



GATA



**GRANT ACCOUNTABILITY AND
TRANSPARENCY ACT OVERVIEW
T.H.E. CONFERENCE 2.28.17**

Topics of Discussion

- GATA Myths
- Applicability of GATA
- GATA Overview
- What's New
- Roles and Responsibilities
- Consequences of Non-Compliance
- Questions

GATA Myths

- The Grant Accountability and Transparency Act (GATA) adopts the federal Uniform Guidance (UG) for all grant funding awarded in the State of Illinois.
- GATA was the result of grass-root efforts of the grantee community due to their frustration with non-uniform rules of grant making agencies which added additional work that did not add value to either the grant program or their ability to comply with federal regulations.
- **Federal pass-through funding and state funding used to meet matching and MOE requirements would be required to follow the UG whether GATA existed or not.**

*Successful State agency oversight and successful grantees
will result in a successful Illinois.*

Applicability of GATA

- Public funds for a public purpose
 - If the funding does not contain restrictions on how the funding is used, GATA and UG do not apply
- Example: Local Government Distributive Fund versus MFT
 - **Local Government Distributive Fund**
 - Sales Tax Allocation
 - No spending restrictions
 - No state agency oversight
 - **Motor Fuel Tax Fund**
 - Motor Fuel Tax Allocation
 - Significant restrictions on spending
 - IL Department of Transportation responsible for oversight of projects and spending

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Applicability of GATA

For exceptions or exemptions to the requirements, GATA adopted the federal exception process:

- For federal exceptions or exemptions, the Illinois grant making agency must provide the applicable federal cites to the Grants Accountability and Transparency Unit (GATU) for approval. All cites that are included in the federal statute receive automatic approval.
- For state funded programs that are used for matching or maintenance of effort requirements of federally funded programs, the exception process would follow the federal exception process.
- For state funded programs that are not used for matching or maintenance of effort requirements of federally funded programs and the enabling legislation for the grant has restrictions on program activity, the Illinois grant making agency must provide the applicable state statute cites to GATU for approval.

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GATA GOALS - “Uniform Requirements”

- Assist State agencies and grantees in implementing the new Federal guidance at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Requirements)
- Increase accountability and transparency while reducing redundant administrative burdens
- Promote cross-sector cooperative efforts – state grant making agencies and grantees
- Strive to maintain a uniform process throughout the entire grant life cycle by leveraging the Uniform Requirements
- Optimize resources – coordination of grant-monitoring activities to promote efficient use of scarce resources
- Focus on Program Outcomes
- Provide training and technical assistance for State agency staff and grantees

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National and International Recognition

Illinois Grant Accountability and Transparency Act is the first in the nation to implement a comprehensive set of standards that mandate accountability and transparency throughout the entire grant life cycle

- The National Council of Nonprofits believes that the Illinois Grant Accountability and Transparency Act should be the national model
- The Federal Council on Financial Assistance Reform (COFAR) and President's Office of Management and Budget have heralded GATA as a promising practice in implementing the new Uniform Guidance (UG)
- Florida, New York, Pennsylvania, North Carolina, Kentucky, Minnesota, LA County have reached out to Illinois for guidance in passing and implementing similar legislation
- Canada and Australia have requested to discuss Illinois' grant reform model and accountability as a model of best practices
- Illinois Central Repository Vault (CRV) has received national recognition and served as a model for the State of New York

The Federal government lauded the development of the CRV and has expressed interest in adopting it on the national level.

LEADING THE NATION IN GRANT REFORM

GATA Opportunities - Leveraging the Federal Model

GATA adopts Federal regulations for all grants.

- **Federal government is serious about compliance and is increasing enforcement of grant rules and regulations.**
 - All new grants after December 19, 2014 are required to follow the new Federal grant rules
 - State agencies and grantees face penalties and risk the loss of Federal funding if they fail to comply with the new rules
 - OMB and GAO are serious about enforcing the new federal regulations
- **Federal Grant revenue is the largest single State revenue source.**
 - Illinois received approximately **\$22 billion** in Federal funds
 - Federal funds comprised more than 33% of the entire FY15 State of Illinois Budget
(Source - FY2015 CAFR)

GATA – Optimizing Resources and Removing Redundancies & Duplication

An analysis of grantees who received grants from two or more of the five social service agencies, and considering only 2 required compliance activities – audit report review, and on-site fiscal and administrative review, found that:

- Over 350,000 duplicated labor hours (230 FTEs) for State employees at a cost equal to or greater than \$33.7 million, and
- An estimated 250,000 labor hours (167 FTEs) at an estimated cost of \$15 million to State of Illinois grantees responding to the duplicate efforts, as none of the information is catalogued or shared among State agencies
- Savings for FY 2018 is estimated at \$191 million

GATA standardization will eliminate the duplication of effort for audit report reviews, indirect cost rate negotiation, on-site reviews and training

GATA Resources

The GATA Website www.grants.illinois.gov

- Provides a link for Notice of Funding Opportunities to search for competitive grant programs
- Training on the new Uniform Guidance, GATA implementation rules of the new UG
 - Over 20 training sessions including recorded webinars and power point presentations
- Resource Library
- Templates and checklists
- Announcements
- Roles and Responsibilities
- Frequently Asked Questions from GATA and the Uniform Guidance

GATA Resources

Catalog of State Financial Assistance (CSFA)

- Modeled after the federal Catalog of Federal Domestic Assistance
- State grant making agencies are required to enter all state and federal pass-through programs administered by the state, that includes the funding available, laws and regulations specific to the grant program, exceptions to the general rules under the Uniform Guidance
- Provides information on competitive grant programs, including the Notice of Funding Opportunities

GATA Efficiencies

GATA focuses on implementation that will result in efficiencies such as:

- Audit report reviews
- Indirect cost rate proposal rate negotiation and approval
- On-site review protocol uniformity and coordination
- Providing training to grantees and state grant making agencies
- Debarred and Suspended List and Stop Payment System
- Implementation of performance measures for State grants
- Use of a Central Repository Vault (information warehouse concept)
- Continuous assessment and improvement of GATA policies and procedures

Uniform Policies and Templates

- Pre-Qualification
- Fiscal and Administrative Risk Assessment
- Fiscal and Administrative Specific Conditions
- Programmatic Risk Assessment Framework
- Programmatic Specific Condition Framework
- Notice of Funding Opportunity
- Grant Application
- Budget
- Merit Based Review
- Notice of State Award
- Grant Agreement
- Budget to Actual Reporting
- Financial and Performance Reporting
- Consolidated Year-End Reporting
- Fiscal and Administrative On-Site Review
- Audit Requirements for grantees that do not meet the Single Audit threshold
- Audit Requirements for “For Profit” entities

What's New

- Annual Grantee Registration and Pre-Qualification
 - Grantee Portal, requires registration of the Grantee
- Automated system verification
 - Name of the Organization including Parent/Child relationships
 - FEIN and DUNs number – if local government wants separate registrations for divisions/department then a separate DUNs number must be provided
 - SAM.gov registration
 - Federal and state debarred and suspended list and stop pay list
- Automated instructions to the grantee to resolve issues
 - Expired DUNs
 - Expired SAM.gov

What's New

- Risk Posed by the Application and Specific Conditions 2 CFR 200.205 and .207
 - Required to assess the risk of the applicant prior to grant award (previously conducted after the award)
 - Fiscal and Administrative is conducted once in the pre-qualification
 - Programmatic is conducted by the agency specific to the grant program
 - Based on the risk assessment specific conditions are added to the Notice of State Award and the Grant Agreement
- Make a selection for Indirect Cost Rate on the Centralized System – whether claiming reimbursement or not

Roles and Responsibilities

Grantees and Subrecipients of state and federal awards are required to carry out the goals and objectives identified in the Uniform grant agreement. These funds are subject to certain regulations, oversight and audit

- Grantees and Subrecipients are the stewards of state and federal funds
- Grant funds must be used for their intended purposes
- Grantees and Subrecipients must account for costs and justify expenditures

Grantee Responsibilities – 200.302

Financial Management System must include:

- Records that identify the source and application of funds for grant funded activities, including authorizations, obligations, unobligated balances, assets, expenditures, income and interest supported by source documentation
- Effective control over, and accountability for all funds, property, and other assets.
- Comparison of expenditures with budget amounts for each grant award
- Written procedures to implement the requirements cash management
- Written procedures for determining the allowability of costs in accordance with Cost Principles and terms and conditions of the grant agreement

Consequences of Non-Compliance

- The Federal Government is serious about enforcing new Uniform Guidance
- Non-compliance could result in questioned costs that must be paid back to the State and Federal Government
- Federal and State Stop Pay List
- Debarment and Suspension of the recipient and subrecipient to receive future awards
- Additional monitoring and specific conditions

It is GATA time!



GATA is Good Government

Landmark legislation

Sets the bar for grant accountability

Sets the bar for grant transparency

Win-win for government and grantee
community

Improves performance outcomes

Reduces risk of fraud, waste, and abuse

Saves the State agencies and grantees
hundreds of millions of dollars.

GATA Questions?

