Repealed)
1075.530 Overdraft Loans
1075.535 Education Loans
1075.540 Vehicle/Automobile Loans
1075.545 Home Equity Loans
1075.550 Letter of Credit
1075.555 Other Investments
1075.560 Commercial Paper
1075.565 Financial Futures
1075.570 Financial Options
1075.575 Finance Leasing
1075.580 Suretyship
1075.585 Asset Reserves
1075.590 Asset Composition Test

SUBPART F: SERVICE CORPORATION AND OPERATING SUBSIDIARIES

Section
1075.600 Requirements
1075.610 Approval by the Director
1075.620 Investment Limitations
1075.630 Investments by Service Corporations
1075.640 Ownership of Capital Stock of Service Corporation
1075.650 Prohibited Transactions
1075.660 Disclosure to Service Corporation

1075.670 Reporting Requirements
1075.680 Audit Requirements

SUBPART G: RELOCATIONS AND BRANCHING

Section
1075.700 General
1075.705 Application
1075.710 Request for Preliminary Determination
1075.715 Public Notice and Inspection
1075.720 Protest
1075.725 Oral Argument
1075.730 Application for the Maintenance of Branch Office after Conversion, Consolidation, Purchase of Assets or Merger
1075.735 Redesignation of Offices
1075.740 Termination of Operation and/or Closing of a Branch Office
1075.745 Division Offices
1075.750 Remote Drive-In and/or Remote Pedestrian Facilities

SUBPART H: CAPITAL NOTES AND DEBENTURES

Section
1075.800 Approval
1075.810 Conversion to Stock
1075.820 Priority of Claim

SUBPART I: ADMINISTRATIVE HEARING PROCEDURES

Section
1075.900 Applicability
1075.905 Definitions
1075.910 Early Neutral Evaluation
1075.915 Conference Adjudicative Hearing
1075.920 Filing
1075.925 Form of Documents
1075.930 Computation of Time
1075.935 Appearances
1075.940 Notice of Hearing
1075.945 Service of the Notice of Hearing

1075.950 Motion and Answer
1075.955 Consolidation and Severance of Matters − Additional Parties
1075.960 Intervention
1075.965 Postponement or Continuance of Hearing
1075.970 Authority of Hearing Officer
1075.975 Bias or Disqualification of Hearing Officer
1075.980 Prehearing Conferences
1075.985 Discovery
1075.990 Subpoenas
1075.995 Conduct of the Hearing
1075.1000 Default
1075.1005 Evidence
1075.1010 Official Notice
1075.1015 Hostile Witnesses
1075.1020 Transcription of Proceedings
1075.1025 Briefs
1075.1030 Hearing Officer's Findings, Opinions and Recommendations
1075.1035 Order of the Director
1075.1040 Rehearings
1075.1045 Existing Statutory or Division Procedures and Practices
1075.1050 Costs of Hearing
1075.1055 Emergency Adjudication

SUBPART J: SAVINGS BANK HOLDING COMPANIES

Section
1075.1100 Applicability
1075.1105 Definitions
1075.1110 Mutual Holding Company Reorganizations
1075.1111 Subsidiary Holding Company
1075.1115 Prohibition Against Approval of Certain Applications for Reorganization
1075.1120 Contents of Reorganization Plans
1075.1125 Capital Stock (Repealed)
1075.1130 Charter (Repealed)
1075.1135 Control (Repealed)
1075.1140 Eligible Account Holder (Repealed)
1075.1145 Eligibility Record Date (Repealed)
1075.1150 Employee (Repealed)
1075.1155 Equity Security (Repealed)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

1075.1160 Insured Institution (Repealed)
1075.1165 Member (Repealed)
1075.1170 Net Worth (Repealed)
1075.1175 Officer (Repealed)
1075.1180 Person (Repealed)
1075.1185 Qualifying Deposit (Repealed)
1075.1190 Sale (Repealed)
1075.1195 Security (Repealed)
1075.1200 Source Documents (Repealed)
1075.1205 Subsidiary (Repealed)
1075.1210 Liquidation Account and Proxies
1075.1215 Mutual Holding Company Ceasing to be a Depository Institution
1075.1220 Directors of a Mutual Holding Company
1075.1225 Stock Issuance Plan
1075.1230 Stock of a Subsidiary of a Mutual Holding Company
1075.1235 Stock Subsidiary Formation
1075.1240 Net Worth Maintenance Agreement (Repealed)
1075.1245 Members' Rights
1075.1250 Investment
1075.1255 Notice Requirement/Corrective Action
1075.1260 Insider Abuses
1075.1265 Determination of the Qualification and Condition of an Out-of-State Acquisition
1075.1270 Acquisition and Disposal of Subsidiaries
1075.1275 Dividend Limitations and Waivers
1075.1280 Officers and Organization Directors List
1075.1285 Access to Books and Records
1075.1290 Annual Audit Requirements
1075.1295 Maintenance of Records
1075.1300 Notice of Appointment of Independent Accountants
1075.1305 Holding Company Filing Fees (Repealed)
1075.1310 Holding Company Supervisory Fees
1075.1315 Examination Fees
1075.1320 Conditions
1075.1325 Manner of Payment
1075.1330 Conversion of Mutual Holding Companies

SUBPART K: CONVERSION OF AN EXISTING DEPOSITORY INSTITUTION INTO AN ILLINOIS SAVINGS BANK

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

Section
1075.1400 Scope of Rules
1075.1405 Definitions
1075.1410 General Rules for Conversion Plan
1075.1415 Adopting and Filing of a Conversion Plan (Repealed)
1075.1420 Conversion Plan Requirements (Repealed)
1075.1425 Vote by Shareholders and Members (Repealed)
1075.1430 Issuance of Certificate of Approval
1075.1435 Final Approval of the Conversion
1075.1440 Powers of Resulting Savings Bank
1075.1445 Obligations of Resulting Savings Bank
1075.1450 Organization Directors of Resulting Savings Bank

SUBPART L: SUPERVISION

Section
1075.1500 Sale of Offices or Facilities
1075.1510 Purchase of Offices (Repealed)
1075.1520 Bridge Charters
1075.1530 Unsafe and Unsound Practices
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NOTICE OF ADOPTED AMENDMENT

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1075.2370	Proxy Statement − Business of the Applicant
1075.2380	Proxy Statement − Description of the Plan of Conversion
1075.2390	Proxy Statement − Description of Capital Stock
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1075.2510 Offering Circular − Certain Manner of Presentation of Required Information Prohibited
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1075.2540 Offering Circular − Additional Current Information Required
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1075.2560 Offering Circular − Preliminary Offering Circular
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SUBPART P: HIGH RISK HOME LOANS

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1075.3000 Definitions (Repealed)
1075.3100 Ability to Repay (Repealed)
1075.3150 Verification of Ability to Pay Loan (Repealed)
1075.3200 Fraudulent or Deceptive Practices (Repealed)
1075.3225 Prepayment Penalty (Repealed)
1075.3250 Pre-paid Insurance Products and Warranties (Repealed)
1075.3300 Refinancing Prohibited in Certain Cases (Repealed)
1075.3325 Balloon Payments (Repealed)
1075.3350 Financing of Certain Points and Fees (Repealed)
1075.3400 Payments to Contractors (Repealed)
1075.3450 Negative Amortization (Repealed)
1075.3500 Negative Equity (Repealed)
1075.3550 Counseling Prior to Perfecting Foreclosure Proceedings (Repealed)
1075.3600 Mortgage Awareness Program (Repealed)
1075.3650 Report of Default and Foreclosure Rates on Conventional Loans (Repealed)
1075.3700 Director's Review and Analysis (Repealed)
1075.3750 Third Party Review of High Risk Home Loans (Repealed)

SUBPART Q: DISCLOSURE OF CONFIDENTIONAL SUPERVISORY INFORMATION

Section
1075.4010 Definitions

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NOTICE OF ADOPTED AMENDMENT

1075.4020 Purpose and Scope
1075.4030 Requests for Confidential Supervisory Information
1075.4040 Where to Submit a Request
1075.4050 Consideration of Requests
1075.4060 Disclosure of Confidential Supervisory Information
1075.4070 Retrieval and Destruction of Previously Disclosed Confidential Supervisory Information Used in Litigation
1075.4080 Fees for Services

SUBPART R: PAYDAY LOANS

Section
1075.5000 Purpose and Scope
1075.5010 Definitions
1075.5020 Applicability of Rule
1075.5030 Issuance of Payday Loans by Savings Banks

1075.APPENDIX A Estimated Monthly Income and Expenses Worksheet
1075.APPENDIX B Mortgage Ratio Worksheet

AUTHORITY: Implementing and authorized by the Savings Bank Act [205 ILCS 205].

SOURCE: Emergency Rules adopted at 14 Ill. Reg. 15029, effective September 4, 1990, for a maximum of 150 days; adopted at 15 Ill. Reg. 1916, effective January 25, 1991; amended at 16 Ill. Reg. 4891, effective March 16, 1992; amended at 17 Ill. Reg. 8894, effective June 7, 1993; expedited correction at 17 Ill. Reg. 18223, effective June 7, 1993; emergency amendment adopted at 18 Ill. Reg. 7016, effective April 22, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 15094, effective September 26, 1994; emergency amendment at 19 Ill. Reg. 10277, effective June 29, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15474, effective October 31, 1995; recodified from Chapter VIII, Commissioner of Savings and Residential Finance, to Chapter II, Office of Banks and Real Estate, pursuant to PA 89-508, at 20 Ill. Reg. 12645; amended at 22 Ill. Reg. 6719, effective March 30, 1998; amended at 24 Ill. Reg. 73, effective January 1, 2000; emergency amendment at 24 Ill. Reg. 6986, effective April 24, 2000, for a maximum of 150 days; emergency expired on September 20, 2000; amended at 24 Ill. Reg. 15026, effective September 26, 2000; emergency amendment at 24 Ill. Reg. 19331, effective December 15, 2000, for a maximum of 150 days; emergency amendment repealed at 25 Ill. Reg. 3698, effective January 30, 2001, in response to an objection of the Joint Committee on Administrative Rules at 25 Ill. Reg. 1858; amended at 25 Ill. Reg. 6197, effective May 17, 2001; amended at 26 Ill. Reg. 13483, effective September 13, 2002; emergency amendment at 27 Ill.

Reg. 16043, effective September 29, 2003, for a maximum of 150 days; emergency amendments suspended at 27 Ill. Reg. 18485, effective November 18, 2003; emergency suspension withdrawn at 28 Ill. Reg. 409, effective December 16, 2003; emergency repealed at 28 Ill. Reg. 427, effective December 16, 2003, in response to the objection and suspension of the Joint Committee on Administrative Rules; amended at 28 Ill. Reg. 807, effective December 29, 2003; amended at 28 Ill. Reg. 7285, effective May 7, 2004; amended at 30 Ill. Reg. 19068, effective December 1, 2006; amended at 41 Ill. Reg. 11336, effective August 28, 2017; amended at 41 Ill. Reg. 12459, effective October 6, 2017.

SUBPART A: FILINGS

Section 1075.130 Regulatory~~Supervisory~~ Fees

a) Each savings bank shall pay fees as set forth in Section 9002.5(a) of the Act.~~The Director shall receive, and there shall be paid to the Director by each savings bank and each service corporation operating under the Act, a fixed fee of $600, plus a variable fee based on the total assets of each savings bank and each service corporation as shown on the financial report filed with the Director for the reporting period of the prior calendar year ended December 31, 1999 and every year thereafter according to the following schedule:~~

~~28.82¢ per $1,000 of the first $2,000,000 of total assets,~~

~~26.2¢ per $1,000 of the next $3,000,000 of total assets,~~

~~23.58¢ per $1,000 of the next $5,000,000 of total assets,~~

~~19.65¢ per $1,000 of the next $15,000,000 of total assets,~~

~~17.03¢ per $1,000 of the next $25,000,000 of total assets,~~

~~14.41¢ per $1,000 of the next $50,000,000 of total assets,~~

~~11.79¢ per $1,000 of the next $400,000,000 of total assets,~~

~~7.86¢ per $1,000 of the next $500,000,000 of total assets, and~~

~~5.24¢ per $1,000 of all total assets in excess of $1,000,000,000 of such savings bank or service corporation.~~

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

b) When service corporations and/or finance subsidiaries are owned by the savings bank, the owned assets may be consolidated with the assets of the savings bank for calculation of the~~this~~ fee under subsection (a). ~~If the finance subsidiary is not active and is in the form of a Collateralized Mortgage Obligation or a similar vehicle (Mortgage Backed Securities, Real Estate Mortgage Income Certificates, and other securitized debt instruments), the Director shall waive that portion of the fee attributed to the finance subsidiary.~~

c~~b~~) Each savings bank shall pay fees as set forth in Section 9002.5(c) of the Act. ~~to the Department a fee of $600 for each approved branch office or facility office established under Subpart G of this Part. The determination of such fees shall be made annually as of the close of business of the prior calendar year ended December 31.~~

~~c) One fourth of the sum of the supervisory fee so determined shall be remitted as billed by the Director. Such fees shall be for the respective current year. Fees payable for the third and fourth calendar quarters of 2003 shall be recalculated using total assets as of December 31, 2002, and the amended fees provided in subsections (a) and (b) of this Section. One fourth of the sum of the supervisory fee determinded based on the amended fee schedule shall be remitted as billed for the third and fourth calendar quarters of 2003.~~

d) The~~Subject to the requirements of subsection (c) of this Section for the third and fourth quarters of 2003, supervisory fees shall be determined by the Director following the close of the respective calendar year; however, the~~ dates of billings shall not prejudice the validity of an invoice for any ~~such~~ fees billed at a later date.

e) In the event the savings bank~~state~~ charter is converted, taken into possession under the Act, or ~~otherwise~~ surrendered during the year, the Director shall pro rate ~~determine~~ the regulatory~~supervisory~~ fee ~~based on the total assets of the savings bank as of the month-end immediately preceding the cancellation of the state charter, except that the measurement date may be another date at the discretion of the Director in the event a savings bank elects to liquidate. In determining whether to set another measurement date, the Director shall consider the following elements: whether the savings bank is undergoing a planned liquidation (where a savings bank elects to not continue operations), or, the savings bank has transferred significant assets (more than .5% of the total assets at~~

~~the previous measurement date)~~.

~~f)~~ ~~The Director may waive part of the first annual supervisory fee specified under subsection (a), for a savings and loan association that has paid the fee for conversion to federal charter as required under the rules promulgated pursuant to the Illinois Savings and Loan Act of 1985 (38 Ill. Adm. Code 400.110(b)). Such waiver, if any is granted, shall be in accordance with the following schedule:~~

~~1)~~ ~~for conversions that were completed less than twelve months but greater than six months before the issuance of a savings bank charter, 25% may be waived; and~~

~~2)~~ ~~for conversions that were completed less than six months before the issuance of a savings bank charter, 50% may be waived.~~

(Source: Amended at 41 Ill. Reg. 12459, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

1) Heading of the Part: Title Insurance Act

2) Code Citation: 50 Ill. Adm. Code 8100

3) Section Number: 8100.145 — Adopted Action: Amendment

4) Statutory Authority: Implementing and authorized by the Title Insurance Act [215 ILCS 155].

5) Effective Date of Rule: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rule, including any material incorporated by reference, is on file in the principal office of the Division of Financial Institutions and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 41 Ill. Reg. 6822; June 16, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Section listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plan language where appropriate; provide continuity across the balance of our Title 38 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

16) Information and questions regarding this adopted rule shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

TITLE 50: INSURANCE
CHAPTER V: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 8100
TITLE INSURANCE ACT

SUBPART A: RULES OF GENERAL APPLICATION

Section
8100.100 Notice of Suspension or Revocation
8100.105 Notification of Noncompliance or Material Change
8100.110 Display of Certificates or Registrations
8100.114 Certification
8100.115 Prohibition on Filing Application
8100.120 Computation of Time
8100.121 Requirements as to Proper Form
8100.125 Place of Filing
8100.130 Additional Information
8100.135 Additional Exhibits
8100.140 Information Unknown or Not Reasonably Available
8100.145 Requirements as to Paper, Printing and Language
8100.150 Number of Copies--Signatures
8100.155 Examination Fees
8100.170 Extension of Date for Filing
8100.190 Provisions for Granting of Variance from Rules

SUBPART B: DEFINITIONS

Section
8100.200 Definition of terms Used in this Part
8100.205 Definition of the term "Domestic Title Insurance Company" as Used in the Act
8100.210 Definition of the term "Application" as Used in Sections 4.(d) and 8.(b) of the Act
8100.215 Definition of the term "Audit" as Used in Section 12.(b) of the Act
8100.220 Definition of the term "Bonds of the United States" as Used in Section 4.(a) of the Act
8100.225 Definition of the term "Bonds ... of Any Body Politic of This State" as Used in Section 4.(a) of the Act
8100.230 Definition of the term "Bonds ... of This State" as Used in Section 4.(a) of the Act
8100.235 Definition of the term "Qualified to Do Business in This State" as Used in Section

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

4.(a) of the Act
8100.240 Definition of the term "Title Plant" as Used in Section 7.(b) of the Act
8100.245 Definition of the term "Net Retained Liability" as Used in Sections 8.(a) and 11.(c)(2) of the Act
8100.250 Definition of the term "Capital" as Used in Section 9.(a) of the Act
8100.255 Definition of the term "Notice" as Used in Section 9.(b) of the Act
8100.260 Definition of the term "Alien Title Insurance Company" as Used in Section 11.(b) of the Act
8100.265 Definition of the term "Foreign Title Insurance Company" as Used in Section 11.(b) and 15 of the Act
8100.270 Definition of the term "Like Purposes" as Used in Section 15 of the Act
8100.275 Definition of the term "Party" as Used in Section 23 of the Act
8100.280 Definition of the term "Person" as Used in Section 24 of the Act

SUBPART C: TITLE INSURANCE COMPANIES

Section
8100.400 Bonds and Securities Acceptable for Deposit
8100.401 Place of Deposit
8100.402 Computation of Amount on Deposit
8100.403 Exchange of Bonds on Deposit
8100.900 Impairment
8100.905 Definition of the Term "Statutory Liabilities" as Used in This Subpart
8100.1000 Date of Redetermination of Required Reserves
8100.1005 Records of Required Reserves
8100.1100 Records of Statutory Premium Reserve
8100.1200 Consumer Complaints
8100.1300 Report of Condition
8100.1500 Due Date for Filing Report
8100.1505 Due Date for Deposits and Payments
8100.1510 Review of Reports
8100.1515 Due Date for Delinquency Assessment

SUBPART D: TITLE INSURANCE AGENTS

Section
8100.1600 Registration of Title Insurance Agents

SUBPART E: INDEPENDENT ESCROWEES

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

Section
8100.1700 Bonds and Securities Acceptable for Deposit
8100.1701 Place of Deposit
8100.1702 Computation of Amount on Deposit
8100.1703 Exchange of Bonds on Deposit
8100.1704 Starker Exchange
8100.1705 Independent Accountant
8100.1706 Notice of Judgments
8100.1708 Maintenance of Books
8100.1710 Annual Report
8100.1712 Due Date for Filing of Annual Report
8100.1714 Confirmation of Escrow Fund and Liability
8100.1716 Basis of Books
8100.1718 Posting Dates
8100.1720 Escrow Books
8100.1722 General Books
8100.1724 Special Accounts
8100.1726 Records to be Preserved
8100.1728 Withdrawals From Special Accounts
8100.1730 Debit Balances Prohibited
8100.1732 Delivery of Documents or Property
8100.1734 Dated Instructions
8100.1738 Printed Instructions
8100.1740 Withdrawal of Escrow Fees
8100.1742 Notice of Interest
8100.1744 Transfers Between Escrows
8100.1746 Escrow Receipts
8100.1748 Drawing of Checks
8100.1750 Statement of Account

SUBPART G: EVIDENTIARY MATTERS AND NON-BINDING STATEMENTS

Section
8100.2010 Request for Non-Binding Statements

SUBPART H: PROCEDURES FOR ADMINISTRATIVE HEARINGS

Section

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

8100.2100 Preamble
8100.2102 Qualifications and Duties of the Hearing Officer
8100.2104 Notice of Hearing
8100.2106 Institution of a Contested Case by the Division
8100.2108 Requirement to File an Answer
8100.2110 Amendment or Withdrawal of the Notice of Hearing
8100.2112 Representation
8100.2114 Special Appearance
8100.2116 Substitution of Parties
8100.2118 Failure to Appear
8100.2120 Motions
8100.2122 Requirements Relating to Continuances
8100.2124 Rules of Evidence
8100.2126 Form of Papers
8100.2128 Bill of Particulars
8100.2130 Discovery
8100.2132 Examination of Witnesses
8100.2134 Subpoenas
8100.2136 Pre-Hearing Conferences
8100.2138 Record of a Pre-Hearing Conference
8100.2140 Hearings
8100.2142 Record of Proceedings
8100.2144 Record of Hearing
8100.2146 Orders
8100.2148 Stipulations
8100.2150 Open Hearings
8100.2152 Corrections to the Transcript
8100.2160 Disputes Between Parties Certified or Registered by the Division

SUBPART I: CONSUMER PROTECTION

Section
8100.2400 Preamble (Repealed)
8100.2402 Standards of Conduct
8100.2405 Definition of the term "Thing of Value" as Used in This Subpart
8100.2406 Borrower's Right to Cancel

SUBPART J: PUBLIC INFORMATION

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

Section
8100.3000 Non-Public Distribution of Information

AUTHORITY: Implementing and authorized by the Title Insurance Act [215 ILCS 155].

SOURCE: Emergency rules adopted at 14 Ill. Reg. 305, effective January 1, 1990, for a maximum of 150 days; adopted at 14 Ill. Reg. 8600, effective May 21, 1990; amended at 26 Ill. Reg. 14265, effective October 1, 2002; amended at 34 Ill. Reg. 852, effective December 29, 2009; amended at 35 Ill. Reg. 12354, effective July 22, 2011; amended at 41 Ill. Reg. 12475, effective October 6, 2017.

SUBPART A: RULES OF GENERAL APPLICATION

Section 8100.145 Requirements as to Paper, Printing and Language

a) Application shall be filed on good quality, unglazed, white paper, 8½ by 11 inches in size, insofar as practicable. However, tables, charts, maps and financial statements may be on larger paper, if folded to that size, and the prospectus may be on smaller paper, if the registrant so desires, but not less than 7½ by 9 inches in size. Applications may be submitted electronically and shall be filed in a format reasonably similar to the format described in this subsection.

b) The application and, insofar as practicable, all papers and documents filed as a part of the application, shall be printed or typewritten. However, the application or any portion may be prepared by any similar process that, in the opinion of the Division, produces copies suitable for permanent record. Irrespective of the process used, all copies of the material shall be clear, easily readable and suitable for repeated photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies.

c) The application shall be in the English language. If any exhibit or other paper or document filed with the application is in a foreign language, it shall be accompanied by a translation into the English language.

(Source: Amended at 41 Ill. Reg. 12475, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

1) Heading of the Part: Sex Offender Evaluation and Treatment Provider Act

2) Code Citation: 68 Ill. Adm. Code 1280

3) Section Number: 1280.50 — Adopted Action: Amendment

4) Statutory Authority: Implementing the Sex Offender Evaluation and Treatment Provider Act [225 ILCS 109] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

5) Effective Date of Rule: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rule, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Date Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 6829; June 16, 2017.

10) Has JCAR issued a Statement of Objection to this rulemaking: No

11) Differences between Proposal and Final Version: None

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? None were made.

13) Will this rulemaking replace emergency rules currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: The adopted amendment allows an applicant for an Associate Sex Offender Treatment Provider license to meet the education requirements of the Act and eliminates arbitrary and burdensome requirements. The original education requirements of Section 1280.50 created barriers to licensure and have

resulted in numerous variances which delayed the licensure process. This rule will allow educational credentials to be reviewed in a uniform and consistent manner.

16) Information and questions regarding this adopted rule shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax#: 217/557-4451

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENT

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1280
SEX OFFENDER EVALUATION AND TREATMENT PROVIDER ACT

Section

1280.10 Application for Licensure as a Sex Offender Evaluator
1280.20 Experience Defined Sex Offender Evaluator
1280.30 Application for Licensure as a Sex Offender Treatment Provider
1280.40 Experience Defined Sex Offender Treatment Provider
1280.50 Application for Licensure as an Associate Sex Offender Provider
1280.60 Supervision of Associate Sex Offender Providers
1280.70 Renewal
1280.80 Restoration
1280.90 Inactive Status
1280.100 Fees
1280.110 Unethical, Unauthorized or Unprofessional Conduct
1280.120 Continuing Education
1280.130 Granting Variances

AUTHORITY: Implementing the Sex Offender Evaluation and Treatment Provider Act [225 ILCS 109] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

SOURCE: Old Part repealed at 13 Ill. Reg. 513, effective December 29, 1988; new Part adopted at 37 Ill. Reg. 19582, effective November 22, 2013; amended at 41 Ill. Reg. 12482, effective October 6, 2017.

Section 1280.50 Application for Licensure as an Associate Sex Offender Provider

a) A person is qualified for licensure as an associate sex offender provider if that person:

1) has applied in writing on forms prepared and furnished by the Department;

2) has not engaged or is not engaged in any practice or conduct that would be grounds for disciplining a licensee under Section 75 of the Act;

3) has demonstrated compliance with the educational requirement as set forth in Section 35(c) of the Act and Section 1280.50(b); and

4) has paid the required fee set forth in Section 1280.100.

b) Applicants~~Pursuant to Section 35(c) of the Act, the applicant~~ must provide evidence that the person holds a master's degree or higher from a program at a college, university or school that is a regionally accredited institution and recognized by the U.S. Department of Education in one of the following subjects:~~in social work, psychology, marriage and family therapy, counseling or a closely related behavioral science, or psychiatry.~~

1) social work;

2) psychology;

3) marriage and family therapy;

4) counseling; or

5) psychiatry.

c) Master's degrees or higher in a closely related behavioral or mental health science may be approved by the Department if the educational content is equivalent to the content of the degrees listed in subsection (b).

d)~~c)~~ The Division, upon recommendation of the Board, has determined that issuance of a license in this State as one of the entities listed in this subsection (d)~~either of the following~~ shall be evidence of completion of an acceptable educational program. For the purposes of this Section, the license does not need to be active at the time of application.

1) A physician licensed to practice medicine in all of its branches under the Medical Practice Act of 1987 or an equivalent license under the laws of another state;

2) An advanced practice nurse with psychiatric specialty licensed under the Nurse Practice Act;

3) A clinical psychologist licensed under the Clinical Psychologist Licensing Act;

4) A licensed clinical social worker licensed under the Clinical Social Work and Social Work Practice Act;

5) A licensed clinical professional counselor licensed under the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act; or

6) A licensed marriage and family therapist licensed under the Marriage and Family Therapy Licensing Act.

~~1) Completion of a master's degree or higher in social work, psychology, marriage and family therapy, counseling or a closely related behavioral science, or psychiatry from a program certified by one of the following:~~

~~A) American Psychological Association;~~

~~B) Council on Social Work Education;~~

~~C) Council for Accreditation of Counseling and Related Educational Programs;~~

~~D) Council on Rehabilitation Education;~~

~~E) Commission on Accreditation for Marriage and Family Therapy Education;~~

~~F) American Association of Medical Colleges; or~~

~~G) American Nurses Credentialing Center; or~~

~~2) Issuance of a license in this State as one of the following. For the purposes of this Section, the license does not need to be active at the time of application:~~

~~A) a physician licensed to practice medicine in all of its branches under the Medical Practice Act of 1987 or an equivalent license under the laws of another state;~~

~~B) an advanced practice nurse with psychiatric specialty licensed under the Nurse Practice Act;~~

~~C) a clinical psychologist licensed under the Clinical Psychologist Licensing Act;~~

~~D) a licensed clinical social worker licensed under the Clinical Social Work and Social Work Practice Act;~~

~~E) a licensed clinical professional counselor licensed under the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act;~~

~~F) a licensed marriage and family therapist licensed under the Marriage and Family Therapy Licensing Act.~~

(Source: Amended at 41 Ill. Reg. 12482, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED REPEALER

1) Heading of the Part: Clinical Psychologist Licensing Act

2) Code Citation: 68 Ill. Adm. Code 1400

3)

Section Numbers:	Adopted Actions:
1400.20	Repealed
1400.30	Repealed
1400.40	Repealed
1400.50	Repealed
1400.60	Repealed
1400.65	Repealed
1400.70	Repealed
1400.75	Repealed
1400.80	Repealed
1400.85	Repealed
1400.90	Repealed

4) Statutory Authority: Implementing the Clinical Psychologist Licensing Act [225 ILCS 15] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

5) Effective Date of Repealer: October 6, 2017

6) Does this repealer contain an automatic repeal date? No

7) Does this repealer contain incorporations by reference? No.

8) A copy of the adopted repealer, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Date Notice of Proposed Repealer published in *Illinois Register*: 40 Ill. Reg. 14490; October 28, 2016

10) Has JCAR issued a Statement of Objection to this Repealer? No

11) Differences between Proposal and Final Version: None

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? None were made.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED REPEALER

13) Will this repealer replace any emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Repealer: PA 98-668, which became effective on June 16, 2014, amended the Clinical Psychologist Licensing Act to create a new license for prescribing psychologists. It specified educational requirements for licensure as a prescribing psychologist, addressed the delegation of prescriptive authority by a physician through collaborative agreements, and added references to prescribing psychologists throughout the Act as appropriate. The adopted rulemaking that accompanies this repealer heavily restructured the Sections of Part 1400 to incorporate the new prescribing psychologist rules. This repealer was necessary for incorporating the new rewritten rules.

16) Information and questions regarding this adopted repealer shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED RULES

1) Heading of the Part: Clinical Psychologist Licensing Act

2) Code Citation: 68 Ill. Adm. Code 1400

3)

Section Numbers:	Adopted Actions:
1400.10	New Section
1400.20	New Section
1400.30	New Section
1400.40	New Section
1400.50	New Section
1400.60	New Section
1400.70	New Section
1400.100	New Section
1400.110	New Section
1400.120	New Section
1400.130	New Section
1400.140	New Section
1400.200	New Section
1400.210	New Section
1400.220	New Section
1400.230	New Section
1400.240	New Section
1400.250	New Section
1400.260	New Section
1400.EXHIBIT A	New Section

4) Statutory Authority: Implementing the Clinical Psychologist Licensing Act [225 ILCS 15] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? Yes, the ARC-PA Standards for Physician Assistant Education, 4th edition, the Accreditation Review Commission on Education for the Physician Assistant, 12000 Findley Road, Suite 275, Johns Creek GA 30097, March 2016, with no later amendments or editions.

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Professional Regulation and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 40 Ill. Reg. 14519; October 28, 2016

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: The Department agreed to have the Division of Professional Regulation incorporate the ARC-PA Standards for Physician Assistant Education in the adopted version.

The adopted version also has a change from the proposed version in the "Endorsement for Prescribing Psychologists" Section regarding individuals who graduated from the Department of Defense Psychopharmacology Demonstration Project. The proposed version had expanded that to include similar programs from any other branch of the U.S. armed forces but that expansion was removed at the behest of the public comments received during this rule's First Notice period.

Lastly, in the "Sample Written Collaborative Agreement" Exhibit A Section, in the paragraph regarding the termination of a collaborative agreement, the adopted version added that the agreement may be terminated by either party immediately, without notice, for "just cause". "Just cause" is defined as acts or omissions by the other practitioner that would be grounds for discipline of a license issued under the Medical Practice Act or the Clinical Psychology Licensing Act.

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

13) Will this rulemaking replace any emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: This adopted rule implements the provisions of PA 98-668. It created a new license for prescribing psychologists, specified educational requirements for licensure as a prescribing psychologist, addressed the delegation of prescriptive authority by a physician through collaborative agreements and added references to prescribing psychologists throughout the Act as appropriate. It also made several technical/non-substantive updates.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED RULES

First, this rulemaking repealed all of the original Part 1400 and replaced it with a "New" Part 1400 that incorporates the new prescribing psychologist rules by creating subparts.

Section 1400.10 created a new Definitions section not in the original Part that includes terms defined in the Act.

Section 1400.20 (Renewals) clarified that both clinical psychologist and prescribing psychologist licenses expire on September 30 of each even number year.

Section 1400.30 (Restoration) added requirements for prescribing psychologist licenses, by mirroring the current requirements for clinical psychologist licenses.

Section 1400.40 (Fees) incorporated fees for prescribing psychologist license applications, renewals, restoration, and for optional approval of a clinical rotation program.

Section 1400.60 (Continuing Education) included the additional 24 hours of pharmacology continuing education a prescribing psychologist must complete for renewal of the license, pursuant to Section 4.2(c)(2) of the Act. This Section was also amended to standardize the requirements for waiver of continuing education requirements with the waiver requirements specified in the Department's continuing education rules for other professions.

Section 1400.200 (Licensure Qualifications) is a new section not in the original Part 1400 that implements the prescribing psychologist licensure requirements under Section 4.2(a). Language from Section 4.2(a) is incorporated into this Section. Section 4.2(a)(3) of the Act requires the Department to determine a National Certifying Exam by rule; this Section specifies that the examination is the Psychopharmacology Examination for Psychologists.

Section 1400.210 (Application for a License on the Basis of Examination) for prescribing psychologists is another new section not in the original Part 1400 that mirrors Section 120 (Application for Examination) for clinical psychologists. This Section specifies exactly what must be submitted to the Department in order to apply for a prescribing psychologist license.

Section 1400.220 (Clinical Rotations) is another new section not in the original Part 1400 that implements the clinical rotation training requirements of Section 4.2(a)(C) of the

Act, which requires the Department to set certain standards for approval of these clinical rotation programs by rule. This Section also states that a program may apply for program pre-approval in accordance with the following Section.

Section 1400.230 (Clinical Rotation Program Approval) allows a clinical rotation program to apply for approval of its program by the Department. This Section specifies exactly what must be submitted to the Department in order to apply for program approval. It also addresses the timeline during which a program must cure any deficiencies in its application for approval. Further, it identifies reasons that the Department may withdraw approval of a program, and allows for a hearing at the discretion of the Department. Finally, this Section clarifies that an approved program that seeks to modify its program may seek re-approval by submitting a new application and fee.

Section 1400.240 (Written Collaborative Agreements) is another new section not in the original Part 1400 that implements the collaborative agreement requirements under Section 4.3 of the Act. It also requires that all prescriptions signed by a prescribing psychologist shall indicate the name of the collaborating physician. The language in this requirement is identical to the language requiring that all prescriptions signed by an advance practice nurse shall indicate the name of the collaborating physician, under the Nurse Practice Act (68 Ill. Adm. Code 1300.430(e)).

Section 1400.260 (Endorsement for Prescribing Psychologists) is another new section not in the original Part 1400 that was created to implement the endorsement requirements of Section 4.5 of the Act.

EXHIBIT A (Sample Written Collaborative Agreement) is another new section not in the original Part 1400 that was created to provide an example collaborative agreement for prescribing psychologists and collaborating physicians. The language in this EXHIBIT A is similar to that of EXHIBIT A (Sample Written Collaborative Agreement) in the rules for administration of the Nurse Practice Act (68 Ill. Adm. Code 1300).

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED RULES

217/785-0813
fax: 217/557-4451

The full text of the Adopted Rules begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED RULES

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1400
CLINICAL PSYCHOLOGIST LICENSING ACT

SUBPART A: GENERAL

Section
1400.10 Definitions
1400.20 Renewals
1400.30 Restoration
1400.40 Fees
1400.50 Unethical, Unauthorized, or Unprofessional Conduct
1400.60 Continuing Education
1400.70 Granting Variances

SUBPART B: CLINICAL PSYCHOLOGIST

1400.100 Licensure Qualifications
1400.110 Experience Defined
1400.120 Application for Examination
1400.130 Examination
1400.140 Endorsement for Clinical Psychologists

SUBPART C: PRESCRIBING PSYCHOLOGIST

1400.200 Licensure Qualifications
1400.210 Application for a License on the Basis of Examination
1400.220 Clinical Rotations
1400.230 Clinical Rotation Program Approval
1400.240 Written Collaborative Agreements
1400.250 Prescribing Authority
1400.260 Endorsement for Prescribing Psychologists

1400.EXHIBIT A Sample Written Collaborative Agreement

AUTHORITY: Implementing the Clinical Psychologist Licensing Act [225 ILCS 15] and

authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

SOURCE: Adopted at 5 Ill. Reg. 935, effective January 15, 1981; codified at 5 Ill. Reg. 11057; amended at 5 Ill. Reg. 14171, effective December 3, 1981; emergency amendment at 6 Ill. Reg. 916, effective January 6, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 7448, effective June 15, 1982; transferred from Chapter I, 68 Ill. Adm. Code 400 (Department of Registration and Education) to Chapter VII, 68 Ill. Adm. Code 1400 (Department of Professional Regulation) pursuant to P.A. 85-225, effective January 1, 1988, at 12 Ill. Reg. 2972; emergency amendment at 13 Ill. Reg. 2519, effective February 8, 1989, for a maximum of 150 days; emergency expired July 8, 1989; amended at 14 Ill. Reg. 4515, effective March 12, 1990; amended by adding Section 1400.20(b)(10) and (c)(2)(H) and Section 1400.30(a)(4), (b)(4) and (c)(5) at 14 Ill. Reg. 12735, effective July 30, 1990; amended at 18 Ill. Reg. 11191, effective June 30, 1994; expedited correction at 19 Ill. Reg. 989, effective June 30, 1994; amended at 20 Ill. Reg. 7868, effective May 30, 1996; emergency amendment at 21 Ill. Reg. 9217, effective July 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 15240, effective November 17, 1997; amended at 24 Ill. Reg. 11658, effective July 24, 2000; amended at 28 Ill. Reg. 358, effective December 19, 2003; amended at 36 Ill. Reg. 15468, effective November 2, 2012; former Part repealed at 41 Ill. Reg. 12488 and new Part adopted at 41 Ill. Reg. 12490, effective October 6, 2017.

SUBPART A: GENERAL

Section 1400.10 Definitions

"Act" means Clinical Psychologist Licensing Act [225 ILCS 15].

"Board" means the Clinical Psychologists Licensing and Disciplinary Board appointed by the Secretary.

"Collaborating physician" means a physician licensed to practice medicine in all of its branches in Illinois who generally prescribes medications for the treatment of mental health disease or illness to his or her patients in the normal course of his or her clinical medical practice.

"Department" means the Department of Financial and Professional Regulation. (Section 2 of the Act)

"Director" means the Director of the Division of Professional Regulation with the authority delegated by the Secretary.

"Division" means the Department of Financial and Professional Regulation-Division of Professional Regulation with the authority delegated by the Secretary.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation. (Section 2 of the Act)

Section 1400.20 Renewals

a) Every clinical psychologist and prescribing psychologist license issued under the Act shall expire on September 30 of each even-numbered year. The holder of a license may renew the license during the month preceding the expiration date by paying the required fee.

b) It is the responsibility of each licensee to notify the Division of any change of address. Failure to receive a renewal form from the Division shall not constitute an excuse for failure to pay the renewal fee or to renew a license.

c) Individuals applying to renew a prescribing psychologist license must also renew their clinical psychologist license.

Section 1400.30 Restoration

a) A person seeking restoration of a clinical psychologist or prescribing psychologist license that has lapsed or been on inactive status for less than 5 years shall have it restored upon payment of the required fees specified in Section 1400.40. Individuals restoring will be required to submit proof of having met the continuing education requirements of Section 1400.60. Continuing education must be completed during the 24 months preceding application for restoration.

b) A person seeking restoration of his/her clinical psychologist license that has lapsed or been on inactive status for more than 5 years shall file a completed application, on forms supplied by the Division, with the required fee set forth in Section 1400.40. The applicant shall also be required to:

1) Submit certification of current licensure from another jurisdiction and verification of active practice in that jurisdiction;

2) Submit proof of one year of study completed within the past 5 years in an approved educational program in accordance with Section 1400.100;

3) Submit verification of 6 months of full-time supervised experience, as described in Section 1400.110(a); or

4) Pass the examination set forth in Section 1400.130.

c) A person seeking restoration of his/her prescribing psychologist license that has lapsed or been on inactive status for more than 5 years shall file a completed application, on forms supplied by the Division, with the required fee set forth in Section 1400.40. The applicant shall also be required to:

1) Submit certification of current licensure from another jurisdiction and verification of active practice in that jurisdiction;

2) Submit proof of one academic year of study in the field of psychology or another related behavioral health field completed within the past 5 years in an approved educational program in accordance with Section 1400.200(a)(2); or

3) Pass the examination set forth in Section 1400.200(a)(3).

d) When the accuracy of any submitted documentation, or the relevance or sufficiency of the course work or experience, is questioned by the Division, because of discrepancies or conflicts in information, the need for further clarification, and/or missing information, the person seeking restoration of his license will be requested:

1) to provide such information as may be necessary; and/or

2) to:

A) explain the relevance or sufficiency during an oral interview; or

B) appear for additional oral interviews before the Board when the information available to the Board is insufficient to evaluate the individual's current competency to practice under the Act.

e) Upon the recommendation of the Board and approval of the Director, an applicant shall have his/her license restored.

Section 1400.40 Fees

The following fees shall be paid to the Department and are not refundable:

a) Application Fees

1) The fee for application for a license by examination or acceptance of examination as a clinical psychologist is $50. In addition, applicants for an examination shall be required to pay, either to the Department or to the designated testing service, a fee covering the cost of determining an applicant's eligibility and providing the examination. Failure to appear for the examination on the scheduled date, at the time and place specified, after the applicant's application for examination has been received and acknowledged by the Department or the designated testing service, shall result in the forfeiture of the examination fee.

2) The fee for application for a license by examination or acceptance of examination as a prescribing psychologist is $150.

3) The application fee for a license as a clinical psychologist or a prescribing psychologist certified or licensed under the laws of another jurisdiction is $100.

4) The application fee for a license as an association or partnership to practice clinical psychology is $50.

5) The fee for application as a continuing education sponsor is $500. State colleges, State universities and State agencies are exempt from payment of this fee.

6) The fee for application as an approved clinical rotation program for prescribing psychologists is $1,000.

b) Renewal Fees

1) The fee for the renewal of a clinical psychologist license shall be calculated at the rate of $80 per year.

2) The fee for the renewal of a prescribing psychologist license shall be calculated at the rate of $150 per year.

3) The fee for renewal as a continuing education sponsor is $250 for the renewal period.

c) General Fees

1) The fee for the restoration of a clinical psychologist or prescribing psychologist license other than from inactive status is $50 plus payment of all lapsed renewal fees.

2) The fee for a certification of a licensee's record for any purpose is $20.

3) The fee for a roster of persons licensed as clinical psychologists or prescribing psychologists in this State shall be the actual cost of producing such a roster.

Section 1400.50 Unethical, Unauthorized, or Unprofessional Conduct

The Division may suspend or revoke a license, refuse to issue or renew a license or take other disciplinary action, based upon its finding of *unethical, unauthorized or unprofessional conduct* (Section 15(7) of the Act), which is interpreted to include, but is not limited to, the following acts or practices:

a) Practicing or offering to practice beyond one's competency (for example, providing services or using techniques for which one is not qualified by education, training and experience);

b) Revealing facts, data or information relating to a client or examinee, except as allowed under Section 5 of the Act or under the Mental Health and Developmental Disabilities Confidentiality Act [740 ILCS 110]. The release of information with the expressed consent of the client as provided for in Section 6 of the Act is interpreted to mean that the psychologist, prior to the release of the information, obtained written consent and made certain that the client understood the possible uses or distributions of the information. Case history material may be

used for teaching or research purposes or in textbooks or other literature, provided that proper precautions are taken to conceal the identity of the clients or examinees involved;

c) Making gross or deliberate misrepresentations or misleading claims as to his/her professional qualifications or of the efficacy or value of his/her treatments or remedies, or those of another practitioner;

d) Failing to inform prospective research subjects or their authorized representative fully of potential serious after effects of the research or failing to remove the after effects as soon as the design of the research permits;

e) Refusing to divulge to the Division, upon request, techniques or procedures used in his/her professional activities;

f) Directly or indirectly giving to or receiving from any person, firm or corporation any fee, commission, rebate or other form of compensation for any professional services not actually rendered;

g) Impersonating another person holding a psychology license or allowing another person to use his/her license;

h) The commission of any dishonest, corrupt or fraudulent act that is substantially related to the functions or duties of a psychologist providing services or supervising psychological services;

i) The commission of any act of sexual misconduct, sexual abuse or sexual relations with one's client, patient, student supervisee or ex-client within 24 months after termination of treatment;

j) Submission of fraudulent claims for services to any health insurance company or health service plan or third party payor;

k) Pursuant to Section 15(7) of the Act, the Division hereby incorporates by reference the "Ethical Principles of Psychologists and Code of Conduct". American Psychological Association, 750 First Street NE, Washington DC 20002, American Psychologist, June 1, 2010, with no later amendments or editions.

Section 1400.60 Continuing Education

a) Continuing Education (CE) Hours Requirements

1) In order to renew a license, a clinical psychologist shall be required to complete 24 hours of continuing education. At least 3 of the 24 hours must include content related to the ethical practice of clinical psychology.

2) In order to renew a prescribing psychologist license, a prescribing psychologist shall also be required to complete 20 hours of continuing education on the subject of pharmacology. This requirement shall be in addition to the 24 hours of CE required to renew a clinical psychologist license.

3) A prerenewal period is the 24 months proceeding September 30 of each even-numbered year.

4) One CE hour shall equal one clock hour of attendance. After completion of the initial CE hour, credit may be given in one-half hour increments.

5) A renewal applicant shall not be required to comply with CE requirements for the first renewal of an Illinois license.

6) Clinical psychologists licensed in Illinois but residing and practicing in other states shall comply with the CE requirement set forth in this Section.

7) CE credit hours used to satisfy the CE requirements of another jurisdiction may be applied to fulfill the CE requirements of the State of Illinois.

b) Approved Continuing Education

1) CE hours shall be earned by verified attendance (e.g., certificate of attendance or certificate of completion) at, or participation in, a program or course (program) that is offered or sponsored by an approved continuing education sponsor who meets the requirements set forth in subsection (c), except for those activities described in this subsection (b).

2) A maximum of 18 CE credits per renewal period may be earned for completion of distance-learning courses or programs that are offered by an approved sponsor who meets the requirements set forth in subsection (c).

Examples of distance-learning courses include, but are not limited to, first class mail, magazines, email, message boards, websites and webinars. Each distance-learning CE course shall include an examination.

3) CE credit may be earned through postgraduate training programs (e.g., extern, residency or fellowship programs) or completion of graduate level psychology related courses that are a part of the curriculum of a college, university or graduate school. Courses that are part of the curriculum of a university, college or other educational institution shall be allotted CE credit at the rate of 15 CE hours for each semester hour or 10 CE hours for each quarter hour of school credit awarded. Courses that are audited shall not satisfy the requirements of this Section.

4) CE credit may be earned for verified teaching in the field of psychology in an accredited college, university or graduate school and/or as an instructor of CE programs given by approved sponsors. Credit will be applied at the rate of 1.5 hours for every hour taught and only for the first presentation of the program (i.e., credit shall not be allowed for repetitious presentations of the same program). A maximum of 10 hours of CE credit may be obtained in this category per prerenewal period.

c) Approved CE Sponsors and Programs

1) Sponsor, as used in this Section, shall mean:

A) American Psychological Association or its affiliates;

B) National Register of Health Service Psychologists;

C) Association of State and Provincial Psychology Boards;

D) American Medical Association or its affiliates;

E) Illinois Psychological Association or its affiliates;

F) Any regionally accredited school, college or university, or any State agency;

G) Any other person, firm or association that has been preapproved and authorized by the Division pursuant to subsection (c)(2) to coordinate and present CE courses and programs.

2) An entity seeking approval as a CE sponsor pursuant to subsection (c)(1)(G) shall submit an application, on forms supplied by the Division, along with the fee set forth in Section 1400.40. (State agencies, State colleges and State universities in Illinois shall be exempt from paying this fee.) The application shall include:

A) Certification:

i) That all programs offered by the sponsor for CE credit shall comply with the criteria in subsection (c)(3) and all other criteria in this Section;

ii) That the sponsor shall be responsible for verifying full-time continuous attendance at each program and provide a certificate of attendance as set forth in subsection (c)(8);

iii) That, upon request by the Division, the sponsor shall submit evidence (e.g., certificate of attendance or course material) as is necessary to establish compliance with this Section. Evidence shall be required when the Division has reason to believe that there is not full compliance with the statute and this Part and that this information is necessary to ensure compliance;

B) A copy of a sample program with faculty, course materials and syllabi.

3) All programs shall:

A) Contribute to the advancement, extension and enhancement of the professional skills and scientific knowledge of the licensee in the practice of clinical psychology;

B) Foster the enhancement of general or specialized clinical psychology practice and values;

C) Be developed and presented by persons with education and/or experience in the subject matter of the program;

D) Specify the course objectives, course content and teaching methods to be used; and

E) Specify the number of CE hours that may be applied to fulfilling the Illinois CE requirements for license renewal.

4) Each CE program shall provide a mechanism for evaluation of the program and instructor by the participants. The evaluation may be completed on site immediately following the program presentation or an evaluation questionnaire may be distributed to participants to be completed and returned by mail. The sponsor and the instructor, together, shall review the evaluation outcome and revise subsequent programs accordingly.

5) An approved sponsor may subcontract with individuals and organizations to provide approved programs. All advertising, promotional materials, and certificates of attendance must identify the licensed sponsor and the sponsor's license number. The presenter of the program may also be identified, but should be identified as a presenter. When a licensed sponsor subcontracts with a presenter, the licensed sponsor retains all responsibility for monitoring attendance, providing certificates of attendance and ensuring the program meets all of the criteria established by the Act and this Part, including the maintenance of records.

6) All programs given by approved sponsors shall be open to all licensed clinical psychologists and not be limited to members of a single organization or group.

7) To maintain approval as a sponsor pursuant to subsection (c)(2), each sponsor shall submit to the Division by September 30 of each even-numbered year a renewal application, the fee set forth in Section 1400.40.

8) Certification of Attendance. It shall be the responsibility of a sponsor to provide each participant in a program with a certificate of attendance or participation. The sponsor's certificate of attendance shall contain:

A) The name, address and license number of the sponsor;

B) The name and address of the participant;

C) A brief statement of the subject matter;

D) The number of hours attended in each program;

E) The date and place of the program; and

F) The signature of the sponsor or person responsible for the CE program.

9) The sponsor shall maintain attendance records for not less than 5 years.

10) The sponsor shall be responsible for assuring that no renewal applicant receives CE credit for time not actually spent attending the program.

11) Upon the failure of a sponsor to comply with any of the requirements of this Section, the Division, after notice to the sponsor and hearing before and recommendation by the Board (see 68 Ill. Adm. Code 1110), shall thereafter refuse to accept for CE credit attendance at or participation in any of that sponsor's CE programs until the Division receives assurances of compliance with this Section.

12) Notwithstanding any other provision of this Section, the Division or Board may evaluate any sponsor of any approved CE program at any time to ensure compliance with requirements of this Section.

d) Certification of Compliance with CE Requirements

1) Each renewal applicant shall certify, on the renewal application, full compliance with the CE requirements set forth in this Section.

2) The Division may require additional evidence demonstrating compliance with the CE requirements (e.g., certificate of attendance). This additional evidence shall be required in the context of the Division's random audit. It

is the responsibility of each renewal applicant to retain or otherwise produce evidence of compliance for the previous 8 years.

3) When there appears to be a lack of compliance with CE requirements, an applicant shall be notified in writing and may request an interview with the Board. At that time the Board may recommend that steps be taken to begin formal disciplinary proceedings as required by Section 10-65 of the Illinois Administrative Procedure Act [5 ILCS 100/10-65].

e) Continuing Education Earned in Other Jurisdictions

1) If a licensee has earned or is seeking CE hours offered in another jurisdiction not given by an approved sponsor for which the licensee will be claiming credit toward full compliance in Illinois, the applicant shall submit an individual program approval request form, along with a $25 processing fee, prior to participation in the program or within 90 days after expiration of the license. The Board shall review and recommend approval or disapproval of the program using the criteria set forth in subsection (c)(3).

2) If a licensee fails to submit an out-of-state CE approval form within the required time frame, late approval may be obtained by submitting the approval request form with the $25 processing fee plus a $50 per CE hour late fee not to exceed $300. The Board shall review and recommend approval or disapproval of the program using the criteria set forth in subsection (c)(3).

f) Restoration of Nonrenewed License. Upon satisfactory evidence of compliance with CE requirements, the Division shall restore the license upon payment of the fee required by Section 1400.40.

g) Waiver of CE Requirements

1) Any renewal applicant seeking renewal of a license without having fully complied with these CE requirements shall file with the Division a renewal application, along with the required fee, a statement setting forth the facts concerning noncompliance, a request for waiver of the CE requirements on the basis of these facts and, if desired, a request for an interview before the Board. A request for waiver shall be made prior to

the renewal date. If the Division finds, upon the written recommendation of the Board and from the affidavit or any other evidence submitted, that extreme hardship has been shown for granting a waiver, the Division shall waive enforcement of CE requirements for the renewal period for which the applicant has applied.

2) Extreme hardship shall be determined on an individual basis by the Board and be defined as an inability to devote sufficient hours to fulfilling the CE requirements during the applicable prerenewal period because of:

A) Full-time service in the armed forces of the United States of America during a substantial part of the prerenewal period;

B) A temporary incapacitating illness documented by a statement from a currently licensed physician. A CE waiver under this subsection (g) may only be granted for one renewal period, and shall not be granted for any subsequent period;

C) Temporary undue hardship (e.g., prolonged hospitalization, being disabled and unable to practice clinical psychology on a temporary basis).

3) If an interview is requested at the time the request for waiver is filed with the Division, the renewal applicant shall be given at least 20 days written notice of the date, time and place of the interview by certified mail, return receipt requested.

4) Any renewal applicant who, prior to the expiration date of the license, submits a request for a waiver, in whole or in part, pursuant to the provisions of this Section, shall be deemed to be in good standing until the final decision on the application is made by the Division.

Section 1400.70 Granting Variances

a) The Director may grant variances from this Part in individual cases when he/she finds that:

1) The provision from which the variance is granted is not statutorily mandated;

2) No party will be injured by the granting of the variance; and

3) The rule from which the variance is granted would, in the particular case, be unreasonable or unnecessarily burdensome.

b) The Director shall notify the Board of the granting of the variance, and the reasons for granting the variance, at the next meeting of the Board.

SUBPART B: CLINICAL PSYCHOLOGIST

Section 1400.100 Licensure Qualifications

An individual applying for licensure as a clinical psychologist pursuant to the Clinical Psychologist Licensing Act [225 ILCS 15] (the Act) shall meet the following educational/experience requirements of subsection (a), (b) or (c).

a) In accordance with Section 10(3)(a) of the Act, the individual shall be *a graduate of a doctoral program in clinical, school or counseling psychology accredited by the American Psychological Association or approved by the National Register of Health Service Psychologists and shall complete 2 years of supervised clinical, school or counseling psychology* experience in accordance with Section 1400.110(a) and (d), *one of which shall be an internship and one of which shall be postdoctoral*. (Section 10(3)(a) of the Act)

b) In accordance with Section 10(3)(b) of the Act, the individual *shall be a graduate of a doctoral program that is equivalent to a clinical, school or counseling psychology program and shall complete 2 years of supervised clinical, school or counseling psychology* experience in accordance with Section 1400.110(a) and (d), *one of which shall be an internship and one of which shall be postdoctoral*.

1) In determining equivalent programs, the following minimum standards shall be met:

A) The program is from a regionally accredited *university, college or school;*

B) The program constitutes the university's, college's or school's clinical, school or counseling psychology program as certified by

the dean of the institution and includes a practicum as defined in Section 1400.110(b). (If there is an additional clinical, school or counseling program that exists under the clinical, school or counseling psychology name, the applicant shall apply under Section 10(3) of the Act and subsection (c) of this Section.);

C) The program, wherever administratively housed, must be clearly identified and labeled as a psychology program. The program must specify in institutional catalogues and brochures its intent to educate and train psychologists;

D) The program is an organizational entity within the institution;

E) The program has an integrated, organized sequence of study;

F) The program has an identifiable core psychology faculty on site and a psychologist responsible for the program;

G) The program has an identifiable body of students who are matriculated in that program for a degree;

H) The program encompasses a minimum of 3 academic years of full-time graduate study;

I) The program has a one year residence. Residence requires interaction with psychology faculty and other matriculated psychology students. One year's residence or its equivalent is defined as follows:

i) 30 semester hours taken on a full-time or part-time basis at the institution, accumulated within 24 months; or

ii) A minimum of 350 hours of student-faculty contact involving face-to-face individual or group courses or seminars accumulated within 18 months. The educational meetings must include both faculty-student and student-student interaction, be conducted by the psychology faculty of the institution at least 90% of the time, be fully documented by the institution, and relate substantially to

the program and course content. The institution must clearly document how the applicant's performance is assessed and evaluated.

2) The applicant's program shall include the following 7 core content areas:

A) *Scientific and professional ethics in psychology*, which include the standards set forth in Section 1400.50(k);

B) *Biological basis of behavior* such as physiological psychology, comparative psychology, neuropsychology, sensation and perception, psychopharmacology;

C) *Cognitive-affective basis of behavior* such as learning, thinking, motivation, emotion;

D) *Social basis of behavior* such as social psychology, group processes, organizational and systems theory;

E) *Individual differences* that include instruction in theories of normal and abnormal personality functioning;

F) *Assessment* that includes instruction in clinical interviewing and the administration, scoring and interpretation of psychological test batteries for the diagnosis of mental abilities and personality functioning;

G) *Treatment modalities* that include instruction in the theory and application of a diverse range of psychological interventions for the treatment of mental, emotional, behavioral or nervous disorders. (Section 10(3)(b) of the Act)

c) In accordance with Section 10(3) of the Act, the individual *shall be a graduate of a doctoral psychology program or a graduate of a doctoral program that is psychological in nature; complete a course in each of the 7 core content areas* listed in subsection (b)(2)*; complete a practicum* in accordance with Section 1400.110(a) and (b); *complete an internship or equivalent supervised clinical experience* in accordance with Section 1400.110(a) and (c); and *complete 2 years of supervised clinical psychology experience* in accordance with Section

1400.110(a) and (d), *one of which must be postdoctoral*. (Section 10(3)(c) of the Act)

1) The applicant's doctoral program shall meet the following requirements:

A) The program is accredited by the Association of State and Provincial Psychology Boards or the National Register of Health Service Psychologists and is not a designated clinical or counseling psychology program; or

B) The program is psychological in nature as determined by the Division upon the recommendation of the Board. In determining what program is psychological in nature, the Board shall consider:

i) A program that is from a regionally accredited institution of higher education;

ii) A program, wherever administratively housed, that is clearly identified and labeled as offering psychology programs. The program must specify in institutional catalogues and brochures its intent to educate and train psychologists;

iii) A program that is an organizational entity within the institution;

iv) A program that has an integrated, organized sequence of study;

v) A program that has an identifiable core psychology faculty on site and a psychologist responsible for the program;

vi) A program that has an identifiable body of students who are matriculated in that program for a degree;

vii) A program that encompasses a minimum of 3 academic years of full-time graduate study;

viii) A program that has a one year residence. Residence

requires interaction with psychology faculty and other matriculated psychology students. One year's residence or its equivalent is defined as follows:

- 30 semester hours taken on a full-time or part-time basis at the institution accumulated within 24 months; or

- A minimum of 350 hours of student-faculty contact involving face-to-face individual or group courses or seminars accumulated within 18 months. The educational meetings must include both faculty-student and student-student interaction, be conducted by the psychology faculty of the institution at least 90% of the time, be fully documented by the institution, and relate substantially to the program and course content. The institution must clearly document how the applicant's performance is assessed and evaluated.

2) The applicant shall complete a course in each of the following 7 core content areas:

A) *Scientific and professional ethics in psychology* set forth in Section 1400.50(k);

B) *Biological basis of behavior* such as physiological psychology, comparative psychology, neuropsychology, sensation and perception, psychopharmacology;

C) *Cognitive-affective basis of behavior* such as learning, thinking, motivation, emotion;

D) *Social basis of behavior* such as social psychology, group processes, organizational and systems theory;

E) *Individual differences* that include instruction in theories of normal and abnormal personality functioning;

F) *Assessment* that includes instruction in clinical interviewing and the administration, scoring and interpretation of psychological test batteries for the diagnosis of mental abilities and personality functioning;

G) *Treatment modalities* that include instruction in the theory and application of a diverse range of psychological interventions for the treatment of mental, emotional, behavioral or nervous disorders. (Section 10(3)(b) of the Act)

d) For the purposes of this Section, course shall be defined as an integrated, organized didactic sequence of study that encompasses a minimum of one school term. No independent study courses may be used to satisfy the 7 core content areas set forth in Section 10(3)(b) of the Act and subsections (b)(2) and (c)(2) of this Section.

e) Remediation of Deficiencies

1) Individuals who are deficient in any of the 7 core content areas may complete any one or all of these courses in a clinical, school or counseling psychological program accredited by the American Psychological Association, approved by the National Register of Health Service Psychologists or a program approved in accordance with subsection (b).

2) Individuals who are deficient in the practicum, internship or equivalent supervised clinical experience, or clinical experience, requirements may obtain this experience in accordance with the standards set forth in Section 1400.110.

3) The applicant will be required to submit proof to the Division that he/she has completed such a course and/or the experience. Documentation shall include, but not be limited to, curriculum/course syllabus, transcripts, practicum and program materials; internship handbook/brochures and course materials; and internship training plan.

4) The deficiencies may be completed at any time.

Section 1400.110 Experience Defined

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED RULES

The following sets forth standards for practicums, internships or equivalent supervised experience and the 2 years of supervised experience required for licensure as a clinical psychologist pursuant to Section l0 of the Act and Section 1400.100 of this Part:

a) Practicums, internships or equivalent supervised experience and the 2 years of supervised experience:

1) Shall be experience obtained after enrollment in a doctoral psychology program.

2) Shall involve the practice of clinical psychology as defined in Section 2(5) of the Act. Illustrative tasks are: assessing, diagnosing and treating individuals with mental, emotional, behavioral or nervous disorders or conditions, or individuals with developmental disabilities.

3) Shall not be limited to repetitious and routine tasks that, although involving psychological activities, are at the pre-professional level. Tasks illustrative of pre-professional experience are: administering and scoring structured tests; conducting standardized interviews; collecting data; academic guidance counseling; and assisting in a laboratory or teaching situation.

4) Shall not be supervised experience in which the supervisor receives monetary payment or other considerations from the supervisee or in which the supervisor is hired by or otherwise employed by the supervisee.

b) Practicum. In addition to the requirements set forth in subsection (a), the applicant's practicum (externship or clerkship) shall:

1) Be a part of the coursework in the doctoral program or be an equivalent 400 hours of coursework or training completed with a grade of satisfactory or better in a new area of competence approved by the Board prior to initiating the training.

2) Involve the applicant in direct clinical psychology services to the client.

3) Provide for personal supervision by a licensed clinical psychologist, licensed psychologist who is engaged in the practice of clinical psychology or a person possessing the educational and experience

qualifications necessary for licensure under the Act. However, failure of the licensing examination disqualifies one as a supervisor.

4) Be performed pursuant to the order, control and full professional responsibility of the supervisor, who shall meet with the applicant face-to-face for a minimum of 40 hours.

5) Be a minimum of 400 hours in duration. This 400 hours does not have to take place in a single setting.

6) Not count toward the 2 years of supervised experience required for licensure.

7) Clearly delineate between practicum, internship and supervised work experience, using identifiable dates at the time of application.

c) Internship. To meet the requirements of internship in accordance with Section 1400.100 or equivalent supervised clinical experience in an organized health care setting pursuant to Section 10(3)(c) of the Act and Section 1400.100(c) of this Part, the internship or clinical experience may include both paid and unpaid experience obtained by the applicant and shall, in addition to the requirements set forth in subsection (a):

1) Be an organized pre-planned training program (in contrast to supervised experience or on the job training) designed to provide the applicant with a pre-planned, programmed sequence of training experiences that includes documented goals and objectives. The primary focus and purpose is assuring breadth and quality of training.

2) Include a minimum of one hour per week of regularly scheduled, face-to-face individual supervision with the specific intent of dealing with health services rendered directly by the applicant. There must also have been at least 2 additional hours per week in learning activities such as case conferences, including cases in which the intern was actively involved; seminars dealing with clinical issues; co-therapy with a staff person, including discussion; group supervision; and additional individual supervision.

3) Involve the applicant in direct clinical psychology services to the client

(defined in Section 2 of the Act) as a part of the training experience.

4) Be under the individual and personal supervision of a licensed clinical psychologist or a licensed psychologist who is engaged in clinical psychology whose license is active and in good standing (i.e., no disciplinary action in accordance with Section 15 of the Act).

5) Be performed pursuant to the order, control and full professional responsibility of the supervisor.

6) Include a minimum of 1750 hours completed within 24 months. The 1750 hours may not be completed in less than 50 weeks regardless of the number of hours worked per week.

A) Full-time experience shall be at least 35 hours per week and shall be obtained in a single setting during a minimum of 6 months.

B) Part-time experience will only be counted if it is 18 hours or more per week during a minimum of 9 months and is in a single setting.

7) Be post-practicum (post-clerkship or post-externship) level.

8) Be evaluated by the supervisor as satisfactory or better.

9) If experience takes place in a work setting, be distinct from the regular work duties of the applicant and the internship or equivalent clinical experience.

d) Clinical Experience. To meet the experience requirements of Section 10 of the Act, the experience may include both paid and unpaid experience obtained by the applicant and shall, in addition to the requirements set forth in subsection (a):

1) Contain/include clinical psychology experience, at least one year of which must be post-doctoral. Practicum experience may not be counted toward fulfilling the 2 years of supervised experience.

A) A year of experience is defined as 1750 hours obtained in not less than 50 weeks and completed within a 36 month period.

B) Full-time work experience must be obtained in a single setting for a minimum of 6 months with at least 35 hours per week.

C) Part-time experience will only be counted if it is 18 hours or more a week during a minimum of 9 months and is in a single setting.

D) Post-doctoral experience may begin upon completion of degree requirements for the doctoral degree, if verification of the date of completion of the degree requirement, when different from the date of graduation, is certified to the Division by the appropriate administrative official of the applicant's educational institution.

2) Be personally and individually supervised by a licensed clinical psychologist or a licensed psychologist who is engaged in the practice of clinical psychology whose license is active and in good standing (i.e., no disciplinary action in accordance with Section 15 of the Act). The experience must be performed pursuant to the order, control and full professional responsibility of the supervisor.

3) Be evaluated by the supervisor as satisfactory or better.

4) Be obtained prior to the date of the examination. Applicants completing the required experience after the examination date will be considered for the next examination. All supervised experience completed prior to the application date must be listed on the application in order to be considered.

5) Include a minimum of one hour per week of regularly scheduled, face-to-face individual supervision with the specific intent of dealing with health services rendered directly by the applicant.

Section 1400.120 Application for Examination

a) An applicant shall file an application with the Division prior to an examination date. The application shall include:

1) Certification of receipt of a doctoral degree as defined in Section 1400.100 and official transcripts from the applicant's doctoral program. Submission of official transcripts shall be for the purpose of verifying participation in

the educational program;

2) Professional experience reference forms verifying the length, exact time, number of hours per week and description of functions of the applicant's employment and that the experience was obtained pursuant to Section 1400.110. All experience information shall be submitted at the time of application. References shall be completed by the person who supervised the applicant pursuant to Section 1400.110; and

3) The required fee set forth in Section 1400.40.

b) In addition to the documents listed in subsection (a), candidates applying under Section 1400.100(b) and (c) shall submit documentation, as required in Section 1400.100(b) and (c), of the practicum and internship training.

c) Applicants who are graduates from educational institutions outside the United States shall provide, in addition to those requirements listed in subsections (a) and (b), a certified translation of all documents submitted in any language other than English.

d) In addition, the applicant shall provide or cause to be sent directly to the Division certification of the date of completion of degree requirements, if different from the date of the awarding of the degree, by the certifying educational administration official, for computation of post-doctoral experience as provided for in Section 1400.110.

e) Each application shall be reviewed on an individual basis by the Board in accordance with this Section.

f) When the accuracy of any submitted documentation, or the relevance or sufficiency of the course work or experience, is questioned by the Division or the Board because of lack of information, discrepancies or conflicts in information given, or a need for clarification, the applicant seeking a license will be requested to:

1) Provide such information as may be necessary; and/or

2) Appear for oral interviews before the Board.

g) Upon recommendation by the Board and approval by the Division, the applicant shall be notified of eligibility to sit for the examination or notified of the reasons for denial of the application.

Section 1400.130 Examination

a) The required examination shall be the Examination for Professional Practice in Psychology (EPPP) developed by the Association of State and Provencial Psychology Boards (ASPPB).

b) The minimum passing grade on the examination shall be the passing score set by the testing entity.

c) The Division will accept proof of completion of the EPPP taken in another jurisdiction with the passing score set by the testing entity. That proof must be forwarded directly to the Division from the testing service.

d) The Division will accept, in lieu of passage of the examination specified in subsection (a), passage of the examination in clinical or counseling psychology of the American Board of Professional Psychology.

Section 1400.140 Endorsement for Clinical Psychologist

a) Any person who is currently licensed in another state or territory of the United States or a foreign country desiring to obtain a license as a licensed clinical psychologist pursuant to Section 11 of the Act shall file an application with the Division, on forms provided by the Division, that shall include:

1) A certification from the jurisdiction of original licensure and any other jurisdiction in which the applicant is or has ever been licensed, stating:

A) The date of issuance of the applicant's license;

B) The basis of licensure and a description of the examination by which the applicant was licensed, if any; and

C) Whether the records of the licensing authority contain any record of disciplinary action taken or pending;

2) Certification of graduation from a psychology program, as defined in Section 1400.100, and official transcripts from the applicant's doctoral program. Submission of official transcripts shall be for the purpose of verifying participation in the educational program;

3) Professional experience reference forms verifying the length, exact time, number of hours per week and description of functions of the applicant's employment and that the experience was obtained pursuant to Section 1400.110. All experience information shall be submitted at the time of application. References shall be completed by the person who supervised the applicant under Section 1400.110; and

4) The required fee specified in Section 1400.40.

b) An individual applying under subsection (a) may satisfy the requirements of subsections (a)(2) and (a)(3) by submitting proof that the licensing standards of his or her original jurisdiction were substantially equivalent to those of Illinois as of the date of his/her licensure in that jurisdiction. The Division, upon recommendations of the Board, has determined that the following shall be proof of substantial equivalence:

1) A valid Certificate of Professional Qualification in Psychology (CPQ) issued by the Association of State and Provincial Psychology Boards if a doctoral degree was conferred in the areas of clinical or counseling psychology; or

2) For an individual who is currently credentialed by the National Register of Health Service Psychologists, evidence of having an active licensing and practicing psychology independently at the doctoral level for a minimum of 5 years.

c) Any person currently licensed in the United States or Canada desiring to obtain a license as a licensed clinical psychologist under the provisions for senior psychologists who have been licensed for at least 20 years (see Section 11(b)(1) of the Act) shall file an application with the Division that shall include:

1) A certification from the jurisdiction of original licensure and any other jurisdiction in which the applicant is or has ever been licensed, stating:

A) The date of issuance of the applicant's license and the level of licensure;

B) The basis of licensure and a description of the examination by which the applicant was licensed, if any;

C) If multiple levels of practice are licensed, that the license is at the highest level of practice in that jurisdiction; and

D) Whether the records of the licensing authority contain any record of disciplinary action taken or pending;

2) Proof that the applicant has been actively and lawfully licensed to practice clinical psychology in another state or Canada for at least 20 consecutive years and that his or her licenses have never been disciplined by another state or Canada. An applicant whose license has been disciplined by another jurisdiction shall not be eligible nor shall the applicant be issued a license pursuant to this subsection (c); however, the applicant's credentials may be reviewed pursuant to subsection (a) or by examination;

3) Verification of a doctoral degree in psychology from a college, university or school that was regionally accredited in the jurisdiction in which it is located by a body recognized by the Council for Higher Education Accreditation (or one of its predecessor organizations) at the time the degree was granted and an official transcript; and

4) The required fee specified in Section 1400.40.

d) Each application shall be reviewed on an individual basis by the Department in accordance with this Section. The Division or Board may request from the applicant a copy of the Act and rules from the state of original licensure that were in effect at the time of licensure.

e) When the accuracy of any submitted documentation, or the relevance or sufficiency of the course work or experience, is questioned by the Division or the Board, because of lack of information, discrepancies or conflicts in information given or a need for clarification, the applicant seeking a license will be requested to:

1) Provide such information as may be necessary; and/or

2) Appear for oral interviews before the Board.

f) Upon recommendation of the Board and approval by the Division, the applicant shall be notified of eligibility to sit for the examination, issued a license by endorsement, or notified of the reasons for denial of the application.

SUBPART C: PRESCRIBING PSYCHOLOGIST

Section 1400.200 Licensure Qualifications

a) An individual applying for licensure as a prescribing psychologist pursuant to the Act shall meet the following educational/experience requirements pursuant to Section 4.2 of the Act:

1) Hold a current license to practice clinical psychology in Illinois.

2) Successfully complete the following minimum educational and training requirements either during the doctoral program required for licensure as a clinical psychologist, or at any other time in an undergraduate or master's level program accredited by a regional accrediting body recognized by the Council for Higher Education Accreditation:

A) Specific minimum undergraduate biomedical prerequisite coursework, consisting of at least 3 semester credit hours per semester or quarter hours-equivalent, including but not limited to the following subject areas:

i) Medical Terminology (class or proficiency);

ii) Chemistry or Biochemistry with lab (2 semesters);

iii) Human Physiology (one semester);

iv) Human Anatomy (one semester);

v) Anatomy and Physiology (one semester);

vi) Microbiology with lab (one semester);

vii) General Biology for science majors or Cell and Molecular Biology (one semester).

B) A minimum of 60 semester credit hours or quarter hours-equivalent of didactic coursework that includes, but is not limited to, the following 10 subject areas. A minimum of 3 credit hours must be completed in each of the following 10 subject areas.

i) Pharmacology;

ii) Clinical Psychopharmacology;

iii) Clinical Anatomy and Integrated Science;

iv) Patient Evaluation;

v) Advanced Physical Assessment;

vi) Research Methods;

vii) Advanced Pathophysiology;

viii) Diagnostic Methods;

ix) Problem Based Learning; and

x) Clinical and Procedural Skills.

C) A full-time practicum of at least 14 months supervised clinical training of at least 36 credit hours, including a research project, as set forth in Section 1400.220; and

3) Achieve a passing score on the Psychopharmacology Examination for Psychologists (PEP). A passing score is that required by the PEP, administered by the American Psychological Association's College of Professional Psychology, or its successor organizations.

b) For the purposes of this Section, the Board has determined that graduate level coursework satisfies the requirements of subsection (a)(2).

Section 1400.210 Application for a License on the Basis of Examination

a) An applicant shall file an application on forms supplied by the Division. The application shall include:

1) Submission of official transcripts documenting completion of the minimum biomedical prerequisite coursework as set forth in Section 1400.200(a)(2)(A);

2) Submission of official transcripts documenting completion of the didactic coursework set forth in Section 1400.200(a)(2)(B);

3) Proof of the successful completion of the examination set forth in Section 1400.200(a)(3). Scores shall be submitted to the Division directly from the testing entity; and

4) The required fee set forth in Section 1400.40.

b) When the accuracy of any submitted documentation, or the relevance or sufficiency of the course work or experience is questioned by the Division or the Board because of lack of information, discrepancies or conflicts in information given, or a need for clarification, the applicant seeking a license will be requested to:

1) Provide such information as may be necessary; and/or

2) Appear for oral interviews before the Board.

c) Upon recommendation by the Board and approval by the Division, the applicant shall be notified of eligibility to sit for the examination or notified of the reasons for denial of the application.

Section 1400.220 Clinical Rotations

a) *Applicants shall complete a full-time practicum* including at least *14 months supervised clinical training of at least 36 credit hours, including a research*

project. During the clinical rotation program, students shall complete rotations in the following areas:

1) *Emergency Medicine;*

2) *Family Medicine;*

3) *Geriatrics;*

4) *Internal Medicine;*

5) *Obstetrics and Gynecology;*

6) *Pediatrics;*

7) *Psychiatry;*

8) *Surgery; and*

9) *One elective of the program participant's choice.* (Section 4.2(a)(2)(C) of the Act)

b) The clinical rotation training shall be completed either within the parameters of an American Psychological Association (APA) or equivalent approved doctoral program or pre-doctoral program, or during a post-doctoral master's program in clinical psychopharmacology. The training program must be housed in an institution that is accredited by a regional accrediting body recognized by the Council for Higher Education Accreditation. The clinical rotation program shall meet the following requirements:

1) All program faculty and preceptors must hold an active physician and surgeon, advanced practice nurse, or prescribing psychologist license. Program faculty and preceptors must be sufficient in number and be qualified through academic and clinical experience to provide enrolled participants with sufficient attention, instruction and supervised practice experiences necessary to acquire the knowledge and competencies required to meet the objectives of the program.

2) A program must have access to adequate labs and clinical medical rotation sites for participants. A program must assure that clinical support services, including pharmacy, clinical laboratory and diagnostic imaging, are readily available to participants on clinical rotations. Clinical support staff must be available in numbers sufficient that participants are not expected to serve as replacements for staff.

3) In order to be considered a full-time practicum, the program must require a minimum of 20 clock-hours of rotations per week and require all 36 credits of rotations to be completed within a minimum of 14 months and maximum of 28 months after the participant begins his/her rotations. To earn 36 hours of clinical rotation training credits, a participant must complete a minimum of 1,620 clock-hours of clinical rotation training.

4) The program must provide participants with experience in progressive responsibilities for patient management. Participants must be provided the opportunity to observe and demonstrate competence in skills necessary for the pharmacological assessment and treatment of mental disorders within a medical setting under supervision of a physician, advanced practice nurse or prescribing psychologist.

5) The program must assure that the volume and variety of clinical experiences provides for a sufficient number and distribution of appropriate experiences/cases for each participant to meet defined program expectations. Clinical rotations may be held in *hospitals, hospital outpatient clinics, community mental health clinics and correctional facilities* (Section 4.2(a)(2)(C) of the Act). The program must coordinate clinical sites and preceptors for program required rotations.

6) Program participants must be clearly identified as such to distinguish them from physicians, medical residents, APNs, prescribing psychologists, and other health care professionals and residents.

7) The program must conduct periodic, objective and documented formative evaluations of participants to assess their acquisition of knowledge, problem-solving skills and clinical competencies.

8) The program must define and maintain consistent and effective processes for the initial and ongoing evaluation of all sites and preceptors used for participants' clinical practice experiences.

c) The Department shall consider the standards set in the Accreditation Review Commission on Education for the Physician Assistant (ARC-PA) (see Section 4.2(a)(2)(C) of the Act) in determining whether a program meets the requirements in subsection (b).

d) The Division hereby incorporates by reference the ARC-PA Standards for Physician Assistant Education, 4th edition, the Accreditation Review Commission on Education for the Physician Assistant, 12000 Findley Road, Suite 275, Johns Creek GA 30097, March 2016, with no later amendments or editions.

e) A program seeking pre-approval shall apply to the Department pursuant to Section 1400.230.

Section 1400.230 Clinical Rotation Program Approval

a) An institution seeking approval of a clinical rotation program under Section 1400.220 may apply for an approval of its program from the Department. An application for approval shall include:

1) Documentation demonstrating compliance with the standards set forth in Section 1400.220, including:

A) curriculum vitaes of program faculty;

B) a proposal for the clinical rotation program, including:

i) program mission statement and objectives;

ii) plan of organization;

iii) proposed clinical rotations, including requisite and elective rotations and outlines and goals for each proposed rotation; and

iv) evaluation plans for faculty and program participants; and

2) The fees required by Section 1400.40(a)(6).

b) If, upon review by the Department, an institution that has applied for approval pursuant to this Part fails to meet the requirements of this Part, the Department may issue a deficiency letter to the institution. The institution shall have 3 months to cure the deficiencies identified by the Department.

c) The Department may withdraw approval of a clinical rotation program for reasons that include, but are not limited to:

1) Any actions that would constitute a violation of the Act or this Part;

2) Fraud or dishonesty in applying for approval under this Part;

3) Failure to continue to meet the criteria for a clinical rotation program under the Act and this Part;

4) Failure to comply with a recommendation of the Board or Department following an investigation by the Department;

5) Revocation of APA or other institutional approval by a regional accrediting body recognized by the Council for Higher Education Accreditation.

d) Upon written notification of withdrawal of approval by the Department, a clinical program may be granted a hearing at the discretion of the Department.

e) An institution seeking to modify a program approved under this Section may seek reapproval by submitting a new application and fee.

f) An individual applicant for a prescribing psychologist license who has graduated from a program approved under this Section must still demonstrate compliance with all licensure requirements set forth in the Act and this Part as of the date of application. Prescribing psychologist applicants who have graduated from an approved program may still be required by the Department to provide a transcript or other documents.

Section 1400.240 Written Collaborative Agreements

A written collaborative agreement is required for all prescribing psychologists practicing under a prescribing psychologist license issued pursuant to the Act. (Section 4.3(a) of the Act)

a) *A written delegation of prescriptive authority by a collaborating physician may only include medications for the treatment of mental health disease or illness the collaborating physician generally provides to his/her patients in the normal course of his/her clinical practice*. (Section 4.3(b) of the Act) The delegation of prescriptive authority should include authorization to order laboratory testing, imagery and medical tests necessary prior to prescribing medication during the period of prescribed medication and at the end of a period of prescribed medication. The collaborating physician must hold a valid current Illinois controlled substance license and federal registration to delegate authority to prescribe delegated controlled substances.

b) *The collaborating physician shall file with the Department a notice of delegation of authority to prescribe* any non-narcotic *Schedule III through V controlled substances, the licensed prescribing psychologist shall be eligible to register for a mid-level practitioner controlled substance license under Section 303.5 of the Illinois Controlled Substances Act* [720 ILCS 570]. (Section 4.3(c) of the Act)

c) *Any delegation of Schedule III through V controlled substances shall identify the specific controlled substance by brand name or generic name*. (Section 4.3(d)(1) of the Act)

d) *A written collaborative agreement shall*:

1) *Describe the working relationship between the prescribing psychologist and the collaborating physician and delegate prescriptive authority as provided in the Act*. (Section 4.3(e) of the Act)

2) *Promote the exercise of professional judgment by the prescribing psychologist in accordance with his/her training, education and experience*. (Section 4.3(f) of the Act)

3) *Provide methods and guidelines for communication between the collaborating physician and the prescribing psychologist, including in-person and telephonic communications. It is not necessary to provide for the personal presence of the collaborating physician at the place where*

services are rendered by the prescribing psychologist. (Section 4.3(g) of the Act)

4) *Provide for adequate collaboration between the physician and prescribing psychologist, including provisions that the physician shall*:

A) *participate in the joint formulation and joint approval of orders or guidelines with the prescribing psychologist and periodically review the prescribing psychologist's orders* or guidelines *and the services provided patients under the orders in accordance with accepted standards of medical practice and prescribing psychologist practice;*

B) *collaborate and consult with the prescribing psychologist in person*, either in the prescribing psychologist's physical presence or via real-time video conferencing, *at least once a month for review of safety and quality clinical care or treatment*;

C) *be available through telecommunications for consultation on medical problems, complications, emergencies, or patient referrals,* as needed; *and*

D) *review medication orders of the prescribing psychologist no less than monthly, including review of laboratory tests and other tests as available*. (Section 4.3(h) of the Act)

5) *Contain provisions detailing notice for termination or change of status involving a written collaborative agreement, except when the notice is given for just cause*. (Section 4.3(i) of the Act)

e) If there is no *employment relationship between the collaborating physician and prescribing psychologist, a written collaborative agreement should not restrict third-party payment sources accepted by the prescribing psychologist*. (Section 4.3(e) of the Act)

f) *A copy of a fully executed collaborative agreement shall be available to the Department* within a reasonable time *upon request to either the prescribing psychologist or the collaborating physician*. (Section 4.3(j) of the Act)

g) *A prescribing psychologist shall inform each collaborating physician of all collaborative agreements he/she has signed and provide copies of all collaborating agreements to each collaborating physician*. (Section 4.3(l) of the Act)

h) *No collaborating physician shall enter into more than 3 collaborative agreements with prescribing psychologists* at the same time. (Section 4.3(m) of the Act)

Section 1400.250 Prescribing Authority

a) *A prescribing psychologist may only prescribe medication pursuant to the provisions of the Act and this Part if the prescribing psychologist:*

1) *Continues to hold a current license to practice psychology in Illinois.*

2) *Completes the required continuing education* annually in accordance with this Part.

3) *Maintains a written collaborative agreement* in accordance with Section 4.3 of the Act and Section 1400.240 of this Part. (Section 4.2 of the Act)

b) *The following may not be included in any written delegation of prescriptive authority by a collaborating physician:*

1) *Patients who are less than 17 years of age or patients who are over 65 years of age.* If a patient is 65 years of age, the prescribing psychologist shall begin transferring care to a physician at least 3 months prior to the patient's 66th birthday to ensure continuity of care.

2) *Patients during pregnancy* who have disclosed they are pregnant, or who the prescribing psychologist discovers are pregnant.

3) *Patients* who have disclosed *serious medical conditions, such as heart disease, cancer, stroke or* acute *seizures and patients with developmental and intellectual disabilities*. If there is a question regarding whether a patient has disclosed any of the aforementioned medical conditions that should be considered serious and thus prevent the prescribing psychologist from prescribing medication, the prescribing psychologist should consult with the patient's treating physician or the collaborating physician who

will determine whether the patient's condition should be considered a serious medical condition under this Section.

4) *Prescriptive authority for benzodiazepine Schedule III controlled substances*. (Section 4.3(b) of the Act)

5) *Prescriptive authority for any controlled substance to be delivered by injection*.

6) *Prescriptive authority for any Schedule II substance*.

7) *Prescriptive authority for any narcotic drug as defined by Section 102 of the Illinois Controlled Substances Act*. (Section 4.3(d) of the Act)

c) *Any prescribing psychologist who writes a prescription for a controlled substance without having valid and appropriate authority may be fined by the Department not more than $50 per prescription and the Department may take any other disciplinary action provided for in the Act* that is reasonable and appropriate under the circumstances. (Section 4.3(d) of the Act)

d) All prescriptions written and signed by a prescribing psychologist shall indicate the name of the collaborating physician. The collaborating physician's signature is not required. The prescribing psychologist shall sign his/her own name.

Section 1400.260 Endorsement for Prescribing Psychologists

a) *Individuals who are licensed as medical or prescribing psychologists in another state may apply for an Illinois prescribing psychologist license by endorsement from that state, or acceptance of that state's examination if they meet the requirements set forth in the Act and this Part, including proof of successful completion of the educational, testing and experience standards. If an applicant meets the requirements set forth in the Act and this Part, including educational, testing and experience standards, and pays all required fees, the applicant may not be required to take the examination* otherwise *required* under the Act *for licensure* as a prescribing psychologist. (Section 4.5(a) of the Act)

b) *Individuals who graduated from the Department of Defense Psychopharmacology Demonstration Project may apply for an Illinois prescribing psychologist license by endorsement. Applicants from the Department of Defense*

Psychopharmacology Demonstration Project may not be required to take the examination otherwise *required* under the Act *for licensure as a prescribing psychologist if they meet the requirements set forth in the Act and this Part, including educational, testing and experience standards, and pay all required fees*. (Section 4.5(b) of the Act)

c) *Individuals applying for licensure by endorsement must first obtain a clinical psychologist license in Illinois*. (Section 4.5(c) of the Act)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED RULES

Section 1400.EXHIBIT A Sample Written Collaborative Agreement

PRESCRIBING PSYCHOLOGIST
WRITTEN COLLABORATIVE AGREEMENT

A. PRESCRIBING PSYCHOLOGIST INFORMATION

1. NAME: _____

2. ILLINOIS CLINICAL PSYCHOLOGIST LICENSE NUMBER:
_____

ILLINOIS PRESCRIBING PSYCHOLOGIST NUMBER:
_____

3. PRACTICE SITES: (Attach List of Sites)

4. CONTACT NUMBER: _____
FACSIMILE NUMBER: _____
EMERGENCY CONTACT NUMBERS: (e.g., cell, pager, answering service)
_____

5. ATTACHMENTS (If applicable):
Copies of Clinical and Prescribing Psychologist Licenses
Copy of Certificate of Insurance
Copies of other written collaborative agreements (if any)

B. COLLABORATING PHYSICIAN

1. NAME: _____

2. ILLINOIS LICENSE NUMBER: _____

3. PRACTICE AREA OR CONCENTRATION: _____

4. BOARD CERTIFICATION (if any): _____

5. CERTIFYING ORGANIZATION: _____

6. PRACTICE SITES: (Attach List of Sites)

7. CONTACT NUMBER: _____
FACSIMILE NUMBER: _____
EMERGENCY CONTACT NUMBERS: (e.g., cell, pager, answering service)
_____

C. PRESCRIBING PSYCHOLOGIST COLLABORATING PHYSICIAN WORKING RELATIONSHIP

1. WRITTEN COLLABORATIVE AGREEMENT REQUIREMENT

A written collaborative agreement is required for all prescribing psychologists practicing under a prescribing psychologist license.

The collaborating physician shall file with the Illinois Department of Financial and Professional Regulation (the "Department") notice of delegation of prescriptive authority and any termination of delegation. In addition, a copy of a fully executed collaborative agreement shall be available to the Department within a reasonable time upon request to either the prescribing psychologist or the collaborating physician. The prescribing psychologist shall inform the collaborating physician of all active collaborating agreements he/she has signed and provide the collaborating physician copies of all those collaborating agreements. The collaborating physician shall not enter into more than 3 collaborating agreements with prescribing psychologists at the same time.

2. SCOPE OF PRACTICE

Under this agreement, the prescribing psychologist will work in an active practice to deliver mental health care services to patients. This includes, but is not limited to, assessment and diagnosis, ordering diagnostic and therapeutic tests and procedures, ordering imagery, interpreting and using the results of diagnostic and therapeutic tests and procedures ordered by the prescribing psychologist or another health care professional and prescriptive authority. The prescribing psychologist will consult with the collaborating physician as outlined in Section 3 below.

3. COLLABORATION AND CONSULTATION

Collaboration and consultation shall be adequate if the collaborating physician:

(A) participates in the joint formulation and joint approval of orders or guidelines with the prescribing psychologist and periodically reviews those orders and the services provided patients under those orders in accordance with accepted standards of medical practice and prescribing psychologist practice;

(B) meets in person or in real-time video conferencing with the prescribing psychologist at least once a month to provide collaboration and consultation for review of safety and quality clinical care or treatment;

(C) is available through telecommunications for consultation on medical problems, complications and emergencies or for patient referral; and

(D) reviews medication orders of the prescribing psychologist no less than monthly, including review of laboratory tests and other tests as available.

Nothing in this agreement shall be construed to limit the authority of a prescribing psychologist to perform all duties authorized under the Clinical Psychologist Licensing Act.

The written collaborative agreement shall be for medications for the treatment of mental health disease or illness the collaborating physician generally provides to his or her patients in the normal course of clinical practice, with the exception of the following:

(A) Patients who are less than 17 years of age or patients who are over 65 years of age. If a patient is 65 years of age, the prescribing psychologist shall begin transferring care to a physician at least 3 months prior to the patient's 66th birthday.

(B) Patients who have disclosed they are pregnant, or who the prescribing psychologist otherwise discovers are pregnant.

(C) Patients who have disclosed serious medical conditions, such as heart disease, cancer, stroke or acute seizures, and patients with developmental

and intellectual disabilities. If there is a question as to whether a patient has disclosed a medical condition that should be considered serious, and thus prevent the prescribing psychologist from prescribing medication, then the prescribing psychologist should consult with the collaborating physician, who will determine whether the patient's condition should be considered a serious medical condition.

(D) Prescriptive authority for benzodiazepine Schedule III controlled substances.

(E) Prescriptive authority for any controlled substance to be delivered by injection.

(F) Prescriptive authority for any Schedule II substance.

(G) Prescriptive authority for any narcotic drug as defined by Section 102 of the Illinois Controlled Substances Act.

4. COMMUNICATION, CONSULTATION AND REFERRAL

The prescribing psychologist shall consult with the collaborating physician by telecommunication, real-time video conferencing or in person, as needed. In the absence of the designated collaborating physician, another physician shall be available for consultation, as designated by agreement between the collaborating physician and prescribing psychologist.

5. DELEGATION OF PRESCRIPTIVE AUTHORITY

As the collaborating physician, any prescriptive authority delegated to the prescribing psychologist is set forth in an attached document. As required by 225 ILCS 15/4.3(d)(1), any delegation of a Schedule III through V controlled substance shall identify the specific controlled substance by brand name or generic name.

Should the collaborating physician or prescribing psychologist wish to terminate this agreement, he/she should provide at least 30 days written notice to the other practitioner so that the prescribing psychologist has the opportunity to enter into a collaborating agreement with another qualified physician. If either practitioner has a change in his/her status that affects his/her ability to participate in this

agreement, he/she must notify the other practitioner as soon as reasonably possible. This agreement may be terminated by either party immediately, without notice, for just cause. "Just cause" is defined as acts or omissions by the other practitioner that would be grounds for discipline of a license issued under the Medical Practice Act or the Clinical Psychology Licensing Act.

NOTE: THE PRESCRIBING PSYCHOLOGIST MAY ONLY PRESCRIBE CONTROLLED SUBSTANCES UPON RECEIPT OF AN ILLINOIS MID-LEVEL PRACTITIONER CONTROLLED SUBSTANCES LICENSE.

WE THE UNDERSIGNED AGREE TO THE TERMS AND CONDITIONS OF THIS WRITTEN COLLABORATIVE AGREEMENT.

Collaborating Physician's Signature/Date	Prescribing Psychologist's Signature/Date
Physician's Typed Name	Prescribing Psychologist's Typed Name

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Home Inspector License Act

2) Code Citation: 68 Ill. Adm. Code 1410

3)

Section Numbers:	Adopted Actions:
1410.10	Amendment
1410.400	Amendment

4) Statutory Authority: Implementing and authorized by the Home Inspector License Act [225 ILCS 441].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Real Estate and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 5845; July 2, 2017

10) Has JCAR issued a Statement of Objection to this Rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plain language where appropriate; provide continuity across the balance of our Title 68 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VIII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1410
HOME INSPECTOR LICENSE ACT

SUBPART A: DEFINITIONS AND APPLICABILITY OF THIS PART

Section
1410.10 Definitions
1410.20 Applicability of this Part

SUBPART B: LICENSING EDUCATION REQUIREMENTS

Section
1410.100 Application for a Home Inspector
1410.110 Application for a Home Inspector Entity License
1410.120 Application for Non-Resident Home Inspector License by Reciprocity
1410.130 Expiration of Home Inspector Licenses
1410.140 Renewal of Home Inspector Licenses
1410.150 Pre-License Education Requirements
1410.160 Continuing Education Requirements
1410.170 Issuance of Certificate of Licensure
1410.180 Exemptions (Repealed)

SUBPART C: STANDARDS OF PRACTICE AND BUSINESS REQUIREMENTS

Section
1410.200 Standards of Practice
1410.210 Notification of Name Change
1410.220 Assumed Name
1410.230 Address Change; Street Address
1410.240 Work Log of Inspections
1410.250 Entities must Utilize Licensed Home Inspectors
1410.260 Disclosure of a Conflict of Interest

SUBPART D: ENFORCEMENT PROVISIONS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Section
1410.300 Grounds for Discipline
1410.310 Felony Convictions; Discipline of Other Professional License; Notification
1410.320 Cooperation Required with the Division
1410.330 Administrative Warning Letter
1410.340 Additional Education; Reporting Requirements
1410.350 Suspension or Denial for Failure to Pay Taxes, Child Support or any Illinois-Guaranteed Student Loan

SUBPART E: ADMINISTRATIVE PROVISIONS

Section
1410.400 Fees
1410.410 Duties of the Liaison
1410.420 Granting of Variances

SUBPART F: EDUCATION PROVIDER AND COURSE REQUIREMENTS

Section
1410.500 Education Provider Application; Requirements
1410.510 Pre-License Education Course Requirements of Education Providers
1410.520 Pre-License Course Curriculum
1410.530 Example of Acceptable Pre-License Education Program
1410.540 Continuing Education Course Requirements of Education Providers
1410.550 Curriculum for Continuing Education Courses; Continuing Education Credit for Participation other than as a Student
1410.560 Distance Education
1410.570 Expiration Date and Renewal for Education Providers and Pre-License and Continuing Education Courses
1410.580 Continuing Education Reporting
1410.590 Transcript or Certificate of Completion

SUBPART G: HEARINGS

Section
1410.600 Hearings

AUTHORITY: Implementing and authorized by the Home Inspector License Act [225 ILCS 441].

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

SOURCE**:** Emergency rules adopted at 26 Ill. Reg. 13317, effective August 22, 2002, for a maximum of 150 days; adopted at 27 Ill. Reg. 1513, effective January 17, 2003; amended at 27 Ill. Reg. 14180, effective August 15, 2003; amended at 34 Ill. Reg. 8063, effective June 3, 2010; amended at 41 Ill. Reg. 12540, effective October 6, 2017.

SUBPART A: DEFINITIONS AND APPLICABILITY OF THIS PART

Section 1410.10 Definitions

Unless otherwise clarified by this Part, definitions set forth in the Act also apply for the purposes of this Part.

"Act" means the Home Inspector License Act [225 ILCS 441].

"Board" means the Home Inspector Advisory Board.

"Classroom Hour" or "Hour" means classroom attendance for a minimum of 50 minutes of lecture or its equivalent through a distance-learning program approved by the Division.

"Compensation" means the valuable consideration or the intention or expectation of receiving valuable consideration given by one person or entity to another person or entity in exchange for the performance of some activity or service. Compensation shall not include a franchise fee paid by a licensee to a franchisor pursuant to the terms of a franchise agreement provided the franchisor does not engage in "home inspection" activity as described in Section 1-10 of the Act. Compensation shall otherwise include the transfer of valuable consideration, including without limitation the following:

commissions;

referral fees;

bonuses;

prizes;

merchandise;

finder fees;

performance of services;

coupons or gift certificates;

discounts;

rebates;

a chance to win a raffle, drawing, lottery, or similar game of chance not prohibited by any other law or statute;

retainer fee; or

salary.

"Department" means the Department of Financial and Professional Regulation.

"Director" means the Director of the Division of Professional Regulation, with the authority delegated by the Secretary.

"Division" means the Department of Financial and Professional Regulation-Division of Professional Regulation.

"Field Inspection Event" means an examination and evaluation of the exterior and interior components of an actual residential real property conducted by a candidate for a home inspection license under the supervision of a licensed home inspector with at least 5 years experience. Field Inspection Events are conducted for the purpose of learning inspection methodology, techniques, communication and observation skills and describing observed conditions. A licensed home inspector can supervise a maximum of 5 licensure candidates in each Field Inspection Event.

"License" means a certificate of authority, permit or registration issued by the Division.

"Licensee" means a person who has been issued a license under the Act or this Part.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

"Standards of Practice" or "Standards" means the guidelines for the appropriate conduct of home inspections described in Subpart C.

(Source: Amended at 41 Ill. Reg. 12540, effective October 6, 2017)

SUBPART E: ADMINISTRATIVE PROVISIONS

Section 1410.400 Fees

a) Initial application fee for a Home Inspector License pursuant to Sections 5-10 and 5-12 of the Act and Sections 1410.100, 1410.110, 1410.120 and 1410.130 of this Part.

1) The application fee for an initial license as a home inspector shall be $250.

2) The application fee for an initial license as a home inspector entity shall be $250.

b) Renewal application fee for a Home Inspector License pursuant to Sections 5-16 and 5-17 of the Act and Section 1410.130 of this Part.

1) The application fee to renew a license as a home inspector shall be calculated at $200 per year, for a total of $400 per renewal.

2) The application to renew a home inspector entity license shall be calculated at $200 per year, for a total of $400 per renewal.

3) The application fee to renew a home inspector or home inspector entity license that has expired shall be the sum of all lapsed renewal fees, plus a $50 late fee.

c) Initial application fee for a license as an education provider, a pre-license course, and a continuing education course.

1) The application fee for a license as an education provider pursuant to Section 20-5 of the Act and Section 1410.570 of this Part shall be $1,000, plus course application fees.

2) The application fee for a certificate of approval for a pre-license course pursuant to Section 20-10 of the Act and Section 1410.570 of this Part shall be $100.

3) The application fee for a certificate of approval for a continuing education course pursuant to Section 20-10 of the Act and Section 1410.570 of this Part shall be $50.

d) Application fee to renew a license as an education provider or a certificate of approval for a pre-license course or a continuing education course.

1) The application fee to renew a license as an education provider shall be calculated at $500 per year, for a total of $1,000 per renewal.

2) The application fee to renew an education provider license that has expired shall be the sum of all lapsed renewal fees, plus a $50 late fee.

3) The application fee to renew a certificate of approval for a pre-license course shall be calculated at $50 per year, for a total of $100 per renewal.

4) The application fee to renew an expired certificate of approval for a pre-license course shall be the sum of all lapsed renewal fees, plus a $50 late fee.

5) The application fee to renew a certificate of approval for a continuing education course shall be calculated at $25 per year, for a total of $50 per renewal.

6) The application fee to renew an expired certificate of approval for a continuing education course shall be the sum of all lapsed renewal fees, plus a $50 late fee.

e) For the purposes of determining if a license has expired under this Section, the Division shall consider the license expired, if the postmark on the renewal

application is a date later than the expiration date, or, if delivered other than by mail, the license shall be considered expired if the renewal application is received by the Division on a date after the expiration date.

f) General

1) All fees paid pursuant to the Act and this Part are non-refundable.

~~2) The fee for the issuance of a duplicate license certificate or pocket card, for the issuance of a replacement license certificate or pocket card that has been lost or destroyed, or for the issuance of a license certificate or pocket card with a name or address change, other than during the renewal period, shall be $25.~~

2~~3~~) The fee for a certification of a licensee's record for any purpose shall be $25.

~~4) The fee for a decorative wall license showing registration shall be the cost of producing the license.~~

3~~5~~) The fee for a roster of persons licensed under the Act shall be the cost of producing the roster.

4~~6~~) The fee for an applicant to take the examination for a Home Inspector License shall be the cost of providing the examination. If a designated testing service is utilized for the examination, the fee shall be paid directly to the designated testing service. Failure to appear for the examination on the scheduled date, at the time and place specified, after the applicant's application for examination has been received and acknowledged, shall result in the forfeiture of the examination fee.

5~~7~~) The fee for requesting a waiver of any education requirement provided by the Act and this Part shall be $50.

6~~8~~) The fee for a copy of the transcript of any proceeding under the Act shall be the cost to produce the copy.

7~~9~~) The fee for certifying any record, for example, a copy of a disciplinary order or application, shall be $1 per page.

8~~10~~) The Division may charge an administrative fee not to exceed $2,000 as a part of a compliance agreement issued with an administrative warning letter pursuant to Section 1410.330.

(Source: Amended at 41 Ill. Reg. 12540, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Auction License Act

2) Code Citation: 68 Ill. Adm. Code 1440

3)

Section Numbers:	Adopted Actions:
1440.10	Amendment
1440.170	Amendment

4) Statutory Authority: Implementing and authorized by the Auction License Act [225 ILCS 407].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Real Estate and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 5855; July 2, 2017

10) Has JCAR issued a Statement of Objection to this Rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plain language where appropriate; provide continuity across the balance of our Title 68 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1440
AUCTION LICENSE ACT

SUBPART A: DEFINITIONS

Section
1440.10 Definitions

SUBPART B: AUCTION LICENSE

Section
1440.100 Necessity of License; Exemptions
1440.110 Examination
1440.120 Application for Auctioneer License and Auction Firm
1440.130 Application for Licensure, Practice Prior to the Act (Repealed)
1440.140 45 Day Permit Sponsor Card
1440.145 Renewals
1440.150 Restoration of Lapsed or Expired License
1440.160 Nonresident Auctioneer Reciprocity
1440.170 Fees
1440.180 Earnings from the Investment of Moneys in the General Professions Dedicated Fund
1440.190 Address Change, Notification
1440.200 Pocket Card
1440.210 Assumed Name
1440.220 Supervisory Duties
1440.230 Advertising; Buyer Premium; Disclosure
1440.240 Unlicensed Assistants
1440.250 Felony convictions; Discipline of Other Professional License; Notification
1440.260 Advertising; Auction without Reserve; Absolute Auction
1440.270 Escrow or Trust Accounts
1440.280 Termination for Failure to Pay Taxes, Child Support or Student Loan

SUBPART C: CONTINUING EDUCATION

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Section
1440.300 Continuing Education Schools Approval and License
1440.310 Continuing Education
1440.320 Expiration and Renewal for Continuing Education Schools and Courses
1440.330 Distance Education Programs
1440.340 Class Attendance Requirements
1440.350 Withdrawal of Approval of School and Courses
1440.360 Discipline of Schools

SUBPART D: INTERNET AUCTION LISTING SERVICE

Section
1440.400 Definitions
1440.410 Registration
1440.420 Expiration of Registration
1440.430 Renewal of Registration
1440.440 Issuance of Certificate of Registration
1440.450 Notification of Name Change
1440.460 Assumed Name
1440.470 Notification of Address Change
1440.480 Fees (Repealed)

AUTHORITY: Implementing and authorized by the Auction License Act [225 ILCS 407].

SOURCE: Adopted by emergency rulemaking at 23 Ill. Reg. 13414, effective October 25, 1999, for a maximum of 150 days; adopted at 24 Ill. Reg. 3518, effective February 22, 2000; amended at 25 Ill. Reg. 12586, effective September 28, 2001; amended at 28 Ill. Reg. 13212, effective September 16, 2004; amended at 33 Ill. Reg. 7077, effective May 14, 2009; amended at 35 Ill. Reg. 7358, effective April 21, 2011; amended at 41 Ill. Reg. 12550, effective October 6, 2017.

SUBPART A: DEFINITIONS

Section 1440.10 Definitions

"Act" means the Auction License Act [225 ILCS 407].

"Address of Record" means the designated address recorded by the Department in the applicant's or licensee's application file or license file maintained by the Department. Pursuant to Section 1440.190, it is the duty of the applicant or

licensee to inform the Department of any change of address, and those changes must be made either through the Department's website or by directly contacting the Department.

"Advertisement" means any written, oral, or electronic communication that contains a promotion, inducement, or offer to conduct an auction or offer to provide an auction service, including but not limited to brochures, pamphlets, radio and television scripts, telephone and direct mail solicitation, electronic media, and other means of promotion.

"Advisory Board" or "Board" shall mean the Auctioneer Advisory Board.

"Auction" means the sale or lease or property, real or personal, by means of exchanges between an auctioneer and prospective purchasers or lessees, which consists of a series of invitations for offers made by the auctioneer and offers by prospective purchasers or lessees for the purpose of obtaining an acceptable offer for the sale or lease of the property, including the sale or lease of property via mail, telecommunications, or the internet.

"Auction Contract" means a written or oral agreement between an auctioneer or an auction firm and a seller, sellers, lessor or lessors.

"Auction Firm" means any corporation, partnership, or limited liability company that acts as an auctioneer and provides an auction service.

"Auction School" means any educational institution, public or private, which offers a curriculum of auctioneer education and training approved by the Division.

"Auction Service" means the service of arranging, managing, advertising or conducting auctions.

"Auctioneer" means a person or entity who, for another, for a fee, compensation, commission or any other valuable consideration at auction or with the intention or expectation of receiving value consideration by the means of or process of an auction or sale at auction or providing an auction service, offers, negotiates, or attempts to negotiate an auction contract, sale, purchase, or exchange of goods, chattels, merchandise, personal property, real property, or any commodity that may be lawfully kept or offered for sale by or at auction. An auctioneer does not include an individual or entity that, on behalf of another and for compensation,

lists personal items for sale on a third party internet auction listing service.

"Buyer Premium" means any fee or compensation paid by the successful purchaser of property sold or leased at or by auction, to the auctioneer, auction firm, seller, lessor or other party to the transaction, other than the purchase price.

"Cashier" means a person who accepts, records and documents payments and information from bidders or prospective bidders, and performs other clerical services for and under the direct supervision of a licensed auctioneer or auction firm, while conducting an auction or providing an auction service.

"Clerk" means a person who records and documents information and performs other clerical services for and under the direct supervision of an auctioneer or an auction or providing an auction service.

"CE" means continuing education.

"Compensation" means the valuable consideration given by one person or entity to another person or entity in exchange for the performance of some activity or service. Compensation shall include the transfer of valuable consideration, including but not limited to:

commissions;

fees;

referral fees;

bonuses;

prizes;

merchandise;

finder fees;

performance of services;

coupons or gift certificates;

discounts;

rebates;

a chance to win a raffle, drawing, lottery, or similar game of chance not prohibited by any other law or statue;

retainer fee; or salary.

"Consignment Sale" means the sale or lease of property at an auction, whereby a person or entity takes temporary control, title or possession of the property to be sold or leased for the purpose of that person or entity to sell or lease the property, receive and distribute the proceeds of the sale or lease of the property. The person or entity who conducts a consignment sale auction shall not be exempt from licensure under the Act, except for those persons or entities who are other exempt from licensure, as provided by the Act and this Part.

"Department" means the Department of Financial and Professional Regulation.

"Director" means the Director of the Division of Professional Regulation with the authority delegated by the Secretary.

"Division" means the Department of Financial and Professional Regulation-Division of Professional Regulation.

"Goods" means chattels, movable goods, merchandise, or personal property or commodities of any form or type that may be lawfully kept or offered for sale.

"Licensee" means any person licensed under the Act.

"Livestock Auctioneer" means an auctioneer licensed under the Act and employed by a business registered as a market agency under the federal Packers and Stockyards Act (7 USC 181 et seq.) or under the Livestock Auction Market Law [225 ILCS 640] who, by public outcry, sells livestock at the registered business.

"Managing Auctioneer" means any person licensed as an auctioneer who manages and supervises an auction firm and licensees sponsored by an auction firm or auctioneer.

"Person" shall mean an individual, association, partnership, corporation, limited liability company, or the officers, directors, or employees of the same.

"Pre-renewal Period" means the 24 months prior to the expiration date of a license issued under the Act.

"Ring Assistant" means a person who acknowledges a bid from a member of the audience during the sale or lease of property at an auction and conveys the bid to the auctioneer, but only the auctioneer may accept the bid for the sale or lease of property at auction.

"School" means a continuing education school approved and licensed in accordance with the Act and this Part.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

"Sponsor Card" shall mean the temporary permit issued by the sponsoring auctioneer certifying that the licensee named is employed by or associated with the sponsoring auctioneer and the sponsoring auctioneer shall be responsible for the actions of the sponsored licensee.

"Sponsoring Auctioneer" means the auctioneer or auction firm who has issued a sponsor card to a licensed auctioneer.

"Terms and Conditions" means an announcement made orally or in written form at an auction sale, including but not limited to the condition of the property being sold or leased, the type of payment expected from the purchaser, when payment is expected from the purchaser, when possession, control and ownership of the property being sold or leased passes to the purchaser, and any other information that is pertinent to the auction.

(Source: Amended at 41 Ill. Reg. 12550, effective October 6, 2017)

SUBPART B: AUCTION LICENSE

Section 1440.170 Fees

a) The license application fee for an auctioneer for:

1) an initial license application shall be $200;

2) a renewal application shall be $225 per year;

3) a renewal application, with fee, that was postmarked after the expiration date of the license, shall be the renewal fee plus a $50 penalty;

4) a restoration application shall be all lapsed renewal application fees, not to exceed $675, plus a $50 penalty and $25 for a 45 Day Permit Sponsor Card;

5) a 45 Day Permit Sponsor Card application shall be $25.~~; and~~

~~6) a duplicate license shall be $25.~~

b) The registration application fee for an internet auction listing service for:

1) an initial registration application shall be $200;

2) a renewal application shall be $225 per year;

3) a renewal application, with fee, that was postmarked after the expiration date of the license shall be the renewal fee plus a $50 penalty;

4) a restoration application shall be all lapsed renewal fees, not to exceed $675, plus a $50 penalty;

~~5) a duplicate registration shall be $25;~~

5~~6~~) a certification of a registrant's record for any purpose shall be $25;

6~~7~~) a roster of registrants shall be the cost of producing the roster;

7~~8~~) a copy of any transcript of any proceedings shall be the cost to produce the transcript;

8~~9~~) certifying any record, for example, a copy of a disciplinary order or application, shall be $1 per page.

c) The license application fee for an auction firm for:

1) an initial license application shall be $100;

2) a renewal application shall be calculated at the rate of $125 per year;

3) a renewal application, with fee, that was postmarked after the expiration date of the license shall be the renewal fee plus a $50 penalty;

4) a restoration application shall be all lapsed renewal fees, not to exceed $375, plus a $50 penalty;

5) a managing auctioneer change application shall be $25.~~; and~~

~~6) a duplicate license shall be $25.~~

d) The license application fee for an auction school for:

1) an initial license application shall be $2,000;

2) a renewal application shall be $1,000 per year;

3) a renewal application, with fee, that was postmarked after the expiration date of the license shall be the renewal fee plus a $250 penalty.~~; and~~

~~4) a duplicate license shall be $25.~~

e) The license application fee for an auction continuing education course shall be $50 per course. A duplicate course license shall be $25.

f) The fee for a certification of a licensee's record for any purpose shall be $25.

g) The fee for copies, license certification and other services shall be the cost of preparing and providing the same, as established by policy of the Division.

h) The fee for requesting a waiver of continuing education requirements pursuant to Section 10-30 of the Act and Section 1440.310(d)(2) of this Part shall be $25.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

(Source: Amended at 41 Ill. Reg. 12550, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Real Estate License Act of 2000

2) Code Citation: 68 Ill. Adm. Code 1450

3)

Section Numbers:	Adopted Actions:
1450.100	Amendment
1450.110	Amendment
1450.130	Amendment
1450.170	Repealed
1450.730	Amendment
1450.1300	Amendment

4) Statutory Authority: Implementing the Real Estate License Act of 2000 [225 ILCS 454] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Real Estate and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 5866; July 2, 2017

10) Has JCAR issued a Statement of Objection to this Rulemaking? No

11) Differences between Proposal and Final Version: No changes were made.

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plain language where appropriate; provide continuity across the balance of our Title 68 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VIII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1450
REAL ESTATE LICENSE ACT OF 2000

SUBPART A: GENERAL

Section
1450.100 Definitions
1450.110 Sponsor Cards
1450.115 Termination of License
1450.120 Assumed Name
1450.130 Fees
1450.140 Renewals
1450.145 Restoration
1450.150 Licensee Change of Information
1450.160 Dual Licensure
1450.170 Exemption Under Section 5-20(1) of the Act (Repealed)

SUBPART B: LEASING AGENT LICENSING AND EDUCATION

Section
1450.200 Leasing Agent General Provisions
1450.205 Leasing Agent Pre-License Education Requirements
1450.210 Leasing Agent Examination
1450.220 Application for Leasing Agent License by Examination
1450.230 Leasing Agent Termination of Employment (Repealed)
1450.240 Leasing Agent 120 Day Student Permit
1450.250 Leasing Agent Continuing Education
1450.260 Approved Courses, Schools and Instructors for Leasing Agents (Repealed)

SUBPART C: LICENSING AND EDUCATION FOR SALESPERSON

Section
1450.300 Salesperson Educational Requirements to Obtain a License (Repealed)
1450.310 Salesperson Examination (Repealed)
1450.320 Applications for Salesperson License by Examination (Repealed)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1450.330 Application for Salesperson License by Reciprocity (Repealed)
1450.340 Salesperson Continuing Education (Repealed)

SUBPART D: BROKER LICENSING AND EDUCATION

Section
1450.400 Broker Pre-license Education Requirements
1450.410 Broker Post-License Education Requirements
1450.420 Broker Examination
1450.430 Application for Broker License by Examination
1450.440 Application for Broker License by Reciprocity
1450.450 Broker Continuing Education

SUBPART E: MANAGING BROKER LICENSING AND EDUCATION

Section
1450.500 Managing Broker Pre-licensed Education Requirements
1450.510 Managing Broker Examination
1450.520 Application for Managing Broker License by Examination
1450.530 Application for Managing Broker License by Reciprocity
1450.540 Managing Broker Continuing Education
1450.550 Managing Broker License Transfer to Broker License

SUBPART F: CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS, LIMITED PARTNERSHIPS AND LIMITED LIABILITY PARTNERSHIPS

Section
1450.600 Application for Corporations, Limited Liability Companies, Partnerships, Limited Partnerships and Limited Liability Partnerships Licenses
1450.610 Offices and Branch Offices

SUBPART G: COMPENSATION AND BUSINESS PRACTICES

Section
1450.700 Sponsoring Broker Responsibilities
1450.705 Named Managing Broker Responsibilities and Supervision
1450.710 Discrimination
1450.715 Advertising

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1450.720 Internet Advertising
1450.725 Office and Branch Office Identification Signs
1450.730 Display of Licenses
1450.735 Employment Agreements
1450.740 Unlicensed Assistants
1450.745 Corporation for Indirect Payment
1450.750 Special Accounts
1450.755 Recordkeeping
1450.760 Disclosure of Compensation
1450.765 Disclosure of Licensee Status
1450.770 Brokerage Agreements and Listing Agreements
1450.775 Written Agreements
1450.780 Referral Fees and Affinity Relationships
1450.785 Rental Finding Services
1450.790 Broker Price Opinions and Comparative Market Analysis

SUBPART H: AGENCY RELATIONSHIPS

Section
1450.800 Confidentiality
1450.810 Failure to Disclose Information Not Affecting Physical Condition of Real Estate
1450.820 Dual Agency Prohibition
1450.830 Disclosure of Contemporaneous Offers

SUBPART I: DISCIPLINE RULES AND PROCEDURES

Section
1450.900 Unprofessional Conduct
1450.905 Temporary Suspension
1450.910 Non-Disciplinary Action
1450.915 Suspension or Revocation of a Sponsoring Broker or Named Managing Broker License
1450.920 Inspections and Audits
1450.925 Audits of Special Funds by Outside Auditors
1450.930 Case File Review Committee
1450.935 Peer Review Advisor
1450.940 Rules of Practice in Administrative Hearings
1450.945 Real Estate Recovery Fund

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1450.950 Automatic Revocation Upon Order for Payment from the Real Estate Recovery Fund
1450.955 Advisory Letters

SUBPART J: GRANTING VARIANCES

Section
1450.1000 Granting Variances

SUBPART K: PRE-LICENSE SCHOOLS
AND CONTINUING EDUCATION SCHOOLS

Section
1450.1100 Application for Pre-License School License and Pre-License School Branch License and Other Requirements
1450.1105 Application for Pre-License Courses and Curriculum
1450.1110 Application for Pre-License School, Pre-License School Branch and Course License Renewal
1450.1115 Application for Pre-License Instructor License
1450.1120 Administration of Proficiency Examinations and Eligibility to Take the Proficiency Exam and Transition Courses (Repealed)
1450.1125 Pre-License Instructor License Renewal and Restoration
1450.1130 Application for Continuing Education School License and Other Requirements
1450.1135 Application for Continuing Education Courses and Curriculum
1450.1140 Application for Continuing Education School and Course License Renewal
1450.1145 Application for Continuing Education Instructor License
1450.1150 Continuing Education Instructor License Renewal and Restoration
1450.1155 Distance Education Courses
1450.1160 Recruitment
1450.1165 Discipline of Schools, Instructors or Courses
1450.1170 Real Estate Education Advisory Council

SUBPART L: CONTINUING EDUCATION TRANSITIONAL PROVISIONS

Section
1450.1200 Continuing Education Requirements for Transitioned Licensees (Repealed)

SUBPART M: REAL ESTATE AUCTION CERTIFICATION

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Section
1450.1300 Real Estate Auction Pre-Certification Education
1450.1310 Application for Real Estate Auction Certification
1450.1320 Real Estate Auction Certification Activities

AUTHORITY: Implementing the Real Estate License Act of 2000 [225 ILCS 454] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

SOURCE: Rules and Regulations for the Administration of the Real Estate Brokers and Salesmen License Act (General Rules), effective December 4, 1974; Rules and Regulations for the Administration of the Real Estate Brokers and Salesmen License Act (School Rules), effective July 29, 1974; amended at 3 Ill. Reg. 885, effective February 2, 1979; amended at 4 Ill. Reg. 195, effective August 12, 1980; amended at 5 Ill. Reg. 5343, effective May 6, 1981; amended at 5 Ill. Reg. 8541, effective August 10, 1981; codified at 5 Ill. Reg. 11064; emergency amendment at 6 Ill. Reg. 916, effective January 6, 1982, for a maximum of 150 days; emergency amendment at 6 Ill. Reg. 2406, effective February 3, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8221, effective July 1, 1982; amended at 9 Ill. Reg. 341, effective January 3, 1985; transferred from Chapter I, 68 Ill. Adm. Code 450 (Department of Registration and Education) to Chapter VII, 68 Ill. Adm. Code 1450 (Department of Professional Regulation) pursuant to PA 85-225, effective January 1, 1988, at 12 Ill. Reg. 2977; amended at 12 Ill. Reg. 8036, effective April 26, 1988; amended at 15 Ill. Reg. 10416, effective July 1, 1991; amended at 16 Ill. Reg. 3204, effective February 14, 1992; emergency amendment at 19 Ill. Reg. 12003, effective August 8, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 16623, effective December 1, 1995; amended at 20 Ill. Reg. 6492, effective April 30, 1996; recodified from Chapter VII, Department of Professional Regulation, to Chapter VIII, Office of Banks and Real Estate, pursuant to PA 89-23 and PA 89-508 at 20 Ill. Reg. 11984; amended at 21 Ill. Reg. 3602, effective March 7, 1997; amended at 21 Ill. Reg. 8350, effective June 30, 1997; old Part repealed and new Part adopted by emergency rulemaking at 24 Ill. Reg. 704, effective January 1, 2000, for a maximum of 150 days; old Part repealed and new Part adopted at 24 Ill. Reg. 8263, effective May 30, 2000; amended at 27 Ill. Reg. 12018, effective July 9, 2003; amended at 28 Ill. Reg. 2141, effective January 22, 2004; amended at 30 Ill. Reg. 11075, effective June 8, 2006; amended at 32 Ill. Reg. 6503, effective April 2, 2008; former Part repealed at 35 Ill. Reg. 5414 and new Part adopted at 35 Ill. Reg. 5418, effective March 21, 2011; amended at 40 Ill. Reg. 12588, effective September 2, 2016; amended at 41 Ill. Reg. 12561, effective October 6, 2017.

SUBPART A: GENERAL

Section 1450.100 Definitions

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

Unless otherwise clarified by this Part, definitions set forth in the Act also apply for purposes of this Part.

"Act" means the Real Estate License Act of 2000 [225 ILCS 454].

"Advisory Council" means the Real Estate Education Advisory Council as set forth in Section 30-10 of the Act.

"Affidavit of Non-participation" means a sworn statement made by an unlicensed person associated with, or an unlicensed owner of, a licensed real estate corporation, limited liability company, partnership, limited partnership or limited liability partnership attesting that the unlicensed person is not actively directing or engaging in licensed activities as part of that association or ownership.

"Board" means the Real Estate Administration and Disciplinary Board as set forth in Section 25-10 of the Act.

"Compliance agreement" means an agreement entered into between a licensee and the Division in conjunction with an administrative warning letter.

"Credit hour" means a minimum of 50 minutes of instruction approved by the Division:

in a classroom or by other interactive delivery method; or

through a distance education course.

"Department" means the Department of Financial and Professional Regulation.

"Director" means the Director of the Division of Real Estate with the authority delegated by the Secretary.

"Discipline" means a refusal to issue or renew a license, reprimand, probation, suspension or revocation of a license, fine or any other action the Department may deem proper.

"Division" means the Department of Financial and Professional Regulation-Division of Real Estate with the authority delegated by the Secretary.

"Electronic signature" means a signature in electronic form attached to or logically associated with an electronic record. [5 ILCS 175/5-105] For purposes of the Act and this Part, any application, affidavit or other document required to be signed may be signed by means of an electronic signature.

"Interactive delivery method" means delivery of a course, approved by the Advisory Council, by a licensed instructor through a medium allowing for live 2-way communication between the licensed instructor and student in which either can initiate or respond to questions, including live instruction and real time discussion via satellite, video or webcam.

"Named managing broker" means a managing broker who:

the sponsoring broker names and identifies for the Division, pursuant to Section 1450.700; and

has the responsibilities, and supervises activities, pursuant to Section 1450.705.

"Office" means a sponsoring broker's place of business where the general public is invited to transact business, from which sponsored licensees work, where records may be maintained, and where licenses may be readily available, as set forth in Section 1450.730, whether or not it is the sponsoring broker's principal place of business. Offices and branch offices must meet the requirements set forth in Section 1450.610.

"Proctor" means any person, including a licensed instructor, who has a written agreement with a licensed pre-license school or a licensed continuing education (CE) school to administer, in person or electronically, examinations fairly and impartially with a licensed pre-license school or a licensed (CE) school. The proctor shall authenticate the identity of the student taking the examination; monitor the student and examination-taking process to ensure that the examination is completed with only the aid of additional persons or resources, if any, approved by the Advisory Council; and protect the confidentiality of school materials. Proctors must be impartial third parties (i.e., not a licensee's sponsoring broker, managing broker or any relative, etc.).

"School branch" means a location where a pre-license school provides instruction other than the pre-license school's principal location.

"Sole owner" means a person who has a 100% ownership interest alone in real estate, except as defined in Section 10-30(c)(2) of the Act.

"Sponsoring broker" means a person with a license who operates as a corporation, limited liability company, partnership, limited partnership, or limited liability partnership, or an individual with a managing broker license who operates as a sole proprietor.

"Sponsor card" means the temporary permit issued by the sponsoring broker certifying that the licensee named on the card is employed by or associated with the sponsoring broker, as set forth in Section 5-40 of the Act.

"Transaction", for purposes of this Part, exists once an agreement has been reached and an accepted real estate contract is signed, or a lease is agreed to, by the parties.

(Source: Amended at 41 Ill. Reg. 12561, effective October 6, 2017)

Section 1450.110 Sponsor Cards

a) Leasing Agent

1) Except for a individual working under a 120 day leasing agent student permit as set forth in Section 1450.240, no leasing agent license applicant may engage in leasing residential real estate as set forth in Section 1450.200 until a valid sponsor card has been issued to the applicant.

2) A sponsoring broker shall prepare and deliver to each leasing agent employed by or associated with the sponsoring broker a sponsor card, on forms provided by the Division, certifying that the applicant whose name appears on the sponsor card is employed by or associated with that sponsoring broker and that the applicant has not practiced under a 120 day leasing agent student permit for more than 120 days.

3) A properly issued sponsor card shall serve as a temporary permit allowing the sponsored leasing agency to engage in leasing residential real property

for a maximum of 45 days, only for the sponsoring broker named on the sponsor card.

4) A sponsoring broker may issue a sponsor card to a leasing agent or applicant only upon presentation of the following:

A) a leasing agent examination pass score report stating that the sponsoring broker may issue a sponsor card;

B) an original leasing agent license that is endorsed by the sponsoring broker who previously employed or was associated with the leasing agent; or

C) a leasing agent license expired for less than 2 years.

5) The sponsoring broker shall, within 24 hours after issuance of the sponsor card, submit the following to the Division by regular mail or a signature restricted delivery service:

A) Leasing Agent Applicants:

i) a copy of the sponsor card and transcript, if applicable;

ii) a leasing agent examination pass score report stating that the sponsoring broker may issue a sponsor card;

iii) a signed and completed leasing agent license application; and

iv) the required leasing agent license application fee as set forth in Section 1450.130.

B) Leasing Agent Licensee:

i) a copy of the sponsor card;

ii) the required sponsor card fee set forth in Section 1450.130; and

iii) one of the following:

- the properly endorsed leasing agent license and pocket card of the sponsored licensee;

- the expired license of the sponsored licensee, the required fee set forth in Section 1450.130 and proof of CE, if applicable;

- the pocket card of the licensee and the licensee's sworn statement explaining why the license is not submitted; or

- if the license and pocket card are not available, the license status as verified by the Department.

6) A sponsoring broker issuing a sponsor card shall retain a copy of the sponsor card until the leasing agent license is received and properly displayed as set forth in Section 1450.730.

b) Broker and Managing Broker

1) A properly issued sponsor card shall serve as a temporary permit allowing the sponsored broker or managing broker to engage in licensed activities for a maximum of 45 days, only for the sponsoring broker named on the sponsor card.

2) A sponsoring broker may issue a sponsor card to a broker, managing broker, or applicant only upon presentation of the following:

A) a real estate examination pass score report stating that the sponsoring broker may issue a sponsor card;

B) an original broker or managing broker license endorsed by the sponsoring broker who previously employed or was associated with the broker or managing broker licensee; or

C) a broker or managing broker license expired for less than 2 years.

3) The sponsoring broker shall, within 24 hours after issuance of the sponsor card, submit the following to the Division by regular mail or a signature restricted delivery service:

A) Broker and Managing Broker Applicants

i) a copy of the sponsor card and transcript, if applicable;

ii) a real estate examination pass score report stating that the sponsoring broker may issue a sponsor card; and

iii) other documentation set forth in Sections 1450.430 and 1450.520.

B) Broker and Managing Broker Licensees

i) a copy of the sponsor card and transcript, if applicable;

ii) the required sponsor card fee set forth in Section 1450.130; and

iii) one of the following:

- the properly endorsed license and pocket card of the sponsored licensee;

- the expired license of the sponsored licensee, the required fee set forth in Section 1450.130 and proof of CE, if applicable;

- the pocket card of the licensee and the licensee's sworn statement explaining why the license is not submitted; or

- if the license and pocket card are not available, the license status as verified by the Department.

4) A managing broker may practice as a sole proprietor, and a broker or managing broker may practice as a corporation, limited liability company,

partnership, limited partnership or limited liability partnership provided that, prior to engaging in licensed activities, the managing broker or broker complies with the licensing requirements set forth in Section 1450.600 and submits the following to the Division by regular mail or a signature restricted delivery service:

A) a copy of the managing broker's sponsor card;

B) the required sponsor card fee set forth in Section 1450.130;

C) a completed consent to examine and audit special accounts form; and

D) one of the following:

i) the properly endorsed managing broker license and pocket card of the sponsored licensee;

ii) the expired managing broker license, the required fee set forth in Section 1450.130 and proof of CE, if applicable;

iii) the pocket card of the licensee and the licensee's sworn statement explaining why the managing broker license is not submitted; or

iv) if the license and the pocket card are not available, the license status as verified by the Department.

c) If an applicant or licensee fails to complete the requirements of this Section:

1) the sponsor card shall be void;

2) the applicant or licensee shall be considered to have never been authorized to practice; and

3) the applicant or licensee shall be subject to discipline.

d) Within 30 days after receipt and approval of the sponsor card, required fees and appropriate documentation, the Division shall issue to the applicant or licensee a license or may notify the applicant or licensee of the basis for denial.

e) Sponsor Card Expiration. A sponsor card shall be valid for a 45 days from issue date unless extended for an additional 45 days by the Division for good cause.

1) Good cause shall be limited to instances in which the Division has unnecessarily delayed the processing of a license.

2) A request for extension shall be considered granted only upon written notice from the Division.

f) The sponsoring broker shall retain a sponsor card copy until the license is received.

g) Licensees shall carry a properly issued sponsor card or a valid pocket card and shall display them upon demand when engaging in any licensed activities.

h) Whenever any provision of Section 5-40 of the Act or any provision of this Part requires that any license be surrendered, sent, obtained, delivered or issued by or to a licensee (including a sponsoring broker) or the Department, the manner of doing so may include electronic transmission, including the use of any electronic portal maintained by the Department.

(Source: Amended at 41 Ill. Reg. 12561, effective October 6, 2017)

Section 1450.130 Fees

a) Leasing Agent License and 120 Day Leasing Agent Student Permit

1) The application fee for an initial leasing agent license is $75.

2) The renewal fee for an unexpired leasing agent license is $50 per year.

3) The late fee for a leasing agent license expired for no more than 2 years is $50.

4) The application fee for a 120 day leasing agent student permit is $25.

5) The restoration fee for a leasing agent license expired for more than 2 years but less than 5 years is the sum of all lapsed renewal and late fees.

b) Broker License

1) The application fee for an initial broker license is $125.

2) The renewal fee for an unexpired broker license is $75 per year.

3) The late fee for a broker license expired for no more than 2 years is $50.

4) The restoration fee for a broker license expired for more than 2 years but less than 5 years is the sum of all lapsed renewal and late fees.

5) The fee to transfer from a managing broker license to a broker license is $125.

c) Managing Broker License

1) The application fee for an initial managing broker license is $150.

2) The renewal fee for an unexpired managing broker license is $100 per year.

3) The late fee for a managing broker license expired for no more than 2 years is $50.

4) The restoration fee for a managing broker license expired for more than 2 years but less than 5 years is the sum of all lapsed renewal and late fees.

d) Real Estate Auction Certification

1) The application fee for an initial real estate auction certification is $125.

2) The renewal fee for an unexpired real estate auction certification is $150 per year.

3) The late fee for a real estate auction certification expired for no more than 2 years is $50.

e) Corporation, Limited Liability Company, Partnership, Limited Partnership or Limited Liability Partnership License

1) The application fee for an initial corporation, limited liability company, partnership, limited partnership or limited liability partnership license is $125.

2) The renewal fee for an unexpired corporation, limited liability company, partnership, limited partnership or limited liability partnership license is $75 per year.

3) The late fee for a corporation, limited liability company, partnership, limited partnership or limited liability partnership license expired for no more than 2 years is $50.

f) Branch Office License

1) The application fee for an initial branch office license is $125.

2) The renewal fee for an unexpired branch office license is $75 per year.

3) The late fee for a branch office license expired for no more than 2 years is $50.

g) Pre-License School, Instructor and Course License Fees

1) The application fee for an initial pre-license school license is $1,025.

2) The renewal fee for an unexpired pre-license school license is $525 per year.

3) The late fee for a pre-license school license expired for no more than 2 years is $50.

4) The application fee for an initial pre-license school branch license is $175 per branch.

5) The renewal fee for an unexpired pre-license school branch license is $125 per branch per year.

6) The late fee for a pre-license school branch license expired for no more than 2 years is $50 per branch.

7) The fee to transfer the location of a licensed pre-license school branch license is $25 per branch per transfer.

8) The application fee for an initial pre-license instructor license is $125.

9) The renewal fee for an unexpired pre-license instructor license is $125 per year.

10) The late fee for a pre-license instructor license expired for no more than 2 years is $50.

11) The application fee for an initial pre-license course license is $125.

12) The renewal fee for an unexpired pre-license course license is $50 per year.

13) The late fee for a pre-license course license expired for no more than 2 years is $50.

h) Continuing Education School, Instructor and Course License Fees

1) The application fee for an initial CE school license is $1,025.

2) The renewal fee for an unexpired CE school license is $525 per year.

3) The late fee for a CE school license expired for no more than 2 years is $50.

4) The application fee for an initial CE instructor license is $75.

5) The renewal fee for an unexpired CE instructor license is $75 per year.

6) The late fee for a CE instructor license expired for no more than 2 years is $50.

7) The application fee for an initial CE course license is $125.

8) The renewal fee for an unexpired CE course license is $50 per year.

9) The late fee for a CE course license expired for no more than 2 years is $50.

i) General

1) All fees paid pursuant to the Act and this Section shall be made payable to the Department of Financial and Professional Regulation and are non-refundable.

~~2) The fee for the issuance of a duplicate or replacement license or pocket card is $25.~~

2~~3~~) The fee for a certification of a licensee's record for any purpose is $25.

3~~4~~) The fee for a roster of licensees or a list of licensees sponsored by a sponsoring broker is the cost of producing the roster.

4~~5~~) Applicants for an examination as a leasing agent, broker, managing broker, instructor or real estate auction certification holder shall be required to pay a fee covering the cost of providing the examination. If a designated testing service is utilized for the examination, the fee shall be paid directly to the designated testing service. Failure to appear for the examination on the scheduled date, at the time and place specified, after the applicant's application for examination has been received and acknowledged, shall result in the forfeiture of the examination fee.

5~~6~~) The fee for requesting a waiver of CE requirements pursuant to Section 5-70(b) of the Act, or for requesting credit for CE obtained while out-of-state pursuant to Section 5-75 of the Act, is $25.

6~~7~~) The fee for processing a sponsor card other than at the time of original licensure is $25.

7~~8~~) The fee for a copy of a transcript of the proceedings under Section 20-62 of the Act is the cost of a copy of the transcript. A copy of the balance of the record will be provided at the Division's cost of producing the record.

8~~9~~) The fee for certifying the record referred to in Section 20-73 of the Act is $1 per page.

9~~10~~) The Division may charge an administrative fee, not to exceed $500, as a part of a compliance agreement issued with an administrative warning letter pursuant to Section 20-20 of the Act.

10~~11~~) Each university, college, community college or school supported by public funds shall be exempt from the school licensure fees provided each university, college, community college or school meets the following criteria and certifies to the Division that:

A) the facility is supported by public funds;

B) the instructors are considered full-time faculty and are supported by public funds or if the administrator of the real estate school/program/curricula is considered full-time with exclusive responsibility for the administration of the real estate school/program/curricula and is supported by public funds;

C) the program, pre-license and/or CE revenues are deposited into the general fund of the university, college, community college or school, as are other appropriated public funds; and

D) the program, pre-license and/or CE is not a for-profit division of the university, college, community college or school.

(Source: Amended at 41 Ill. Reg. 12561, effective October 6, 2017)

Section 1450.170 Exemption Under Section 5-20(1) of the Act (Repealed)

~~An owner seeking the exemption set forth in Section 5-20(1) of the Act must be the sole owner of the property.~~

(Source: Repealed at 41 Ill. Reg. 12561, effective October 6, 2017)

SUBPART G: COMPENSATION AND BUSINESS PRACTICES

Section 1450.730 Display of Licenses

a) A copy of a licensee's ~~original~~ license must be readily available to the public in the principal office of the licensee's sponsoring broker and a copy must be readily available to the public at the licensee's principal office.

b) "Readily available" may include, but is not limited to:

1) being visible on a wall of a public waiting or reception area; or

2) being available for viewing upon request.

c) Named managing brokers assigned to manage multiple offices shall have copies of their license readily available in all offices they manage, which includes offices that may not be the named managing broker's principal office.

(Source: Amended at 41 Ill. Reg. 12561, effective October 6, 2017)

SUBPART M: REAL ESTATE AUCTION CERTIFICATION

Section 1450.1300 Real Estate Auction Pre-Certification Education

a) The 30 hour real estate certification course set forth in Section 5-32~~32(a)(2)~~ of the Act shall include the following:

1) 18 hours relating to real estate including the following topics:

A) Illinois and federal statutes and rules governing real estate;

B) agency;

C) real estate advertising; and

D) any other subject matter recommended by the Department.

2) 12 hours relating to auctions including the following topics:

A) Illinois and federal statutes and rules governing auctions;

B) auction advertising; and

C) any other subject matter recommended by the Department.

b) The 30 hour real estate auction certification course may be completed in a classroom or by other interactive delivery.

c) The Department may consider the recommendation of the Advisory Council regarding 30 hour real estate auction certification courses.

(Source: Amended at 41 Ill. Reg. 12561, effective October 6, 2017)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Real Estate Appraiser Licensing

2) Code Citation: 68 Ill. Adm. Code 1455

3)

Section Numbers:	Adopted Actions:
1455.160	Amendment
1455.320	Amendment

4) Statutory Authority: Implementing and authorized by the Real Estate Appraiser Licensing Act of 2002 [225 ILCS 458].

5) Effective Date of Rules: October 6, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Real Estate and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 41 Ill. Reg. 5888; July 2, 2017

10) Has JCAR issued a Statement of Objection to this Rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to Executive Order 2016-13, issued by Governor Rauner on October 17, 2016, IDFPR is amending the Sections listed above under the "Cutting the Red Tape Initiative" to make certain that our regulatory standards are up to date; use plain language where appropriate; provide continuity across the balance of our Title 68 administrative rules; are not unduly burdensome to businesses or social service providers or recipients and are statutorily authorized.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1455
REAL ESTATE APPRAISER LICENSING

SUBPART A: DEFINITIONS

Section
1455.10 Definitions

SUBPART B: LICENSING REQUIREMENTS

Section
1455.100 Application for a State Certified General Real Estate Appraiser License and a State Certified Residential Real Estate Appraiser License; Application for an Associate Real Estate Trainee Appraiser License; Application by Non-Resident for Licensure by Endorsement
1455.110 Application for Renewal of State Certified General Real Estate Appraiser License, State Certified Residential Real Estate Appraiser License, and Associate Real Estate Trainee Appraiser License; Late Renewal of State Certified General Real Estate Appraiser License, State Certified Residential Real Estate Appraiser License, and Associate Real Estate Trainee Appraiser License; Reinstatement of State Certified General Real Estate Appraiser License, State Certified Residential Real Estate; Appraiser License, and Associate Real Estate Trainee Appraiser License; Application for Military Deferral; Expiration Date
1455.120 Conversion of a State Licensed Real Estate Appraiser License to an Associate Real Estate Appraiser License; Late Conversion; No Issuance of State Licensed Real Estate Appraiser License (Repealed)
1455.130 Application for Temporary Practice Permit; Term of Permit; Scope of Practice; Regulatory Responsibility; Notice
1455.140 Issuance of Certificate to Real Estate Appraisers; Temporary Practice Permits

SUBPART C: EDUCATION REQUIREMENTS

Section
1455.150 Qualifying Education Requirements; State Certified General Real Estate Appraiser; State Certified Residential Real Estate Appraiser; Associate Real

Estate Trainee Appraiser; Non-Resident Qualifying Education; In Lieu of Requirements; Foreign Degrees
1455.160 Continuing Education Requirements for State Certified General Real Estate Appraiser, State Certified Residential Real Estate Appraiser, and Associate Real Estate Trainee Appraiser; Non-Resident Continuing Education Approval

SUBPART D: EXPERIENCE REQUIREMENTS

Section
1455.170 Experience Requirements for a State Certified General Real Estate Appraiser License
1455.180 Experience Requirements for a State Certified Residential Real Estate Appraiser License
1455.190 Verification of Experience Credit
1455.195 Acceptable Experience Credit and Request for Reconsideration
1455.200 Acceptable Appraisal Experience Credit

SUBPART E: BUSINESS PRACTICES; STANDARDS AND SCOPE OF PRACTICE

Section
1455.205 Record Keeping Requirements
1455.210 Notification of Name Change
1455.220 Assumed Name
1455.230 Address Change
1455.240 Uniform Standards of Professional Appraisal Practice (USPAP)
1455.245 Scope of Property Condition Inspections by Real Estate Appraisers

SUBPART F: ENFORCEMENT PROVISIONS

Section
1455.250 Appraiser Responsibilities as Relating to Appraisal Management Companies
1455.260 Suspension or Denial for Failure to Pay Taxes, Child Support or any Illinois-Guaranteed Student Loan
1455.270 Additional Education; Reporting Requirements
1455.280 Administrative Warning Letter
1455.290 Cooperation Required with the Division
1455.300 Felony Convictions; Discipline of Other Professional License; Notification
1455.310 Unprofessional Conduct
1455.315 Supervisor and Trainee Requirements (Repealed)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

1455.316 Supervisor and Trainee Requirements

SUBPART G: ADMINISTRATIVE PROVISIONS

Section
1455.320 Fees
1455.330 Granting of Variances
1455.335 Refusal to Issue an Appraiser License Based on Criminal History Record
1455.340 Duties of the Secretary
1455.345 IDFPR Coordinator of Real Estate Appraisal

SUBPART H: EDUCATION PROVIDER AND COURSE PROVISIONS

Section
1455.350 Education Provider Application; Requirements
1455.355 USPAP Course Titles
1455.360 Qualifying Education Course Requirements of Education Providers
1455.365 Practicum Course Requirements
1455.370 Qualifying Course Curriculum; State Certified General Real Estate Appraiser; State Certified Residential Real Estate Appraiser; Associate Real Estate Trainee Appraiser
1455.375 Prequisite Education Course – Supervisor-Trainee Course
1455.380 Instructors for the Supervisor-Trainee Conditional Education Course
1455.390 Continuing Education Course Requirements of Education Providers
1455.400 Curriculum for Continuing Education Courses; Continuing Education Credit for Participation Other Than as a Student
1455.410 Distance Education
1455.420 Expiration Date and Renewal for Education Providers and Qualifying Education and Continuing Education Courses
1455.430 Continuing Education Reporting
1455.440 Transcript or Certificate of Completion
1455.445 Grounds for Education Provider Discipline

SUBPART I: TRANSITION PROVISIONS

Section
1455.450 Appraiser Applicants − Transition Provisions (Repealed)
1455.460 Education Providers, Pre-License and Continuing Education Courses − Transition Provisions (Repealed)

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

SUBPART J: HEARINGS

Section
1455.470 Applicability (Repealed)
1455.480 Administrative Law Judges (Repealed)
1455.490 Disqualification of an Administrative Law Judge (Repealed)

1455.APPENDIX A Caption for a Case Filed by the Division (Repealed)
1455.APPENDIX B Caption for a Case Filed by the Petitioner (Repealed)

AUTHORITY: Implementing and authorized by the Real Estate Appraiser Licensing Act of 2002 [225 ILCS 458].

SOURCE: Emergency rules adopted at 16 Ill. Reg. 16196, effective September 30, 1992, for a maximum of 150 days; rules adopted at 17 Ill. Reg. 1589, effective January 26, 1993; emergency amendment at 17 Ill. Reg. 6668, effective April 19, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 13494, effective July 30, 1993; amended at 18 Ill. Reg. 2379, effective January 28, 1994; emergency amendment at 18 Ill. Reg. 3006, effective February 10, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 8428, effective May 24, 1994; amended at 19 Ill. Reg. 9176, effective June 26, 1995; emergency amendment at 19 Ill. Reg. 12503, effective August 16, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 16604, effective December 1, 1995; amended at 20 Ill. Reg. 6488, effective April 30, 1996; recodified from Chapter VII, Department of Professional Regulation, to Chapter VIII, Office of Banks and Real Estate, pursuant to PA 89-23 and PA 89-508, at 20 Ill. Reg. 11984; amended at 21 Ill. Reg. 1685, effective January 27, 1997; amended at 21 Ill. Reg. 5538, effective April 18, 1997; emergency amendment at 22 Ill. Reg. 4132, effective February 4, 1998, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 8534, effective April 29, 1998, for a maximum of 150 days; old Part repealed by emergency rulemaking at 22 Ill. Reg. 12979, effective July 1, 1998, for a maximum of 150 days; new Part adopted by emergency rulemaking at 22 Ill. Reg. 13011, effective July 1, 1998, for a maximum of 150 days; old Part repealed and new Part adopted at 22 Ill. Reg. 20815, effective November 20, 1998; old Part repealed at 26 Ill. Reg. 10883 and new Part adopted by emergency rulemaking at 26 Ill. Reg. 10844, effective July 1, 2002, for a maximum of 150 days; old Part repealed at 26 Ill. Reg. 17689 and new Part adopted at 26 Ill. Reg. 17692, effective November 27, 2002; emergency amendment at 27 Ill. Reg. 14653, effective August 29, 2003, for a maximum of 150 days; amended at 28 Ill. Reg. 824, effective December 29, 2003; amended at 29 Ill. Reg. 16445, effective October 13, 2005; amended at 31 Ill. Reg. 4741, effective March 9, 2007; amended at 33 Ill. Reg. 7121, effective May 14, 2009; amended at 35 Ill. Reg. 1967, effective January 20, 2011; amended at 35 Ill. Reg. 19505, effective November 17, 2011;

amended at 37 Ill. Reg. 2668, effective April 1, 2013; amended at 37 Ill. Reg. 19189, effective December 31, 2013; amended at 38 Ill. Reg. 5887, effective February 24, 2014; amended at 39 Ill. Reg. 7939, effective June 1, 2015; amended at 41 Ill. Reg. 12583, effective October 6, 2017.

SUBPART C: EDUCATION REQUIREMENTS

Section 1455.160 Continuing Education Requirements for State Certified General Real Estate Appraiser, State Certified Residential Real Estate Appraiser, and Associate Real Estate Trainee Appraiser; Non-Resident Continuing Education Approval

a) CE Credit

1) A State Certified General Real Estate Appraiser, State Certified Residential Real Estate Appraiser, or Associate Real Estate Trainee Appraiser who makes application to renew his or her real estate appraiser license shall successfully complete the equivalent of 14 hours of approved continuing education per year preceding the renewal, e.g., a total of 28 hours of approved continuing education for a 2 year renewal. Continuing education credit will only be accepted from education providers and courses approved by the Division.

2) If a real estate appraiser was issued an initial license for less than 185 days prior to the expiration of the license, then no continuing education is required for that renewal. If a real estate appraiser has held a license 185 days or more prior to the expiration, but less than 2 ~~two~~ years, then 14 hours of approved continuing education is required.

3) A real estate appraiser must complete the 7-hour National USPAP Update Course or its equivalent as determined by the AQB or an alternate method established by the AQB taught by an AQB certified instructor who also hold a current appraiser certification by a state during each pre-renewal period prior to renewing or converting his or her real estate appraiser license, unless the real estate appraiser was issued his or her initial license for a period of less than 185 days prior to the expiration date. A real estate appraiser must complete the 7-hour National USPAP Update Course or its equivalent by June 30 of an even-numbered year, following the release of USPAP. Those real estate appraisers issued a license more than 6 months after the effective date of USPAP shall complete the 7-hour National USPAP Update Course within 6 months after licensure.

4) Pursuant to Section 1455.320(g)(7), the Department, at its discretion, may assess an administrative fee at a rate of $100 per credit hour for CE courses completed after the deadline. The administrative fee shall not exceed $2,000.

b) CE Credit from Another Jurisdiction
The Division may accept evidence of successful completion of continuing education credit from another jurisdiction if that jurisdiction's requirements are substantially the same as the State of Illinois' and meet the recommendations of the AQB, and if the credit was earned during the appropriate pre-renewal period. A real estate appraiser who wishes to obtain credit for continuing education courses not licensed by the Division shall submit to the Division:

1) An application provided by the Division requesting approval for continuing education credit, signed by the applicant, on which all questions are answered;

2) A certificate of successful completion provided by the education provider or a certification by the jurisdiction of the appraiser's place of residence of successful completion of the requested continuing education credit; and

3) The fee required by Section 1455.320.

(Source: Amended at 41 Ill. Reg. 12583, effective October 6, 2017)

SUBPART G: ADMINISTRATIVE PROVISIONS

Section 1455.320 Fees

a) Initial Application Fee~~application fee~~ for Appraiser License~~appraiser license~~

1) The application fee for an initial license as a State Certified General Real Estate Appraiser and a State Certified Residential Real Estate Appraiser shall be $315, which shall include the National Registry fee.

2) The application fee for an initial license as an Associate Real Estate Trainee Appraiser shall be $225.

b) Renewal Application Feeapplication fee for Appraiser Licenseappraiser license

1) The application fee to renew a license as a State Certified General Real Estate Appraiser or a State Certified Residential Real Estate Appraiser shall be calculated at $265 per year, which shall include the National Registry fees.

2) The application to renew an Associate Real Estate Trainee Appraiser License shall be calculated at $150 per year.

3) The application fee to renew a license that has expired, as a State Certified General Real Estate Appraiser, a State Certified Residential Real Estate Appraiser or an Associate Real Estate Trainee Appraiser shall be the sum of all lapsed renewal fees plus a $50 late fee.

c) Application Feefee for Temporary Practice Permittemporary practice permit The application fee for a temporary practice permit pursuant to the Act and this Part shall be $100. The additional fee required for an extension granted pursuant to the Act and this Part for a temporary practice permit shall be $50.

d) Initial Application Fee application fee for a License license as an Education Providereducation provider, a Qualifying Education Coursequalifying education course, a Continuing Education Coursecontinuing education course, and a Practicum Coursepracticum course

1) The application fee for a license as an education provider shall be $550, plus course application fees.

2) The application fee for a license for a qualifying education course shall be $150.

3) The application fee for a license for a continuing education course shall be $50.

4) The application fee for the 15-Hour National USPAP Course or its equivalent shall be $50.

5) The fee to convert an Illinois licensed qualifying education course, except for the 15-Hour National USPAP Course, to a continuing education course shall be $25.

6) The application fee for the 7-Hour National USPAP Update Course or its equivalent shall be $25.

e) Application Fee ~~fee~~ to Renew ~~renew~~ a License ~~license~~ as an Education Provider~~education provider~~, a Qualifying Education Course~~qualifying education course~~, and a Continuing Education Course~~continuing education course~~

1) The application fee to renew a license as an education provider shall be $250 per year.

2) The application fee to renew a license that has expired as an education provider shall be the sum of all lapsed renewal fees plus a $50 late fee.

3) The application fee to renew a license as a qualifying education course, except for the 15-Hour National USPAP Course, with no material changes, shall be $50 per year.

4) The application fee to renew a license that has expired as a qualifying education course, with no material changes, shall be the sum of all lapsed renewal fees plus a $50 late fee.

5) The application fee to renew a license as a continuing education course, except for the 7-Hour National USPAP Update Course, with no material changes, shall be $25 per year.

6) The application fee to renew a license that has expired as a continuing education course, with no material changes, shall be the sum of all lapsed renewal fees plus a $50 late fee.

f) For the purposes of determining if a license has expired under this Section, the ~~Department of Financial and Professional Regulation~~ Division of Professional Regulation ~~(Division)~~ shall consider the license expired if the postmark on the renewal application is a date later than the expiration date or, if delivered other than by mail, the license shall be considered expired if the renewal application is received by the Division of Professional Regulation on a date later than the

expiration date.

g) General

1) All fees paid pursuant to the Act and this Part are non-refundable.

~~2) The fee for the issuance of a duplicate license certificate or pocket card, for the issuance of a replacement license certificate or pocket card that has been lost or destroyed, or for the issuance of a license certificate or pocket card with a name or address change, other than during the renewal period, shall be $25.~~

2~~3~~) The fee for a certification of a licensee's record for any purpose shall be $25.

~~4) The fee for a decorative wall license showing registration shall be the cost of producing the license.~~

3~~5~~) The fee for a roster of persons licensed under the Act shall be the cost of producing the roster.

4~~6~~) Applicants for an examination as a State Certified General Real Estate Appraiser, a State Certified Residential Real Estate Appraiser, or an Associate Real Estate Trainee Appraiser shall be required to pay a fee covering the cost of providing the examination. If a designated testing service is utilized for the examination, the fee shall be paid directly to the designated testing service. Failure to appear for the examination on the scheduled date, at the time and place specified, after the applicant's application for examination has been received and acknowledged, shall result in the forfeiture of the examination fee.

5~~7~~) The fee for a copy of the transcript of any proceeding under the Act shall be the cost to produce the copy.

6~~8~~) The fee for certifying any record, e.g., a copy of a disciplinary order or application, shall be $1 per page.

7~~9~~) The Department~~Division~~ may charge an administrative fee not to exceed $2,000, as a part of a compliance agreement issued with an administrative warning letter pursuant to Section 1455.280.

(Source: Amended at 41 Ill. Reg. 12583, effective October 6, 2017)

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED REPEALER

1) Heading of the Part: Implementation of the Illinois Freedom of Information Act

2) Code Citation: 2 Ill. Adm. Code 876

3)

Section Numbers:	Adopted Actions:
876.101	Repealed
876.102	Repealed
876.201	Repealed
876.202	Repealed
876.301	Repealed
876.302	Repealed
876.401	Repealed
876.402	Repealed
876.501	Repealed
876.502	Repealed
876.503	Repealed
876.APPENDIX A	Repealed

4) Statutory Authority: Implementing and authorized by Section 5-15 of the Freedom of Information Act [5 ILCS 15].

5) Effective Date of Repealer: September 21, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A statement that a copy of the adopted repealer including any material incorporated is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposed published in the *Illinois Register*: This required rulemaking was not published as a proposed rulemaking, but was adopted under the provisions of Section 5-15 of the Illinois Administrative Code Act.

10) Has JCAR issued a Statement of Objection to this repealer? No

11) Differences between Proposal and Final Version: This required rulemaking was not published as a proposed rulemaking, but was adopted under the provisions of Section 5-15 of the Illinois Administrative Code Act.

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED REPEALER

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? This required rulemaking was not published as a proposed rulemaking, but was adopted under the provisions of Section 5-15 of the Illinois Administrative Code Act.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to PA 89-50, effective July 1, 1995, the Department of Energy and Natural Resources was merged with the Department of Conservation, now the Illinois Department of Natural Resources. 2 Ill. Adm. Code 826 will now apply.

16) Information and questions regarding this adopted repealer shall be directed to:

Ronda Brown
Department of Natural Resources
One Natural Resources Way
Springfield IL 62702-1271

217/782-1809
ronda.brown@illinois.gov

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED REPEALER

1) Heading of the Part: Access to Records of the Historic Preservation Agency

2) Code Citation: 2 Ill. Adm. Code 1580

3)

Section Numbers:	Adopted Actions:
1580.100	Repealed
1580.120	Repealed
1580.210	Repealed
1580.220	Repealed
1580.230	Repealed
1580.310	Repealed
1580.320	Repealed
1580.330	Repealed
1580.410	Repealed
1580.420	Repealed
1580.430	Repealed
1580.440	Repealed
1580.450	Repealed
1580.460	Repealed
1580.470	Repealed
1580.480	Repealed
1580.510	Repealed
1580.520	Repealed
1580.530	Repealed
1580.APPENDIX A	Repealed

4) Statutory Authority: Implementing and authorized by Section 3(h) of the Freedom of Information Act [5 ILCS 140/3(h)], implementing Section 5 of the Illinois State Agency Historic Resources Preservation Act [20 ILCS 3420/5] and Section 5-15 of the Illinois Administrative Procedure Act [5 ILCS 100/5-15].

5) Effective Date of Repealer: September 20, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted repealer, including any material incorporated is on file in the Agency's principal office and is available for public inspection.

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED REPEALER

9) Notice of Proposed published in the *Illinois Register*: This required rulemaking was not published as a proposed rulemaking, but was adopted under the provisions of Section 5-15 of the Illinois Administrative Code Act.

10) Has JCAR issued a Statement of Objections to this repealer? No

11) Differences between Proposal and Final Version: This required rulemaking was not published as a proposed rulemaking, but was adopted under the provisions of Section 5-15 of the Illinois Administrative Procedure Act.

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? This required rulemaking was not published as a proposed rulemaking, but was adopted under the provisions of Section 5-15 of the Illinois Administrative Procedure Act.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: Pursuant to PA 97-785, effective July 1, 2017, the Illinois Historic Preservation Agency was merged into the Illinois Department of Natural Resources. 2 Ill. Adm. Code 826 will now apply.

16) Information and questions regarding this adopted repealer shall be directed to:

Ronda Brown
Department of Natural Resources
One Natural Resources Way
Springfield IL 62702-1271

217/782-1809
ronda.brown@illinois.gov

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: The Taking of Wild Turkeys – Spring Season

2) Code Citation: 17 Ill. Adm. Code 710

3)

Section Numbers:	Adopted Actions:
710.20	Amendment
710.30	Amendment

4) Statutory Authority: Implementing and authorized by Sections 1.3, 1.4, 1.20, 2.9, 2.10, 2.11 and 2.20 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 1.20, 2.9, 2.10, 2.11 and 2.20].

5) Effective Date of Rules: September 20, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including all material incorporated by referenc,e is on file in the Department of Natural Resources' principal office and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 6427, June 9, 2017

10) Has JCAR issued a Statement of Objections to this rulemaking? No

11) Differences between Proposal and Final Version: In Section 710.20(b), "DNR-Direct License" has been changed to "DNR license".

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: This Part has been amended to make changes to the permit lottery system and selling remaining permits Over-the-Counter (OTC) at licensed vendors.

16) Information and questions regarding these adopted rules shall be directed to:

Javonna Ackerman, Legal Counsel
Department of Natural Resources
One Natural Resources Way
Springfield IL 62702-1271

217/782-1809

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED AMENDMENTS

TITLE 17: CONSERVATION
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER b: FISH AND WILDLIFE

PART 710
THE TAKING OF WILD TURKEYS − SPRING SEASON

Section

710.5 Hunting Zones
710.10 Hunting Seasons
710.20 Statewide Turkey Permit Requirements
710.21 Turkey Permit Requirements − Special Hunts (Renumbered)
710.22 Turkey Permit Requirements − Landowner/Tenant Permits
710.25 Turkey Permit Requirements − Special Hunts
710.28 Turkey Permit Requirements − Heritage Youth Turkey Hunt (Repealed)
710.30 Turkey Hunting Regulations
710.40 Other Regulations (Repealed)
710.50 Regulations at Various Department-Owned or -Managed Sites
710.55 Special Hunts for Disabled Hunters
710.60 Releasing or Stocking of Turkeys
710.70 Spring Youth Turkey Hunt

AUTHORITY: Implementing and authorized by Sections 1.3, 1.4, 1.20, 2.9, 2.10, 2.11 and 2.20 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 1.20, 2.9, 2.10, 2.11 and 2.20].

SOURCE: Adopted at 4 Ill. Reg. 15, p. 153, effective April 1, 1980; codified at 5 Ill. Reg. 10643; amended at 6 Ill. Reg. 3852, effective March 31, 1982; amended at 7 Ill. Reg. 4208, effective March 25, 1983; amended at 8 Ill. Reg. 5663, effective April 16, 1984; amended at 9 Ill. Reg. 6200, effective April 24, 1985; amended at 10 Ill. Reg. 6848, effective April 4, 1986; amended at 11 Ill. Reg. 2267, effective January 20, 1987; amended at 12 Ill. Reg. 5342, effective March 8, 1988; amended at 13 Ill. Reg. 5090, effective April 4, 1989; amended at 14 Ill. Reg. 663, effective January 2, 1990; amended at 15 Ill. Reg. 4161, effective March 4, 1991; amended at 16 Ill. Reg. 1843, effective January 17, 1992; amended at 17 Ill. Reg. 3184, effective March 2, 1993; amended at 18 Ill. Reg. 1156, effective January 18, 1994; emergency amendment at 18 Ill. Reg. 3751, effective March 1, 1994, for a maximum of 150 days; emergency expired July 29, 1994; amended at 19 Ill. Reg. 2450, effective February 17, 1995; emergency amendment at 19 Ill. Reg. 5312, effective April 1, 1995, for a maximum of 150 days; emergency expired August 29, 1995; amended at 20 Ill. Reg. 777, effective December 29, 1995; recodified by changing the agency name from Department of Conservation to Department of Natural Resources at 20 Ill.

Reg. 9389; amended at 21 Ill. Reg. 3125, effective March 3, 1997; amended at 22 Ill. Reg. 2192, effective January 2, 1998; amended at 22 Ill. Reg. 19568, effective October 23, 1998; amended at 23 Ill. Reg. 11956, effective September 21, 1999; amended at 24 Ill. Reg. 7984, effective May 24, 2000; amended at 24 Ill. Reg. 17778, effective November 27, 2000; amended at 25 Ill. Reg. 14176, effective October 22, 2001; amended at 26 Ill. Reg. 18028, effective December 6, 2002; amended at 27 Ill. Reg. 17075, effective October 22, 2003; amended at 29 Ill. Reg. 3935, effective February 24, 2005; amended at 29 Ill. Reg. 20484, effective December 2, 2005; amended at 31 Ill. Reg. 1958, effective January 16, 2007; amended at 31 Ill. Reg. 16476, effective November 28, 2007; amended at 32 Ill. Reg. 19742, effective December 3, 2008; amended at 34 Ill. Reg. 4868, effective March 19, 2010; amended at 35 Ill. Reg. 3705, effective February 16, 2011; amended at 35 Ill. Reg. 20588, effective December 9, 2011; amended at 37 Ill. Reg. 1898, effective February 4, 2013; amended at 37 Ill. Reg. 20688, effective December 12, 2013; amended at 38 Ill. Reg. 22780, effective November 18, 2014; amended at 39 Ill. Reg. 10951, effective July 27, 2015; amended at 40 Ill. Reg. 10630, effective July 20, 2016; amended at 41 Ill. Reg. 85, effective December 22, 2016; amended at 41 Ill. Reg. 8727, effective June 28, 2017; amended at 41 Ill. Reg. 12599, effective September 20, 2017.

Section 710.20 Statewide Turkey Permit Requirements

a) All turkey hunters must have a current, valid Spring Wild Turkey Hunting Permit. Lifetime licenses issued after August 15, 2006 shall not qualify a non-resident of Illinois for a resident turkey permit.~~To take, or attempt to take, a wild turkey, Illinois residents must first obtain a "Wild Turkey Hunting Permit" from the Department of Natural Resources for a fee of $15. Lifetime licenses issued after August 15, 2006 shall not qualify a non-resident of Illinois for a resident turkey permit. Non-resident turkey hunters shall be charged the maximum fee as allowed by Section 2.11 of the Wildlife Code [520 ILCS 5/2.11] for each wild turkey hunting permit.~~ All hunters, except those exempted by Section 3.1 of the Wildlife Code [520 ILCS 5/3.1] are also required to obtain a hunting license before hunting wild turkey. Fees for spring turkey permits are as follows~~Permits are issued for a specific county or area and are valid only in the county or area designated on the permit. Applications for wild turkey permits shall be completed and submitted by visiting one of the Illinois Department of Natural Resources' DNR-Direct License vendors, by applying on-line at www.dnr.illinois.gov, by calling DNR-Direct License sales at 1-888-6PERMIT (1-888-673-7648) or by mailing to~~:

1) Permits issued via lottery by Permit Office:
Illinois Resident lottery permit − $15

Nonresident lottery permit − $125

2) Over-the-Counter (OTC) Permits sold by license vendors pursuant to subsection (g); all prices include vendor's issuing fee:
Illinois Resident OTC Permit – $15.50
Nonresident OTC Permit − $125.50

b) Permits are issued for a specific county or area and are valid only in the county or area designated on the permit. Applications for wild turkey permits shall be completed and submitted by visiting one of the Illinois Department of Natural Resources' DNR license vendors, by applying on-line at www.dnr.illinois.gov, or by writing to:

Department of Natural Resources – Spring Turkey
One Natural Resources Way
P.O. Box 19446
Springfield, Illinois 62794-9446

c~~b~~) Applicants must supply all information necessary to complete the application. Incomplete applications will be rejected and fees returned. Each applicant must submit payment for his/her individual application at the time of application. Not more than 6 applications may be submitted for group hunters.

d~~c~~) Applications from Illinois residents will be accepted through December 1 for the First Lottery Drawing. Applications received in the permit office after December 1 will be included in the next computerized drawing. Permits are not transferable and refunds will not be granted. Permits will be allocated in a computerized drawing to be held in Springfield. Applicants rejected in this drawing will receive preference in the next year's drawing for spring season permits subject to guidelines outlined in subsection (h~~g~~).

e~~d~~) Permits not issued during the first computerized drawing will be available in a Second Lottery Drawing. Applications for this drawing will be accepted through the first working day after January 10. Applications received after this date will be included in the next drawing. All hunters not receiving a permit in the first computerized drawing and non-residents are eligible to apply for permits remaining for this Second Lottery Drawing. All resident permit applications will receive preference over non-resident applications.

f~~e~~) Any hunter who has not received a permit, and hunters that have received only one permit, may apply for a first or a second permit in a third computerized lottery drawing for the remaining permits. All resident permit applications will receive preference over non-resident applications. Applications for this Third Lottery Drawing will be accepted through the first working day after February 8. Applications received after this date will be rejected and fees refunded~~included in the next drawing~~.

~~f)~~ ~~Permits remaining after the three lotteries will be available in a Fourth (and final) Lottery Drawing. All applications received on or before the first working day after March 8 will be processed in this final Lottery. Applications received after this date will be rejected and fees refunded. This drawing period is open to hunters applying for their first, second and/or third permits.~~

g) Permits remaining after the Third Lottery Drawing will be available over-the-counter (OTC) from agents designated by the Department (pursuant to 17 Ill. Adm. Code 2520) beginning the second Tuesday in March on a first-come, first-served basis. Permits will be sold until quotas are exhausted, or until the close of the specific turkey season segment (i.e., 1-5) in Zone (north vs. south) for which the permit is being requested. Persons may purchase one or more permits during this period, subject to availability, except that no one may exceed the limit of three permits in total for spring turkey hunting, including youth and landowner permits.

h~~g~~) The following criteria must be met to obtain preference in the first computerized drawing:

1) The applicant must apply using the official agency application.

2) The applicant must be a resident of the State, be eligible to receive a spring turkey permit, and not had turkey hunting privileges revoked.

3) The applicant must apply for the same county and season choices which he/she listed on the previous year's application. Preference will not be granted for special hunt areas as listed in Section 710.25 or for permit areas listed in Section 710.50(c).

i~~h~~) A $3 service fee will be charged for replacement permits issued by the Department.

j~~i~~) The periods for accepting applications for the lotteries may be extended if applications are not available to the public by November 1. A news release will announce the extension of the application periods.

k~~j~~) It shall be unlawful to:

1) Submit applications before the second computerized lottery drawing for more than one permit for the same person.

2) Submit applications before the third computerized lottery drawing for more than two permits for the same person.

3) Apply for or receive more than three permits for the spring turkey season. The three-permit total includes any landowner permit or youth turkey permit received.

4) Provide false and/or deceptive information on a permit application form. In addition to criminal charges, individuals found guilty of violating this section shall have their application rejected, permit revoked, and fees forfeited.

(Source: Amended at 41 Ill. Reg. 12599, effective September 20, 2017)

Section 710.30 Turkey Hunting Regulations

a) It is unlawful:

1) to use live or electronic turkey decoys, recorded calls, dogs, or bait (an area is considered as baited during the presence of and for 10 consecutive days following the removal of the bait);

2) to take any wild turkey except a hen with a visible beard or a gobbler (male);

3) to take, or attempt to take, more than three wild turkeys during the spring season, one must have a valid permit for each turkey that is taken;

4) to use any weapon except a shotgun or bow and arrow. #4 shot is the

largest and #7½ is the smallest size shot that may be legally used or possessed while turkey hunting;

5) to hunt except from ½ hour before sunrise to 1:00 p.m. during each day of the season;

6) for any person having taken the legal limit of wild turkeys to further participate with a weapon in any hunting party for the purpose of taking additional wild turkeys;

7) for any person to possess while in the field during wild turkey season any turkey permit issued to another person (permits are non-transferable);

8) to transport or leave a wild turkey without first attaching the temporary harvest tag to the leg in the manner prescribed on the permit~~affixing the adhesive-backed turkey permit securely around the leg~~. Immediately upon kill and before the turkey is moved, transported or field dressed, the hunter must properly attach the temporary harvest tag to the leg~~cut out the designated notch on the leg tag to invalidate it, and the tag must be affixed to the turkey~~. Successful hunters must register their harvest by 3:00 p.m. on the same calendar day as the turkey was taken by calling the toll-free telephone check-in system at 1-866-ILCHECK or by accessing the on-line check-in system at www.dnr.illinois.gov. Hunters must provide all information requested by the check-in system, and will be provided with a confirmation number to verify that they checked in their harvest. The confirmation number must be written by the hunter on the leg tag. The leg tag must remain attached to the leg of the turkey until it is at the legal residence of the person who legally took or possessed the turkey and the turkey has been checked in. The turkey must remain whole (or field dressed) until it has been checked in;

9) for any person to shoot a wild turkey while it is in a tree before 7:00 a.m.;

10) for any person to hunt wild turkeys without possessing a Wild Turkey Hunting Permit which shall include the hunter's signature recorded on the permit and carried on the person while hunting, except that a person without a weapon may accompany a turkey hunter as a caller or observer;

11) for any person to use a turkey call that imitates sounds made by a turkey

or to attempt to call a turkey by making these sounds while in the field in the Southern Zone from March 15 through the day before the 1st turkey season and in the Northern Zone from March 22 through the day before the 1st turkey season. This prohibition only applies in counties open to spring turkey hunting. This prohibition does not apply to participants in the Youth Turkey Hunt with a valid permit, or their accompanying adult, during that season as prescribed by Section 710.70.

b) Archers may use:

1) Longbows, recurve bows or compound bows with minimum pull of 40 pounds at some point within a 28-inch draw. Minimum arrow length is 20 inches. Any mechanical device capable of maintaining a drawn or partially drawn position on a bow without the hunter exerting full string tension is illegal.

2) Crossbows, so long as one or more of the following conditions are met:

A) If the user is a person age 62 and older with a valid photo ID containing proof of age; or

B) If the user is a disabled person to whom the Department has issued a permit to use a crossbow, as provided by 17 Ill. Adm. Code 760.

c) Broadheads must be used. Broadheads may have fixed or expandable cutting surfaces, but they must have a minimum ⅞ inch diameter when fully opened. Broadheads with fixed cutting surfaces must be metal or flint-, chert-, or obsidian-knapped; broadheads with expandable cutting surfaces must be metal. Any mechanical device capable of maintaining a drawn position or partially drawn position on a bow is illegal. All other bows and arrows, including electronic arrow tracking systems using radio telemetry, are illegal.

d) Specifications for legal crossbows and bolts are contained in 17 Ill. Adm. Code 760.

(Source: Amended at 41 Ill. Reg. 12599, effective September 20, 2017)

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

1) Heading of the Part: Income Tax

2) Code Citation: 86 Ill. Adm. Code 100

3) Section Number: 100.7300 — Adopted Action: Amendment

4) Statutory Authority: 35 ILCS 35/10

5) Effective Date of Rule: September 21, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rule, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 7790, July 7, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: The only changes made were the ones agreed upon with JCAR. All changes made were grammar and punctuation or technical.

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements letter issued by JCAR? None were made.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: This rulemaking amends Section 100.7300 to provide that employers who must file copies of their W-2 information with the Department electronically must file the information by January 31 each year, to match the federal due date and allow the Department to match the employer information with individual income tax returns earlier.

16) Information and questions regarding this adopted rule shall be directed to:

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

Brian Stocker
Staff Attorney
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62796

217/782-2844

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 100
INCOME TAX

SUBPART A: TAX IMPOSED

Section
100.2000 Introduction
100.2050 Net Income (IITA Section 202)
100.2060 Compassionate Use of Medical Cannabis Pilot Program Act Surcharge (IITA Section 201(o))

SUBPART B: CREDITS

Section
100.2100 Replacement Tax Investment Credit Prior to January 1, 1994 (IITA Section 201(e))
100.2101 Replacement Tax Investment Credit (IITA 201(e))
100.2110 Investment Credit; Enterprise Zone and River Edge Redevelopment Zone (IITA Section 201(f))
100.2120 Jobs Tax Credit; Enterprise Zone and Foreign Trade Zone or Sub-Zone and River Edge Redevelopment Zone (IITA Section 201(g))
100.2130 Investment Credit; High Impact Business (IITA 201(h))
100.2140 Credit Against Income Tax for Replacement Tax (IITA 201(i))
100.2150 Training Expense Credit (IITA 201(j))
100.2160 Research and Development Credit (IITA Section 201(k))
100.2163 Environmental Remediation Credit (IITA 201(l))
100.2165 Education Expense Credit (IITA 201(m))
100.2170 Tax Credits for Coal Research and Coal Utilization Equipment (IITA 206)
100.2171 Angel Investment Credit (IITA 220)
100.2180 Credit for Residential Real Property Taxes (IITA 208)
100.2185 Film Production Services Credit (IITA Section 213)
100.2190 Tax Credit for Affordable Housing Donations (IITA Section 214)
100.2193 Student-Assistance Contributions Credit (IITA 218)
100.2195 Dependent Care Assistance Program Tax Credit (IITA 210)
100.2196 Employee Child Care Assistance Program Tax Credit (IITA Section 210.5)
100.2197 Foreign Tax Credit (IITA Section 601(b)(3))

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

100.2198 Economic Development for a Growing Economy Credit (IITA 211)
100.2199 Illinois Earned Income Tax Credit (IITA Section 212)

SUBPART C: NET OPERATING LOSSES OF UNITARY BUSINESS GROUPS OCCURRING PRIOR TO DECEMBER 31, 1986

Section
100.2200 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group. (IITA Section 202) − Scope
100.2210 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group (IITA Section 202) − Definitions
100.2220 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group. (IITA Section 202) − Current Net Operating Losses: Offsets Between Members
100.2230 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group. (IITA Section 202) − Carrybacks and Carryforwards
100.2240 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group: (IITA Section 202) − Effect of Combined Net Operating Loss in Computing Illinois Base Income
100.2250 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group: (IITA Section 202) − Deadline for Filing Claims Based on Net Operating Losses Carried Back From a Combined Apportionment Year

SUBPART D: ILLINOIS NET LOSS DEDUCTIONS FOR LOSSES OCCURRING ON OR AFTER DECEMBER 31, 1986

Section
100.2300 Illinois Net Loss Deduction for Losses Occurring On or After December 31, 1986 (IITA 207)
100.2310 Computation of the Illinois Net Loss Deduction for Losses Occurring On or After December 31, 1986 (IITA 207)
100.2320 Determination of the Amount of Illinois Net Loss for Losses Occurring On or After December 31, 1986
100.2330 Illinois Net Loss Carrybacks and Net Loss Carryovers for Losses Occurring On or

After December 31, 1986
100.2340 Illinois Net Losses and Illinois Net Loss Deductions for Losses Occurring On or After December 31, 1986, of Corporations that are Members of a Unitary Business Group: Separate Unitary Versus Combined Unitary Returns
100.2350 Illinois Net Losses and Illinois Net Loss Deductions, for Losses Occurring On or After December 31, 1986, of Corporations that are Members of a Unitary Business Group: Changes in Membership

SUBPART E: ADDITIONS TO AND SUBTRACTIONS FROM TAXABLE INCOME OF INDIVIDUALS, CORPORATIONS, TRUSTS AND ESTATES AND PARTNERSHIPS

Section
100.2405 Gross Income, Adjusted Gross Income, Taxable Income and Base Income Defined; Double Deductions Prohibited; Legislative Intention (IITA Section 203(e), (g) and (h))
100.2410 Net Operating Loss Carryovers for Individuals, and Capital Loss and Other Carryovers for All Taxpayers (IITA Section 203)
100.2430 Addition and Subtraction Modifications for Transactions with 80-20 and Noncombination Rule Companies
100.2435 Addition Modification for Student-Assistance Contribution Credit (IITA Sections 203(a)(2)(D-23), (b)(2)(E-16), (c)(2)(G-15), (d)(2)(D-10))
100.2450 IIT Refunds (IITA Section 203(a)(2)(H), (b)(2)(F), (c)(2)(J) and (d)(2)(F))
100.2455 Subtraction Modification: Federally Disallowed Deductions (IITA Sections 203(a)(2)(M), 203(b)(2)(I), 203(c)(2)(L) and 203(d)(2)(J))
100.2465 Claim of Right Repayments (IITA Section 203(a)(2)(P), (b)(2)(Q), (c)(2)(P) and (d)(2)(M))
100.2470 Subtraction of Amounts Exempt from Taxation by Virtue of Illinois Law, the Illinois or U.S. Constitutions, or by Reason of U.S. Treaties or Statutes (IITA Sections 203(a)(2)(N), 203(b)(2)(J), 203(c)(2)(K) and 203(d)(2)(G))
100.2480 Enterprise Zone and River Edge Redevelopment Zone Dividend Subtraction (IITA Sections 203(a)(2)(J), 203(b)(2)(K), 203(c)(2)(M) and 203(d)(2)(K))
100.2490 Foreign Trade Zone/High Impact Business Dividend Subtraction (IITA Sections 203(a)(2)(K), 203(b)(2)(L), 203(c)(2)(O), 203(d)(2)(M))

SUBPART F: BASE INCOME OF INDIVIDUALS

Section
100.2510 Subtraction for Contributions to Illinois Qualified Tuition Programs (Section 529 Plans) (IITA Section 203(a)(2)(Y)

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

100.2580 Medical Care Savings Accounts (IITA Sections 203(a)(2)(D-5), 203(a)(2)(S) and 203(a)(2)(T))
100.2590 Taxation of Certain Employees of Railroads, Motor Carriers, Air Carriers and Water Carriers

SUBPART H: BASE INCOME OF TRUSTS AND ESTATES

Section
100.2655 Subtraction Modification for Enterprise Zone and River Edge Redevelopment Zone Interest (IITA Section 203(b)(2)(M))
100.2657 Subtraction Modification for High Impact Business Interest (IITA Section 203(b)(2)(M-1))
100.2680 Capital Gain Income of Estates and Trusts Paid to or Permanently Set Aside for Charity (Repealed)

SUBPART J: GENERAL RULES OF ALLOCATION AND APPORTIONMENT OF BASE INCOME

Section
100.3000 Terms Used in Article 3 (IITA Section 301)
100.3010 Business and Nonbusiness Income (IITA Section 301)
100.3015 Business Income Election (IITA Section 1501)
100.3020 Resident (IITA Section 301)

SUBPART K: COMPENSATION

Section
100.3100 Compensation (IITA Section 302)
100.3110 State (IITA Section 302)
100.3120 Allocation of Compensation Paid to Nonresidents (IITA Section 302)

SUBPART L: NON-BUSINESS INCOME OF PERSONS OTHER THAN RESIDENTS

Section
100.3200 Taxability in Other State (IITA Section 303)
100.3210 Commercial Domicile (IITA Section 303)
100.3220 Allocation of Certain Items of Nonbusiness Income by Persons Other Than Residents (IITA Section 303)

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

SUBPART M: BUSINESS INCOME OF PERSONS OTHER THAN RESIDENTS

Section
100.3300 Allocation and Apportionment of Base Income (IITA Section 304)
100.3310 Business Income of Persons Other Than Residents (IITA Section 304) − In General
100.3320 Business Income of Persons Other Than Residents (IITA Section 304) − Apportionment (Repealed)
100.3330 Business Income of Persons Other Than Residents (IITA Section 304) − Allocation
100.3340 Business Income of Persons Other Than Residents (IITA Section 304)
100.3350 Property Factor (IITA Section 304)
100.3360 Payroll Factor (IITA Section 304)
100.3370 Sales Factor (IITA Section 304)
100.3371 Sales Factor for Telecommunications Services
100.3373 Sales Factor for Publishing
100.3380 Special Rules (IITA Section 304)
100.3390 Petitions for Alternative Allocation or Apportionment (IITA Section 304(f))
100.3400 Apportionment of Business Income of Financial Organizations for Taxable Years Ending Prior to December 31, 2008 (IITA Section 304(c))
100.3405 Apportionment of Business Income of Financial Organizations for Taxable Years Ending on or after December 31, 2008 (IITA Section 304(c))
100.3420 Apportionment of Business Income of Insurance Companies (IITA Section 304(b))
100.3450 Apportionment of Business Income of Transportation Companies (IITA Section 304(d))
100.3500 Allocation and Apportionment of Base Income by Nonresident Partners

SUBPART N: ACCOUNTING

Section
100.4500 Carryovers of Tax Attributes (IITA Section 405)

SUBPART O: TIME AND PLACE FOR FILING RETURNS

Section
100.5000 Time for Filing Returns (IITA Section 505)
100.5010 Place for Filing Returns: All Taxpayers (IITA Section 505)
100.5020 Extensions of Time for Filing Returns: All Taxpayers (IITA Section 505)

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

100.5030 Taxpayer's Notification to the Department of Certain Federal Changes Arising in Federal Consolidated Return Years, and Arising in Certain Loss Carryback Years (IITA Section 506)
100.5040 Innocent Spouses
100.5050 Frivolous Returns
100.5060 Reportable Transactions (IITA Section 501(b))
100.5070 List of Investors in Potentially Abusive Tax Shelters and Reportable Transactions
100.5080 Registration of Tax Shelters (IITA Section 1405.5)

SUBPART P: COMPOSITE RETURNS

Section
100.5100 Composite Returns: Eligibility (IITA Section 502(f))
100.5110 Composite Returns: Responsibilities of Authorized Agent
100.5120 Composite Returns: Individual Liability
100.5130 Composite Returns: Required forms and computation of Income (IITA Section 502(f))
100.5140 Composite Returns: Estimated Payments
100.5150 Composite Returns: Tax, Penalties and Interest
100.5160 Composite Returns: Credits on Separate Returns
100.5170 Composite Returns: Definition of a "Lloyd's Plan of Operation"
100.5180 Composite Returns: Overpayments and Underpayments

SUBPART Q: COMBINED RETURNS

Section
100.5200 Filing of Combined Returns
100.5201 Definitions and Miscellaneous Provisions Relating to Combined Returns
100.5205 Election to File a Combined Return
100.5210 Procedures for Elective and Mandatory Filing of Combined Returns
100.5215 Filing of Separate Unitary Returns (IITA Section 304(e))
100.5220 Designated Agent for the Members
100.5230 Combined Estimated Tax Payments
100.5240 Claims for Credit of Overpayments
100.5250 Liability for Combined Tax, Penalty and Interest
100.5260 Combined Amended Returns
100.5265 Common Taxable Year
100.5270 Computation of Combined Net Income and Tax
100.5280 Combined Return Issues Related to Audits

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

SUBPART R: PAYMENTS

Section
100.6000 Payment on Due Date of Return (IITA Section 601)

SUBPART S: REQUIREMENT AND AMOUNT OF WITHHOLDING

Section
100.7000 Requirement of Withholding (IITA Section 701)
100.7010 Compensation Paid in this State (IITA Section 701)
100.7020 Transacting Business Within this State (IITA Section 701)
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100.7325 Time for Filing Returns and Making Payments for Taxes Required to Be Withheld On or After January 1, 2008 (IITA Section 704A)
100.7330 Payment of Tax Required to be Shown Due on a Return (IITA Sections 704 and 704A)
100.7340 Correction of Underwithholding or Overwithholding (IITA Section 704)
100.7350 Domestic Service Employment (IITA Sections 704 and 704A)
100.7360 Definitions and Special Provisions Relating to Reporting and Payment of Income Tax Withheld (IITA Sections 704 and 704A)
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100.7380 Economic Development for a Growing Economy (EDGE) and Small Business Job Creation Credit (IITA Section 704A(g) and (h))

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100.9000 General Income Tax Procedures (IITA Section 901)
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SUBPART Y: NOTICE AND DEMAND

Section
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DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

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100.9300 Deficiencies and Overpayments (IITA Section 904)
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100.9410 Limitations on Claims for Refund (IITA Section 911)
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Section
100.9500 Access to Books and Records (IITA Section 913)
100.9505 Access to Books and Records − 60-Day Letters (IITA Section 913) (Repealed)
100.9510 Taxpayer Representation and Practice Requirements
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SUBPART DD: JUDICIAL REVIEW

Section
100.9600 Administrative Review Law (IITA Section 1201)

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Section
100.9700 Unitary Business Group Defined (IITA Section 1501)
100.9710 Financial Organizations (IITA Section 1501)
100.9720 Nexus
100.9730 Investment Partnerships (IITA Section 1501(a)(11.5))
100.9750 Corporation, Subchapter S Corporation, Partnership and Trust Defined (IITA

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENT

Section 1501)

SUBPART FF: LETTER RULING PROCEDURES

Section
100.9800 Letter Ruling Procedures

SUBPART GG: MISCELLANEOUS

Section
100.9900 Tax Shelter Voluntary Compliance Program
100.9910 State Tax Preparer Oversight Act [35 ILCS 35]

100.APPENDIX A Business Income Of Persons Other Than Residents
100.TABLE A Example of Unitary Business Apportionment
100.TABLE B Example of Unitary Business Apportionment for Groups Which Include Members Using Three-Factor and Single-Factor Formulas

AUTHORITY: Implementing the Illinois Income Tax Act [35 ILCS 5] and authorized by Section 1401 of the Illinois Income Tax Act [35 ILCS 5/1401].

SOURCE: Filed July 14, 1971, effective July 24, 1971; amended at 2 Ill. Reg. 49, p. 84, effective November 29, 1978; amended at 5 Ill. Reg. 813, effective January 7, 1981; amended at 5 Ill. Reg. 4617, effective April 14, 1981; amended at 5 Ill. Reg. 4624, effective April 14, 1981; amended at 5 Ill. Reg. 5537, effective May 7, 1981; amended at 5 Ill. Reg. 5705, effective May 20, 1981; amended at 5 Ill. Reg. 5883, effective May 20, 1981; amended at 5 Ill. Reg. 6843, effective June 16, 1981; amended at 5 Ill. Reg. 13244, effective November 13, 1981; amended at 5 Ill. Reg. 13724, effective November 30, 1981; amended at 6 Ill. Reg. 579, effective December 29, 1981; amended at 6 Ill. Reg. 9701, effective July 26, 1982; amended at 7 Ill. Reg. 399, effective December 28, 1982; amended at 8 Ill. Reg. 6184, effective April 24, 1984; codified at 8 Ill. Reg. 19574; amended at 9 Ill. Reg. 16986, effective October 21, 1985; amended at 9 Ill. Reg. 685, effective December 31, 1985; amended at 10 Ill. Reg. 7913, effective April 28, 1986; amended at 10 Ill. Reg. 19512, effective November 3, 1986; amended at 10 Ill. Reg. 21941, effective December 15, 1986; amended at 11 Ill. Reg. 831, effective December 24, 1986; amended at 11 Ill. Reg. 2450, effective January 20, 1987; amended at 11 Ill. Reg. 12410, effective July 8, 1987; amended at 11 Ill. Reg. 17782, effective October 16, 1987; amended at 12 Ill. Reg. 4865, effective February 25, 1988; amended at 12 Ill. Reg. 6748, effective March 25, 1988; amended at 12 Ill. Reg. 11766, effective July 1, 1988; amended at 12 Ill. Reg. 14307, effective August 29, 1988; amended at 13 Ill. Reg. 8917, effective May 30, 1989; amended at 13

Ill. Reg. 10952, effective June 26, 1989; amended at 14 Ill. Reg. 4558, effective March 8, 1990; amended at 14 Ill. Reg. 6810, effective April 19, 1990; amended at 14 Ill. Reg. 10082, effective June 7, 1990; amended at 14 Ill. Reg. 16012, effective September 17, 1990; emergency amendment at 17 Ill. Reg. 473, effective December 22, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 8869, effective June 2, 1993; amended at 17 Ill. Reg. 13776, effective August 9, 1993; recodified at 17 Ill. Reg. 14189; amended at 17 Ill. Reg. 19632, effective November 1, 1993; amended at 17 Ill. Reg. 19966, effective November 9, 1993; amended at 18 Ill. Reg. 1510, effective January 13, 1994; amended at 18 Ill. Reg. 2494, effective January 28, 1994; amended at 18 Ill. Reg. 7768, effective May 4, 1994; amended at 19 Ill. Reg. 1839, effective February 6, 1995; amended at 19 Ill. Reg. 5824, effective March 31, 1995; emergency amendment at 20 Ill. Reg. 1616, effective January 9, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 6981, effective May 7, 1996; amended at 20 Ill. Reg. 10706, effective July 29, 1996; amended at 20 Ill. Reg. 13365, effective September 27, 1996; amended at 20 Ill. Reg. 14617, effective October 29, 1996; amended at 21 Ill. Reg. 958, effective January 6, 1997; emergency amendment at 21 Ill. Reg. 2969, effective February 24, 1997, for a maximum of 150 days; emergency expired July 24, 1997; amended at 22 Ill. Reg. 2234, effective January 9, 1998; amended at 22 Ill. Reg. 19033, effective October 1, 1998; amended at 22 Ill. Reg. 21623, effective December 15, 1998; amended at 23 Ill. Reg. 3808, effective March 11, 1999; amended at 24 Ill. Reg. 10593, effective July 7, 2000; amended at 24 Ill. Reg. 12068, effective July 26, 2000; emergency amendment at 24 Ill. Reg. 17585, effective November 17, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 18731, effective December 11, 2000; amended at 25 Ill. Reg. 4640, effective March 15, 2001; amended at 25 Ill. Reg. 4929, effective March 23, 2001; amended at 25 Ill. Reg. 5374, effective April 2, 2001; amended at 25 Ill. Reg. 6687, effective May 9, 2001; amended at 25 Ill. Reg. 7250, effective May 25, 2001; amended at 25 Ill. Reg. 8333, effective June 22, 2001; amended at 26 Ill. Reg. 192, effective December 20, 2001; amended at 26 Ill. Reg. 1274, effective January 15, 2002; amended at 26 Ill. Reg. 9854, effective June 20, 2002; amended at 26 Ill. Reg. 13237, effective August 23, 2002; amended at 26 Ill. Reg. 15304, effective October 9, 2002; amended at 26 Ill. Reg. 17250, effective November 18, 2002; amended at 27 Ill. Reg. 13536, effective July 28, 2003; amended at 27 Ill. Reg. 18225, effective November 17, 2003; emergency amendment at 27 Ill. Reg. 18464, effective November 20, 2003, for a maximum of 150 days; emergency expired April 17, 2004; amended at 28 Ill. Reg. 1378, effective January 12, 2004; amended at 28 Ill. Reg. 5694, effective March 17, 2004; amended at 28 Ill. Reg. 7125, effective April 29, 2004; amended at 28 Ill. Reg. 8881, effective June 11, 2004; emergency amendment at 28 Ill. Reg. 14271, effective October 18, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 14868, effective October 26, 2004; emergency amendment at 28 Ill. Reg. 15858, effective November 29, 2004, for a maximum of 150 days; amended at 29 Ill. Reg. 2420, effective January 28, 2005; amended at 29 Ill. Reg. 6986, effective April 26, 2005; amended at 29 Ill. Reg. 13211, effective August 15, 2005; amended at 29 Ill. Reg. 20516, effective December 2, 2005; amended at 30 Ill. Reg. 6389, effective March 30, 2006; amended at

30 Ill. Reg. 10473, effective May 23, 2006; amended by 30 Ill. Reg. 13890, effective August 1, 2006; amended at 30 Ill. Reg. 18739, effective November 20, 2006; amended at 31 Ill. Reg. 16240, effective November 26, 2007; amended at 32 Ill. Reg. 872, effective January 7, 2008; amended at 32 Ill. Reg. 1407, effective January 17, 2008; amended at 32 Ill. Reg. 3400, effective February 25, 2008; amended at 32 Ill. Reg. 6055, effective March 25, 2008; amended at 32 Ill. Reg. 10170, effective June 30, 2008; amended at 32 Ill. Reg. 13223, effective July 24, 2008; amended at 32 Ill. Reg. 17492, effective October 24, 2008; amended at 33 Ill. Reg. 1195, effective December 31, 2008; amended at 33 Ill. Reg. 2306, effective January 23, 2009; amended at 33 Ill. Reg. 14168, effective September 28, 2009; amended at 33 Ill. Reg. 15044, effective October 26, 2009; amended at 34 Ill. Reg. 550, effective December 22, 2009; amended at 34 Ill. Reg. 3886, effective March 12, 2010; amended at 34 Ill. Reg. 12891, effective August 19, 2010; amended at 35 Ill. Reg. 4223, effective February 25, 2011; amended at 35 Ill. Reg. 15092, effective August 24, 2011; amended at 36 Ill. Reg. 2363, effective January 25, 2012; amended at 36 Ill. Reg. 9247, effective June 5, 2012; amended at 37 Ill. Reg. 5823, effective April 19, 2013; amended at 37 Ill. Reg. 20751, effective December 13, 2013; recodified at 38 Ill. Reg. 4527; amended at 38 Ill. Reg. 9550, effective April 21, 2014; amended at 38 Ill. Reg. 13941, effective June 19, 2014; amended at 38 Ill. Reg. 15994, effective July 9, 2014; amended at 38 Ill. Reg. 17043, effective July 23, 2014; amended at 38 Ill. Reg. 18568, effective August 20, 2014; amended at 38 Ill. Reg. 23158, effective November 21, 2014; emergency amendment at 39 Ill. Reg. 483, effective December 23, 2014, for a maximum of 150 days; amended at 39 Ill. Reg. 1768, effective January 7, 2015; amended at 39 Ill. Reg. 5057, effective March 17, 2015; amended at 39 Ill. Reg. 6884, effective April 29, 2015; amended at 39 Ill. Reg. 15594, effective November 18, 2015; amended at 40 Ill. Reg. 1848, effective January 5, 2016; amended at 40 Ill. Reg. 10925, effective July 29, 2016; amended at 40 Ill. Reg. 13432, effective September 7, 2016; amended at 40 Ill. Reg. 14762, effective October 12, 2016; amended at 40 Ill. Reg. 15575, effective November 2, 2016; amended at 41 Ill. Reg. 4193, effective March 27, 2017; amended at 41 Ill. Reg. 6379, effective May 22, 2017; amended at 41 Ill. Reg. 10662, effective August 3, 2017; amended at 41 Ill. Reg. 12608, effective September 21, 2017.

SUBPART V: EMPLOYER'S RETURN AND PAYMENT OF TAX WITHHELD

Section 100.7300 Returns and Payments of Income Tax Withheld from Wages (IITA Sections 704 and 704A)

a) Quarterly returns. Except as otherwise provided in Section 100.7310 or 100.7350, every employer required to deduct and withhold tax on compensation paid in Illinois shall make a return for the first calendar quarter in which the tax is deducted and withheld and for each subsequent calendar quarter (whether or not compensation is paid in that quarter) until a final return is filed. (See IITA

Sections 704(c) and 704A(b).) Each return required under this subsection must be made *in the form and manner required by the Department* [35 ILCS 5/704(b) and 704A(b)].

1) For calendar years after 2009, payroll providers who withhold Illinois income tax for employers during the year and who are required to file federal withholding returns on magnetic media under 26 CFR 301.6011-2 shall file returns due under this subsection (a) with the Department using the same magnetic media used for their federal filing.

2) All other returns required under this subsection (a) may be filed with the Department at the address provided on the Form IL-941, Illinois Quarterly Withholding Income Tax Return, or its instructions.

b) Filing and retention of copies of combined W-2

1) For calendar years prior to 2008

A) Every employer required under this Section or Section 100.7310 or 100.7350 to make a return of tax withheld from compensation for a period ending December 31, or for any period for which a return is made as a final return, shall retain a copy of each wage and tax statement on the combined W-2 required under Section 100.7200 to be furnished by the employer with respect to compensation paid during the calendar year. For calendar years prior to 2008, every employer shall maintain copies of the combined W-2 forms for three years from the due date of the IL-W-3 for that period. For each calendar year after 2007, every employer shall maintain copies of the combined W-2 forms until January 31 of the fourth year following that calendar year. If the Department makes a written request for copies of the combined W-2 forms, the copies shall be forwarded to the Department within 30 days after the written request.

B) If an employer issues a corrected copy of a combined W-2 to an employee for a prior calendar year (see Section 100.7200(d) above), a copy shall be retained for a period of four years from the date fixed for filing the employer's return of tax withheld for the period ending December 31 of the year in which the correction is

made, or for any period in the year for which the return is made as a final return. A statement explaining the corrections shall also be retained and, if the Department requests, a copy of the corrected W-2 shall be submitted within 30 days after the written request.

C) Each year, the Department will contact a sample of Illinois employers and require those employers to provide copies of their employee W-2s. Employers chosen by the Department will be required to file W-2s in the same manner they are required to file W-2s federally.

i) Employers with more than 250 employees in the State of Illinois will be required to provide the W-2s on magnetic tape, diskette, or cartridge meeting the specifications required by the Social Security Administration (see 26 CFR 301.6011-2).

ii) All other employers may provide the W-2s on magnetic media or paper.

D) An extension of time for providing statements requested by the Department shall be granted upon a showing of good cause.

2) W-2s on magnetic media

A) The following persons, if they are required to file copies of the W-2s on magnetic media under 26 CFR 301.6011-2, shall file copies of the W-2s with the Department using the same magnetic media used for their federal filing:

i) for calendar years after 2007, payroll providers who withhold Illinois income tax for employers during the year; and

ii) for calendar years after 2008, all employers.

B) For calendar years prior to 2014, the copies of W-2s shall be filed no later than March 31 of the year following the year of the withholding, unless a later due date is prescribed under federal law

for filing the copies of the W-2s, in which case filing of copies with the Department shall be due on the same date. For calendar years after 2013 and prior to 2017, the copies of W-2s shall be filed no later than February 15 of the year following the year of the withholding. For calendar years after 2016, the copies of W-2s shall be filed no later than January 31 of the year following the year of the withholding.~~, provided that~~

C) For all calendar years, if the IRS has granted an extension of time to file a federal information return that would otherwise be due from the employer on the due~~that~~ date for filing under this subsection (b)(2) because of natural disaster under IRC section 7508A, an employer who files copies of its W-2s on or before the extended due date of the federal information return is deemed to have reasonable cause for the late filing. (See IITA Sections 704(f) and 704A(f).)

3) For calendar years after 2007, with respect to copies of W-2s other than those required to be filed on magnetic media under subsection (b)(2):

A) Every employer required under this Section or Section 100.7310 or 100.7350 to make a return of tax withheld from compensation for a period ending December 31, or for any period for which a return is made as a final return, shall retain a copy of each wage and tax statement on the combined W-2 required under Section 100.7200 to be furnished by the employer with respect to compensation paid during the calendar year. Every employer shall maintain copies of the combined W-2 forms until January 31 of the fourth year following that calendar year. If the Department makes a written request for copies of the combined W-2 forms, the copies shall be forwarded to the Department within 30 days after the written request.

B) If an employer issues a corrected copy of a combined W-2 to an employee for a prior calendar year (see Section 100.7200(d)), a copy shall be retained for a period of four years from the date fixed for filing the employer's return of tax withheld for the period ending December 31 of the year in which the correction is made, or for any period in the year for which the return is made as a final

return. A statement explaining the corrections shall also be retained and, if the Department requests, a copy of the corrected W-2 shall be submitted within 30 days after the written request.

C) Each year, the Department will contact a sample of Illinois employers and require those employers to provide copies of their employee W-2s.

D) An extension of time for providing statements requested by the Department shall be granted upon a showing of good cause.

c) Payments of amounts withheld prior to January 1, 2008. Except as otherwise provided in Section 100.7310 or 100.7350, with respect to amounts withheld or required to be withheld prior to January 1, 2008:

1) Quarter-monthly tax payments. Every employer required to file a quarterly return under subsection (a) shall also file a quarter-monthly tax payment form if the amount of tax deducted and withheld during any quarter-monthly period plus the amount previously withheld and not remitted to the Department exceeds $1,000. An employer need not file a quarter-monthly form if no quarter-monthly payment is due. Certain taxpayers with tax liabilities exceeding statutory thresholds are required to pay their tax liabilities by electronic funds transfer. 86 Ill. Adm. Code 750 sets forth the rules of the Department concerning payment of taxes by electronic funds transfer, as well as the statutory payment thresholds.

2) Monthly tax payments. Every employer required to file a quarterly return under subsection (a) shall also file a monthly tax payment form if the amount of tax deducted and withheld during any calendar month plus the amount previously withheld and not remitted to this Department exceeds $500 including amounts previously withheld and not remitted to the Department, but does not exceed $1,000. An employer need not file a monthly form if no monthly payment is due. No monthly form is required for the third month in any calendar quarter. The information otherwise required to be reported on the monthly form for the third month in a calendar quarter shall be reported on the quarterly return filed for that quarter and no monthly form need be filed for that month.

d) Payments of amounts withheld on or after January 1, 2008. Except as provided in

Section 100.7310 or 100.7350, with respect to amounts withheld or required to be withheld on or after January 1, 2008:

1) Semi-weekly tax payments

A) An employer who withheld or was required to withhold more than $12,000 during the look-back period for a calendar year must make semi-weekly payments for the entire calendar year.

B) An employer who withholds or is required to withhold more than $12,000 in any quarter of a calendar year is required to make semi-weekly payments of amounts withheld or required to be withheld during each remaining quarter of that calendar year and for the subsequent calendar year. (See IITA Section 704A(c)(1).)

2) Monthly tax payments. An employer who is not required to make semi-weekly payments shall make monthly payments of taxes withheld or required to be withheld. (See IITA Section 704A(c)(3).)

(Source: Amended at 41 Ill. Reg. 12608, effective September 21, 2017)

DEPARTMENT OF STATE POLICE

NOTICE OF ADOPTED REPEALER

1) Heading of the Part: Intergovernmental Missing Child Recovery Act

2) Code Citation: 20 Ill. Adm. Code 1260

3)

Section Numbers:	Adopted Actions:
1260.10	Repealed
1260.20	Repealed
1260.30	Repealed
1260.40	Repealed
1260.110	Repealed
1260.210	Repealed
1260.220	Repealed
1260.230	Repealed
1260.240	Repealed
1260.250	Repealed
1260.260	Repealed
1260.270	Repealed
1260.280	Repealed
1260.290	Repealed
1260.300	Repealed

4) Statutory Authority: Implementing and authorized by the Intergovernmental Missing Child Recovery Act of 1984 [325 ILCS 40].

5) Effective Date of Rulemaking: September 21, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of this adopted repealer, including any material incorporated, is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 41 Ill. Reg. 7493, June 30, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: None

DEPARTMENT OF STATE POLICE

NOTICE OF ADOPTED REPEALER

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? No agreements were issued by JCAR.

13) Will this repealer replace an emergency rulemaking currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: These rules were promulgated pursuant to Sections 4 and 5 of the Intergovernmental Missing Child Recovery Act of 1984 [325 ILCS 40/4 and 325 ILCS 40/5]. These sections were repealed effective January 1, 2013. I-SEARCH is no longer utilized. The program now functions as a missing persons clearinghouse. As a result, this Part is no longer needed and is being repealed.

16) Information and questions regarding this adopted rulemaking shall be directed to:

Matthew R. Rentschler
Chief Legal Counsel
Illinois State Police
801 South 7th Street, Suite 1000-S
Springfield IL 62703

217/782-7658

DEPARTMENT OF STATE POLICE

NOTICE OF ADOPTED AMENDMENT

1) Heading of the Part: Missing Person Notification

2) Code Citation: 20 Ill. Adm. Code 1291

3) Section Number: 1291.40 — Adopted Action: Amendment

4) Statutory Authority: Implementing and authorized by the Intergovernmental Missing Child Recovery Act of 1984 [325 ILCS 40/1] and 26505-15 of the Civil Administrative Code of Illinois [20 ILCS 2605/2605-15].

5) Effective Date of Rule: September 21, 2017

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rule is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 41 Ill. Reg. 7523; June 30, 2017

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? No agreements were issued by JCAR.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: The proposed amendment will revise and update procedures for entering missing person reports into the Law Enforcement Data System. The I-SEARCH program is no longer utilized. The program now functions as a missing persons clearinghouse pursuant to 325 ILCS 40/3.

16) Information and questions regarding this adopted rule shall be directed to:

DEPARTMENT OF STATE POLICE

NOTICE OF ADOPTED AMENDMENT

Matthew R. Rentschler
Chief Legal Counsel
Illinois State Police
801 South 7th Street, Suite 1000-S
Springfield IL 62703

217/782-7658

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF STATE POLICE

NOTICE OF ADOPTED AMENDMENT

TITLE 20: CORRECTIONS, CRIMINAL JUSTICE, AND LAW ENFORCEMENT
CHAPTER II: DEPARTMENT OF STATE POLICE

PART 1291
MISSING PERSON NOTIFICATION

SUBPART A: PROMULGATION

Section
1291.10 Purpose
1291.20 Definitions

SUBPART B: OPERATIONS

1291.30 Requirements
1291.40 Procedures

AUTHORITY: Implementing and authorized by the Intergovernmental Missing Child Recovery Act of 1984 [325 ILCS 40] and Section 2605-15 of the Civil Administrative Code of Illinois [20 ILCS 2605].

SOURCE: Adopted at 12 Ill. Reg. 22240, effective December 13, 1988; amended at 41 Ill. Reg. 12629, effective September 21, 2017.

SUBPART B: OPERATIONS

Section 1291.40 Procedures

Contact with the State Missing Persons Clearinghouse~~Illinois State Enforcement Agencies to Recover Children (I-SEARCH) program~~ personnel shall be accomplished by entering the original missing person record into the Law Enforcement Agencies Data System. The Law Enforcement Agencies Data System has been programmed by the Department of State Police to automatically direct the information to the designated Missing Persons Clearinghouse~~I-SEARCH program~~ personnel.

(Source: Amended at 41 Ill. Reg. 12629, effective September 21, 2017)

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF EMERGENCY AMENDMENT

1) Heading of the Part: Long Term Care Reimbursement Changes

2) Code Citation: 89 Ill. Adm. Code 153

3) Section Number: 153.125 — Emergency Action: Amendment

4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]

5) Effective Date of Rule: September 25, 2017

6) If this emergency amendment is to expire before the end of the 150-day period, please specify the date on which it is to expire: Upon adoption of the proposed general rulemaking.

7) Date Filed with the Index Department: September 25, 2017

8) A copy of the emergency rule, including any materials incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Reason for Emergency: PA 100-23 requires the Department of Healthcare and Family Services to adopt rules through emergency rulemaking in order to provide for the expeditious and timely implementation of revisions to the Public Aid Code.

10) Complete Description of the Subjects and Issues Involved: This emergency amendment is filed pursuant to the authority granted to the Department by PA 100-23. This revision to Part 153 is intended to implement PA 100-23 by increasing the reimbursement rate under the Medical Assistance Program for licensed ID/DD facilities by an amount sufficient to provide a $0.75 per hour wage increase to non-executive staff.

11) Are there any other rulemakings pending on this Part? No

12) Statement of Statewide Policy Objective: This emergency rulemaking does not affect units of local government.

13) Information and questions regarding this emergency rule shall be directed to:

Mollie Zito
General Counsel

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF EMERGENCY AMENDMENT

Illinois Department of Healthcare and Family Services
201 South Grand Avenue E., 3rd Floor
Springfield IL 62763-0002

217/782-1233
HFS.Rules@illinois.gov

The full text of the Emergency Amendment begins on the next page:

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF EMERGENCY AMENDMENT

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
SUBCHAPTER e: GENERAL TIME-LIMITED CHANGES

PART 153
LONG TERM CARE REIMBURSEMENT CHANGES

Section
153.100 Reimbursement for Long Term Care Services
153.125 Long Term Care Facility Rate Adjustments
EMERGENCY
153.126 Long Term Care Facility Medicaid Per Diem Adjustments
153.150 Quality Assurance Review (Repealed)

AUTHORITY: Implementing and authorized by Articles III, IV, V, VI and Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V and VI and 12-13].

SOURCE: Emergency rules adopted at 18 Ill. Reg. 2159, effective January 18, 1994, for maximum of 150 days; adopted at 18 Ill. Reg. 10154, effective June 17, 1994; emergency amendment at 18 Ill. Reg. 11380, effective July 1, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 16669, effective November 1, 1994; emergency amendment at 19 Ill. Reg. 10245, effective June 30, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 16281, effective November 27, 1995; emergency amendment at 20 Ill. Reg. 9306, effective July 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 14840, effective November 1, 1996; emergency amendment at 21 Ill. Reg. 9568, effective July 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 13633, effective October 1, 1997; emergency amendment at 22 Ill. Reg. 13114, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 16285, effective August 28, 1998; amended at 22 Ill. Reg. 19872, effective October 30, 1998; emergency amendment at 23 Ill. Reg. 8229, effective July 1, 1999, for a maximum of 150 days; emergency amendment at 23 Ill. Reg. 12794, effective October 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 13638, effective November 1, 1999; emergency amendment at 24 Ill. Reg. 10421, effective July 1, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 15071, effective October 1, 2000; emergency amendment at 25 Ill. Reg. 8867, effective July 1, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 14952, effective November 1, 2001; emergency amendment at 26 Ill. Reg. 6003, effective April 11, 2002, for a maximum of 150 days; emergency amendment repealed at 26 Ill. Reg. 12791, effective August 9, 2002, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 11087, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17817, effective November 27, 2002; emergency amendment at 27 Ill. Reg. 11088, effective July 1, 2003, for a maximum of 150 days; amended at

27 Ill. Reg. 18880, effective November 26, 2003; emergency amendment at 28 Ill. Reg. 10218, effective July 1, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 15584, effective November 24, 2004; emergency amendment at 29 Ill. Reg. 1026, effective January 1, 2005, for a maximum of 150 days; emergency amendment at 29 Ill. Reg. 4740, effective March 18, 2005, for a maximum of 150 days; amended at 29 Ill. Reg. 6979, effective May 1, 2005; amended at 29 Ill. Reg. 12452, effective August 1, 2005; emergency amendment at 30 Ill. Reg. 616, effective January 1, 2006, for a maximum of 150 days; emergency amendment modified pursuant to the Joint Committee on Administrative Rules Objection at 30 Ill. Reg. 7817, effective April 7, 2006, for the remainder of the maximum 150 days; amended at 30 Ill. Reg. 10417, effective May 26, 2006; emergency amendment at 30 Ill. Reg. 11853, effective July 1, 2006, for a maximum of 150 days; emergency expired November 27, 2006; amended at 30 Ill. Reg. 14315, effective August 18, 2006; emergency amendment at 30 Ill. Reg. 18779, effective November 28, 2006, for a maximum of 150 days; amended at 31 Ill. Reg. 6954, effective April 26, 2007; emergency amendment at 32 Ill. Reg. 535, effective January 1, 2008, for a maximum of 150 days; emergency amendment at 32 Ill. Reg. 4105, effective March 1, 2008, for a maximum of 150 days; amended at 32 Ill. Reg. 7761, effective May 5, 2008; amended at 32 Ill. Reg. 9972, effective June 27, 2008; amended at 33 Ill. Reg. 9347, effective July 1, 2009; emergency amendment at 34 Ill. Reg. 17462, effective November 1, 2010, for a maximum of 150 days; amended at 35 Ill. Reg. 6171, effective March 28, 2011; amended at 35 Ill. Reg. 19524, effective December 1, 2011; emergency amendment at 36 Ill. Reg. 10416, effective July 1, 2012 through June 30, 2013; amended at 36 Ill. Reg. 17405, effective December 1, 2012; amended at 37 Ill. Reg. 10529, effective June 27, 2013; emergency amendment at 38 Ill. Reg. 15732, effective July 7, 2014, for a maximum of 150 days; amended at 38 Ill. Reg. 23799, effective December 2, 2014; emergency amendment at 39 Ill. Reg. 6956, effective May 1, 2015 through June 30, 2015; emergency amendment at 41 Ill. Reg. 12632, effective September 25, 2017, for a maximum of 150 days.

Section 153.125 Long Term Care Facility Rate Adjustments
EMERGENCY

a) Notwithstanding the provisions set forth in Section 153.100, long term care facility (SNF/ICF and ICF/MR) rates established on July 1, 1996 shall be increased by 6.8 percent for services provided on or after January 1, 1997.

b) Notwithstanding the provisions set forth in Section 153.100, long term care facility (SNF/ICF and ICF/MR) rates and developmental training rates established on July 1, 1998, for services provided on or after that date, shall be increased by three percent. For nursing facilities (SNF/ICF) only, $1.10 shall also be added to the nursing component of the rate.

c) Notwithstanding the provisions set forth in Section 153.100, long term care facility (SNF/ICF and ICF/MR) rates and developmental training rates established on July 1, 1999, for services provided on or after that date, shall include:

1) an increase of 1.6 percent for SNF/ICF, ICF/MR and developmental training rates;

2) an additional increase of $3.00 per resident day for ICF/MR rates; and

3) an increase of $10.02 per person, per month for developmental training rates.

d) Notwithstanding the provisions set forth in Section 153.100, SNF/ICF rates shall be increased by $4.00 per resident day for services provided on or after October 1, 1999.

e) Notwithstanding the provisions set forth in Section 153.100, SNF/ICF, ICF/MR and developmental training rates shall be increased 2.5 percent per resident day for services provided on or after July 1, 2000.

f) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates effective on July 1, 2001 shall be computed using the most recent cost reports on file with the Department no later than April 1, 2000, updated for inflation to January 1, 2001.

1) The Uniform Building Value shall be as defined in 89 Ill. Adm. Code 140.570(b)(10), except that, as of July 1, 2001, the definition of current year is the year 2000.

2) The real estate tax bill that was due to be paid in 1999 by the nursing facility shall be used in determination of the capital component of the rate. The real estate tax component shall be removed from the capital rate if the facility's status changes so as to be exempt from assessment to pay real estate taxes.

3) For rates effective July 1, 2001 only, rates shall be the greater of the rate computed for July 1, 2001 or the rate effective on June 30, 2001.

4) All accounting records and other documentation necessary to support the costs and other information reported on the cost report to be used in accordance with rate setting under Section 153.125(f) shall be kept for a minimum of two years after the Department's final payment using rates that were based in part on that cost report.

g) Notwithstanding the provisions set forth in Section 153.100, intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled nursing facilities for persons under 22 years of age (SNF/Ped), shall receive an increase in rates for residential services equal to a statewide average of 7.85 percent. Residential rates taking effect March 1, 2001, for services provided on or after that date, shall include an increase of 11.01 percent to the residential program rate component and an increase of 3.33 percent to the residential support rate component, each of which shall be adjusted by the geographical area adjuster, as defined by the Department of Human Services (DHS).

h) For developmental training services provided on or after March 1, 2001, for residents of long term care facilities, rates shall include an increase of 9.05 percent and rates shall be adjusted by the geographical area adjuster, as defined by DHS.

i) Notwithstanding the provisions set forth in Section 153.100, daily rates for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be increased by 2.247 percent for services provided during the period beginning on April 11, 2002, and ending on June 30, 2002.

j) Notwithstanding the provisions set forth in Section 153.100, daily rates effective on July 1, 2002, for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be reduced to the level of the rates in effect on April 10, 2002.

k) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates effective on July 1, 2002 will be 5.9 percent less than the rates in effect on June 30, 2002.

l) Notwithstanding the provisions set forth in Section 153.100, daily rates effective on July 1, 2003, for intermediate care facilities for persons with developmental

disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be increased by 3.59 percent.

m) Notwithstanding the provisions set forth in Section 153.100, developmental training rates effective on July 1, 2003 shall be increased by 4 percent.

n) Notwithstanding the provisions set forth in Section 153.100, pending the approvals described in this subsection (n), nursing facility (SNF/ICF) rates effective July 1, 2004 shall be 3.0 percent greater than the rates in effect on June 30, 2004. The increase is contingent on approval of both the payment methodologies required under Article 5A-12 of the Public Aid Code [305 ILCS 5/5A-12] and the waiver granted under 42 CFR 433.68.

o) Notwithstanding the provisions set forth in Section 153.100, the "Original Building Base Cost" for nursing facilities (SNF/ICF) which have been rented continuously from an unrelated party since prior to January 1, 1978, effective on July 1, 2004, shall be added to the capital rate calculation using the most recent cost reports on file with the Department no later than June 30, 2004. The "Original Building Base Cost" as defined in 89 Ill. Adm. Code 140.570 shall be calculated from the original lease information that is presently on file with the Department. This original lease information will be used to capitalize the oldest available lease payment from the unrelated party lease that has been in effect since prior to January 1, 1978, and continued to be in effect on December 31, 1999. Before the lease payment is capitalized, a 15 percent portion will be removed from the oldest available lease payment for movable equipment costs. After the lease payment is capitalized, a portion of the capitalized amount will be removed for land cost. The land cost portion is 4.88 percent. The remaining amount will be the facility's building cost. The construction/acquisition year for the building will be the date the pre-1978 lease began. The allowable cost of subsequent improvements to the building will be included in the original building base cost. The original building base cost will not change due to sales or leases of the facility after January 1, 1978.

p) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates effective on January 1, 2005 will be 3.0 percent more than the rates in effect on December 31, 2004.

q) Notwithstanding the provisions set forth in Section 153.100, nursing facility (SNF/ICF) rates shall be increased by the difference between a facility's per diem

property, liability and malpractice insurance costs as reported in the cost report that was filed with the Department and used to establish rates effective July 1, 2001, and those same costs as reported in the facility's 2002 cost report. These costs shall be passed through to the facility without caps or limitations.

r) Notwithstanding the provisions set forth in Section 153.100, daily rates effective on January 1, 2006 for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be increased by 3 percent.

s) Notwithstanding the provisions set forth in Section 153.100, developmental training rates for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), effective on January 1, 2006 shall be increased by 3 percent.

t) Notwithstanding the provisions set forth in Section 153.100, for facilities that are federally defined as Institutions for Mental Disease (see Section 145.30), a socio-development component rate equal to 6.6% of the nursing component rate as of January 1, 2006 shall be established and paid effective July 1, 2006. This rate shall become a part of the facility's nursing component of the Medicaid rate. While this rate may be adjusted by the Department, the rate shall not be reduced.

u) Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the support component of the rates taking effect on January 1, 2008 shall be computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006.

1) Support rates taking effect on January 1, 2008 shall be adjusted based on audits of cost report data in accordance with 89 Ill. Adm. Code 140.582(b) and 140.590. The audited cost report data will be used to retroactively update the resulting support rate effective January 1, 2008, after the 45-day appeal period from Section 140.582(b) has passed.

2) All accounting records and other documentation necessary to support the costs and other information reported on the cost report to be used in accordance with rate setting under this subsection (u) shall be kept for a

minimum of two years after the Department's final payment using rates that were based in part on that cost report.

v) Notwithstanding the provisions set forth in Section 153.100, pursuant to Public Act 95-0744, for services beginning August 1, 2008, the socio-development component for facilities that are federally defined as Institutions for Mental Disease (see 89 Ill. Adm. Code 145.30) shall equal 6.6% of the facility's nursing component rate as of January 1, 2006, multiplied by a factor of 3.53.

w) Notwithstanding the provisions set forth in Section 153.100, pursuant to Public Act 95-0744, for services beginning January 1, 2009, the support component for skilled and intermediate care facilities that was effective on January 1, 2008, computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006, shall be increased to the amount that would have been derived using standard Department of Healthcare and Family Services methods, procedures and inflators described in Sections 140.533, 140.551, 140.553 and 140.561.

x) Notwithstanding the provisions set forth in Section 153.100, effective November 1, 2010, the program and support components of the per diem rate for ICF/MR qualifying under 89 Ill. Adm. Code 144.102 shall be adjusted in accordance with that Section.

y) Notwithstanding the provisions set forth in Section 153.100, pursuant to Public Act 96-1530, for services beginning May 1, 2011, the socio-development component for facilities that are federally defined as Institutions for Mental Disease (IMD) (see 89 Ill. Adm. Code 145.30) and that are Medicaid certified will have the nursing component of their rate fully funded using the MDS methodology and will also receive an increase to their socio-development component rate. The socio-development component rate increase will be equal to two-thirds of the difference between the highest nursing rate among the Medicaid certified IMD facilities and the individual IMD's nursing rate. This rate change is subject to approval by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services.

z) Notwithstanding the provisions set forth in Section 153.100, effective for services beginning May 1, 2011, facilities that are federally defined as Institutions for Mental Disease (see 89 Ill. Adm. Code 145.30) and determined to be Subpart T

facilities (see 89 Ill. Adm. Code 145.10) will receive an increase to their socio-development component rate of $.50 per day, per resident.

aa) Notwithstanding the provisions set forth in Section 153.100, effective for services beginning August 1, 2017, facilities licensed by the Department of Public Health under the ID/DD Community Care Act [210 ILCS 47] as an ID/DD facility will receive an increase to its reimbursement rate sufficient to provide a $0.75 per hour wage increase for non-executive staff.

(Source: Amended by emergency rulemaking at 41 Ill. Reg. 12632, effective September 25, 2017, for a maximum of 150 days)

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received during the period of September 19, 2017 through September 25, 2017. These rulemakings are scheduled for review at the Committee's October 17, 2017 meeting. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

Second Notice Expires	Agency and Rule	Start of First Notice	JCAR Meeting
11/2/17	Department of Insurance, Registration of Insurers (50 Ill. Adm. Code 652)	5/5/17 41 Ill. Reg. 4592	10/17/17
11/2/17	Secretary of State, Issuance of Licenses (92 Ill. Adm. Code 1030)	7/14/17 41 Ill. Reg. 8268	10/17/17
11/3/17	Office of the Comptroller, Payments Remitted on Behalf of a Pension Fund (74 Ill. Adm. Code 295)	7/28/17 41 Ill. Reg. 10228	10/17/17
10/29/17	Office of the State Treasurer, Rules for Charitable Trust Stabilization Committee (74 Ill. Adm. Code 650)	8/4/17 41 Ill. Reg. 10322	10/17/17

ILLINOIS ADMINISTRATIVE CODE
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