

## CHAPTER 12: REGULATIONS, FINANCIAL MANAGEMENT AND REPORTING

- Accounting and Reporting
- Grant Accountability and Transparency Act (GATA) Requirements
- Grant Reporting System (GRS)
- Appropriate Use of Funds
- Allowable Grant Costs
- Payroll Disbursements
- Audits
- Scope of Work Compliance and Consequence for Non-Compliance

## ACCOUNTING AND REPORTING

The Grantee's financial management system must be able to provide for an accurate, current, and complete disclosure of the financial status of the grant. The general ledger must support costs and revenues reported to the JTED Grant Manager. It must allow tracing of funds to a level of expenditures adequate to ensure funds have been expended appropriately. The grantee must keep adequate records for tracking funds at the expenditure level, and include youth wages, youth supportive services, staff direct cost, and allocated cost to the grant based on an approved cost allocation plan. Grant records shall be maintained for a minimum of three (3) years following the closure of the grant, unless otherwise notified by the Department. The Department's reporting requirements are outlined in the Grant Agreement under *Article XL Grant Deliverable Schedule* and on the [Grantee Reporting Requirements](#) page and on the [Grant Report](#) page.

Grantees are required to submit reports to the JTED Grant Manager as outlined in their Grant Agreement under *Article XL Grant Deliverable Schedule*. Grantees' submittal of required reports allows Commerce to monitor the grantees' progress toward grant-defined goals and their due diligence in grant fiscal management and recordkeeping.

If a grantee has not submitted a report by the due date and has not provided proper justification, the noncompliance process will start. The noncompliance process will also start if there are any issues with the report and the grantee is not working to resolve the issue. Additional information on the noncompliance process is located at on the [DCEO Non-Compliance](#) page.

## GATA

For more information on the Grant Accountability and Transparency Act (GATA), visit the following websites:

[Grant Accountability and Transparency Act](#)

[GATA Grantee Portal](#)

[Catalog of State Financial Assistance \(CSFA\)](#)

## DCEO Grantee Reports

In addition to any specific program reporting requirements, grantees are also required to report quarterly on both the progress and the expenditures of the grant project. Grantees must complete and submit the DCEO Grantee Report to their Department of Commerce Program contact by the date indicated on the Reports Deliverable Schedule. The report needs to be completed and signed and sent as a PDF electronically to their Commerce contact. (Revisions may be made to these report forms, so please reference the Commerce website for the most current version.

## Supporting Documentation

Grantees are required to provide a Trial Balance as supporting documentation to accompany the DCEO Grantee Report. The Trial Balance will be cumulative to include the grant beginning date, through the date of the quarter end. The accounting system must be able to segregate funding sources, so a Trial Balance can be produced at the grant level. A crosswalk must accompany the trial balance that tie the cost in the trial balance to those reported in the line items on the DGR. All documents submitted must balance to the DGR.

## GRANT ACCOUNTABILITY AND TRANSPARENCY ACT (GATA) REQUIREMENTS

The **Grant Accountability and Transparency Act (GATA)**, 30 ILCS 708/1 et seq., is landmark legislation designed to increase accountability and transparency in the use of grant funds while reducing the administrative burden on both State agencies and grantees through adoption of the federal grant guidance and regulations codified at 2 CFR Part 200 (Uniform Requirements).

There are three important items grantees must remember regarding GATA:

1. All programs must **adhere to GATA requirements**.
2. All grantees must **ensure their GATA profile is up to date**. Grantees can access the GATA system through the [Grantee Portal](#).
3. **Failure to comply with requirements outlined in the grant agreement may lead to being placed on the Illinois Stop Payment List**.

\*\* If placed on the Illinois Stop Payment List, grantees will not be considered as a Recipient/Grantee or Subrecipients/Subgrantees for any future funding opportunity, as long as they remain on the list.

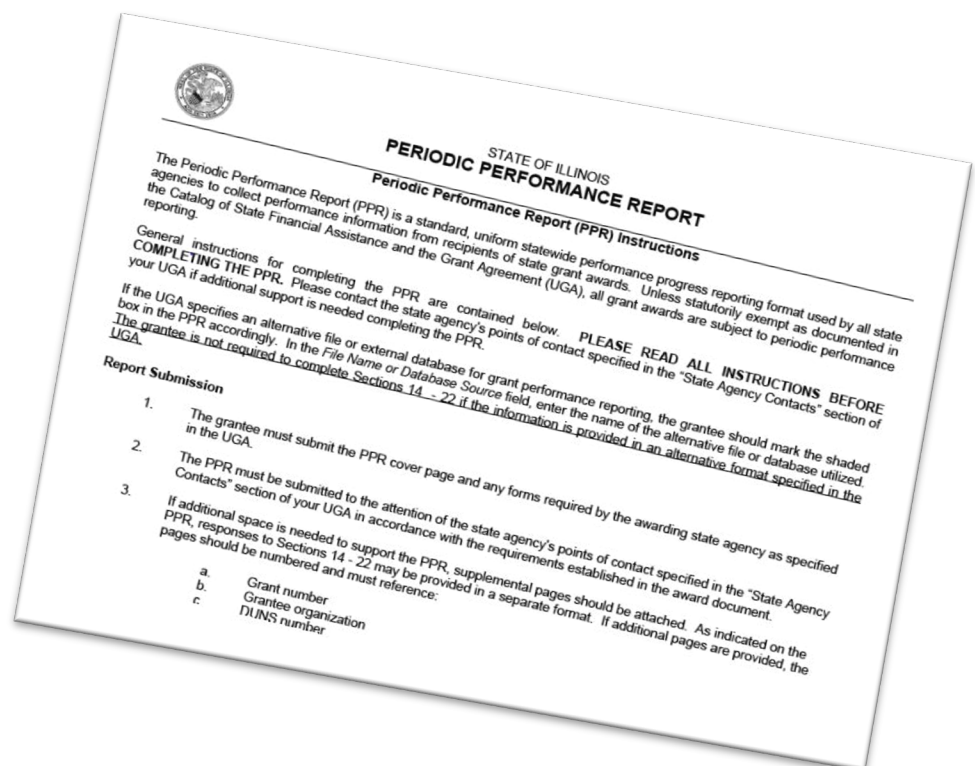
### GATA Standardized Reports

There are two standardized reports in the GATA system that all grantees are required to submit. These reports are the Periodic Performance Report (PPR) and the Periodic Financial Report (PFR).

**Note:** *The PPR and PFR are best accessed utilizing Internet Explorer or by downloading and opening in Adobe Acrobat Reader.*

### Periodic Performance Report

The Periodic Performance Report (PPR) is a standard, uniform statewide performance progress reporting format used by all state agencies to collect performance information from recipients of state grant awards. Unless statutorily exempt as documented in the Catalog of State Financial Assistance and the Grant Agreement (UGA), all grant awards are subject to periodic performance reporting.



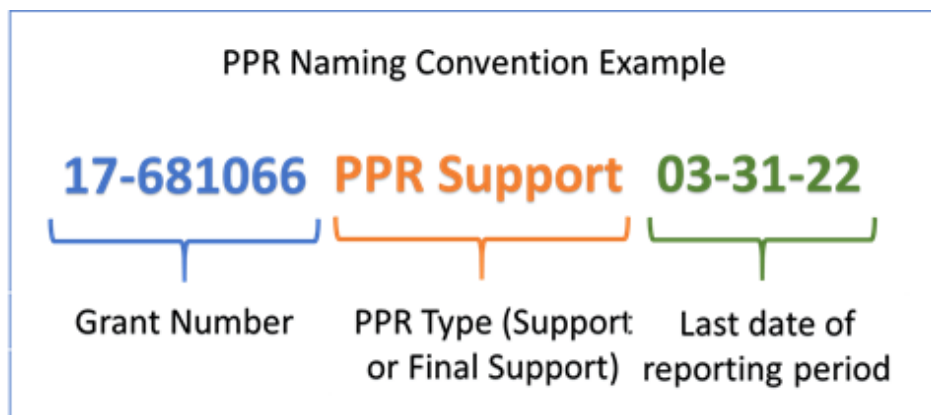
Specific directions on how to complete the PPR are supplied on the form located on the DCEO Grantee Resources page - [Periodic Performance Report](#).

**The PPR is due on a quarterly basis within 15 days of the end of each quarter or as outlined in your grant agreement.**

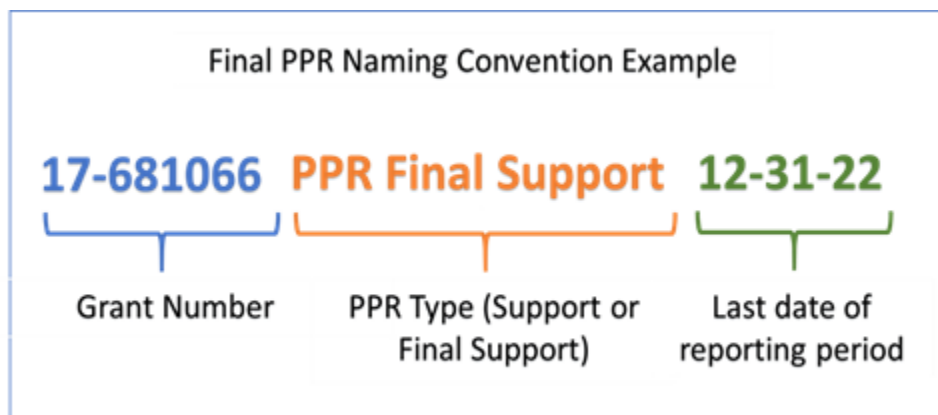
#### **PPR Supporting Documentation**

Grantees must include a PDF copy of the Periodic Performance Report covering the date range of the PPR. Additional requirements for the PPR include:

- All supporting documentation is to be submitted in a single PDF
- A cover page **must** be submitted that includes the grant #, grantee organization, DUNS #, FEIN, and period covered by the PPR
- Naming convention – grant number, PPR Support, and last date of reporting period



**A final PPR is required at the completion of the grant award.** For final PPRs, the reporting period end date shall be the end date of the grant period.



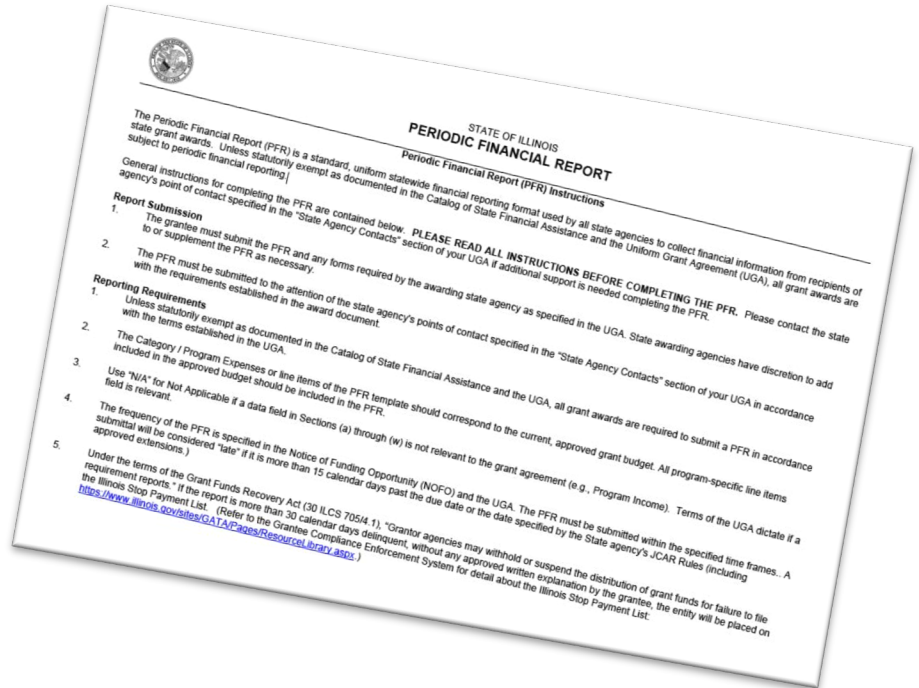
More information regarding how to complete the PPR will be made available on the JTED Partner Guide resource page or for specific questions participants may reach out to their JTED Grant Manager.

## Periodic Financial Report

The Periodic Financial Report (PFR) is a standard, uniform statewide financial reporting format used by all state agencies to collect financial information from recipients of state grant awards. Unless statutorily exempt

as documented in the Catalog of State Financial Assistance and the Uniform Grant Agreement (UGA), all grant awards are subject to periodic financial reporting.

Specific directions on how to complete the PFR are supplied on the form located on the DCEO Grantee Resources page – [Periodic Financial Report](#).

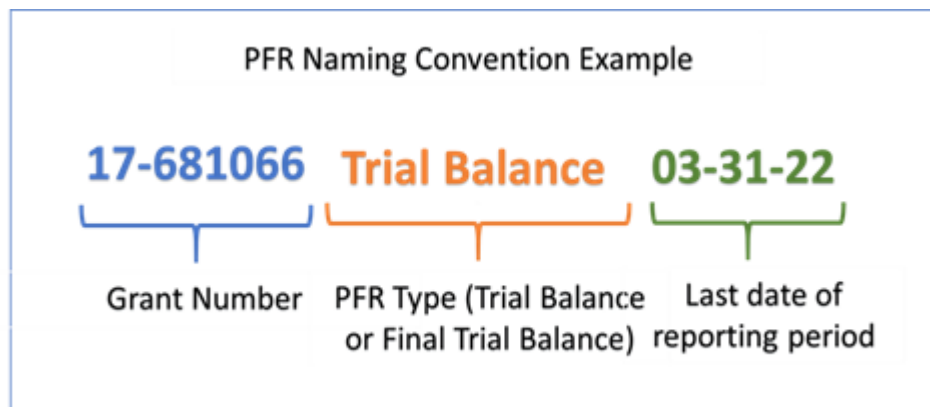


The PFR is due on a quarterly basis within 30 days of the end of each quarter or as outlined in your grant agreement.

## PFR Supporting Documentation

There are several pieces of support documentation that **must** accompany the PFR:

- A copy of the GRS screen prints out for screens 362 and 371
- A Trial Balance as supporting documentation for expenditures
- Naming convention – grant number, PFR Support (Trial Balance), and last date of reporting period

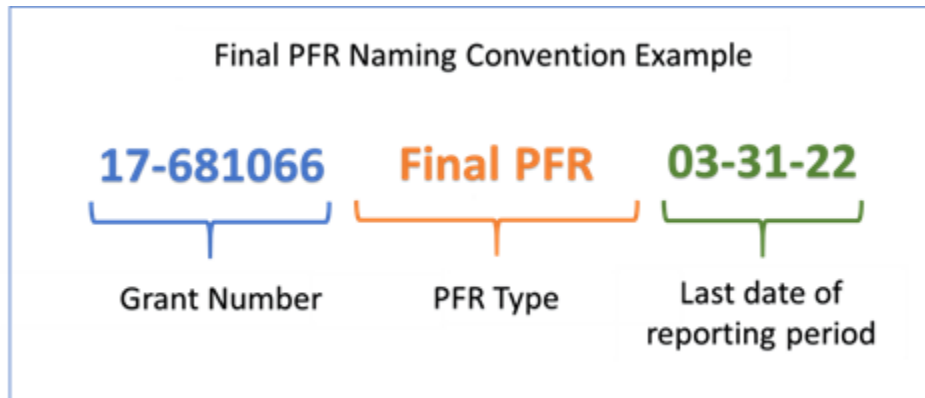


- A cover page **must** be submitted that includes the grant #, grantee organization, DUNS #, FEIN, and period covered by the PFR.

- A “bridge” document providing details of why GRS and the trial balance do not match must be submitted, **if applicable**.

All supporting documentation is to be submitted in a single PDF.

**A Final PFR is required at the completion of the grant award.** For final PFRs, the reporting period end date shall be the end date of the grant period. This report **does not** need to be signed.



#### **Fiscal Report Requirements**

- The Grantee’s financial management system shall be structured to provide for accurate, current and complete disclosure of the financial results of the Project funded under this grant program.
- The general ledger must support costs and revenue reported to the Department and must allow tracing of funds to a level of expenditure adequate to ensure funds have been expended appropriately.
- Grantee must report costs in GRS, an electronic reporting system used for requesting cash and reporting of grant costs, obligations, and miscellaneous receipts and disbursements (i.e., program income).

Additional information regarding how to complete the PFR will be made available on the Illinois workNet (IwN) Partner Guide resource page or for specific questions participants may reach out to their JTED Grant Manager.

#### **GRANT REPORTING SYSTEM (GRS)**

The **Grant Reporting System (GRS)** is an electronic reporting system used for requesting cash and reporting of grant costs, obligations, and miscellaneous receipts. GRS can be accessed through the DCEO Grantee Resources page along with detailed instructions on how to navigate GRS – [GRS Access and GRS Grantee Handbook](#)

#### **Tips for Accessing GRS**

- Your Grant Manager will send you the GRS External User ID Request Form.
- GRS IDs are limited to one per grantee.

- The person assigned to the ID should be the person who will be accessing the system to report expenditures and request cash.
  - A new user will be emailed a temporary password. The new user must login within 2 days to enter a new password or the temporary password will expire.
  - Log in to GRS with your User ID and password once per month to keep password current. You will be instructed to change your password every 2-3 months.
  - Contact the DCEO Help Desk for password resets or connectivity issues.
- o Email: [ceo.racfsecurity@illinois.gov](mailto:ceo.racfsecurity@illinois.gov)
  - o The email should read as follows: "Please reset the password for RACF ID \_\_\_\_\_. I am an JTED grantee that needs access to GRS."

**Expenditure Reporting Requirements**

- **Expenditures for each month must be entered into GRS by the 20th of the following month.** After the 20<sup>th</sup>, the grantee is locked out of reporting for the previous month. Late reporting, especially for the last month of the quarter, can result in discrepancies between the PFR and your accounting records. Failure to submit the reports by the reporting deadline may lead to suspension of cash.
- **Keep supporting documentation** (e.g., P&L) on file for monitoring and reporting (quarterly financial reports and trial balances). Supporting documentation must tie to the expenditures entered in GRS. Any discrepancies must be documented in a trial balance crosswalk.
- **Reported expenditures must be on an accrual basis.** If your accounting system is not an accrual basis, you must develop and report accruals through best estimates of the documentation on hand. Any accruals or adjustments not captured by your accounting system must be included on a supplemental spreadsheet or trial balance crosswalk that can be used to reconcile the trial balance to the expenses reported in GRS.

For detailed directions on how to utilize GRS refer to the GRS Grantee Handbook. **Table 22** outlines a list of the essential functions and the page numbers corresponding to each function in the [GRS Grantee Handbook](#).

**Table 22: GRS Functions and Handbook Pages**

GRS Function	GRS Grantee Handbook Page(s)
Internet Access and Sign on Procedures	4-5
Cost Reporting and Cash Requests	6-7
Expenditure Reporting	8
Expenditure Summary	9
Cash Request and Tracking	10-11
Direct Deposit Inquiry	12
Sub Grantee Cost Ledger Summary and Detail	13-14



Misc. Receipts/Disbursements Summary	15
Sub Grantee Percentage Obligation Table	16
Sign-off Procedures and Changing Passwords	17

## Troubleshooting

### Password or Connectivity Issues

- o Email: [ceo.racfsecurity@illinois.gov](mailto:ceo.racfsecurity@illinois.gov)
- o Use Google Chrome.

### Payment Suspension

- o You should receive an email notification. Contact the person identified in the notification or your grant manager. Normally, payment suspension is the result of late reporting or late single audits.

### Cannot enter costs for a line item/expenditure code

- o Make sure the amount you want to enter does not put you over the line-item budget plus variance allowance. These amounts are in the budget section of your grant agreement.

### Cannot enter costs for the previous month

- o After the 20<sup>th</sup>, you are locked out of the prior month. Costs must be reported in the current month. If the costs were for the last month of a reporting period, this may cause a discrepancy between GRS and your quarterly trial balance. Any discrepancies must be noted in the Trial Balance crosswalk.

### Check or Direct Deposit Not Received

- o Find the Warrant Number on the Cash Request Tracking screen and then look up the warrant on the Comptroller's website
- o Call the Comptroller's Office contact number if the warrant is not outstanding

### Cannot Enter Cash Request

- o Check Cash Available to Request on the Cash Request screen.
- o Confirm that Certified Costs to Date and Previous Cash Requested amounts on the Cash Request screen are correct. You may have entered costs that you did not certify.

### Entered the wrong amount or failed to enter a decimal point

- o If you failed to enter a decimal point, GRS will enter a decimal point for you. \$3,500 will be converted to \$35.00. You will have to enter additional costs in GRS to correct the amount for that line item/expenditure code and month.
- o If the amount you entered was too high, you can do another entry in GRS to correct the amount for the appropriate expenditure code and month. When you enter the adjusting amount, put a minus sign after the number (e.g., 500.00-).

## THE APPROPRIATE USE OF FUNDS

Funds shall only be used for the purposes, and in direct implementation of, the funded JTED project, expressly permitted by this regulation to recruit, prescreen, and provide pre-apprenticeship skills training. Grantees are also expected to provide pathways and manage the transition from the pre-apprenticeship program to a DOL-registered apprenticeship program in construction and the building trades.

### Allowable Costs

Grant expenditures must comply with 2 CFR 200 and any applicable funding source and be reasonable and necessary. Specific allowable grant costs were set forth in the applicable NOFO and JTED Program rules and will include one or more of the following:



- Expenses to design training curricula and related materials
- Expenses to provide industry linked skill training and work-based learning to individuals in the underrepresented populations (e.g., instructor costs, curriculum materials)
- Expenses for the ongoing evaluation and refinement of the curricula and related materials
- Expenses for the design and implementation of a needs assessment to determine the education and training needs of the underrepresented populations relative to the skill needs of local industries
- Expenses related to wrap-around costs
- Expenses related to student/participant support services, such a career counseling, life coaching, and tutoring
- Stipends
- Expenses for technical assistance as set forth in the applicable NOFO
- Expenses incurred to meet grant administration requirements
- Expenses related to securing participants industry recognized certifications
- Expenses related to professional development and certifications for staff and instructors
- Any other costs determined to be reasonable and necessary to carry out the grant program activities as permitted by 2 CFR 200, the applicable NOFO, and approved by the Department

### **Budget Modifications**

All budget modifications must be approved by a JTED Grant Manager and must be signed by the grantee's authorized representative upon submission for approval. As a part of the narrative, the grantee must include the following items:

- The line-item budget where there will be cost savings
- The line-item budget to be increased
- An explanation of what caused the cost savings
- How the program will benefit from moving the budget from one-line item to another

### **Procurement Policy**

All grants are required to follow procurement standards that are outlined in [2 CFR 200.317 through 2 CFR 200.327](#). Noncompliance with procurement standards may result in the return of funds to the agency.

### **How to Comply**

1. All Grantees must have and use documented procurement procedures that are consistent with 2 CFR 200.317 through 327.
2. All procurement processes must be documented.
3. The Illinois Department of Commerce & Economic Opportunity may ask for the procurement policy and backup documentation as part of a grant monitoring review.

### **Summary of Procurement Methods**

1. Micro-purchase
2. Small purchase
3. Sealed bids

4. Proposals
5. Noncompetitive procurement

More information regarding these methods and other information on how to maintain compliance can be found on the [DCEO Grantee Resources](#) page.

#### **ALLOWABLE GRANT COSTS**

Training: (Equipment, instructional staff wages, materials, tuition)

Participant Wages: (Work experience wages)

Support Services: (Assistance with youth transportation, housing, and other supportive services needed to allow the youth to participate in education and training leading to gainful employment)

Administration: Administrative costs, both direct and indirect, represent a small portion of the program budget and shall not exceed 10%. Program budgets and narratives will detail how all proposed expenditures are directly necessary for program implementation and will distinguish between direct/indirect administrative and direct/indirect program costs.

#### **Examples of Grant Expenses**

Grant expenditures must comply with the Uniform Guidance (2CFR 200), the American Rescue Plan Act and Treasury's related guidance, the JTED statute (20 ILCS 605/605-415) and related rules (56 Ill. Admin. Code Part 2660) and must be reasonable and necessary and support one of the allowable grant activities set forth in 56 Ill. Admin. Code 2660.40. Specific allowable grant costs are listed below, and specific budget line items are identified in the uniform budget template.

- Expenses to design training curricula and related materials
- Expenses to provide industry linked skill training and work-based learning to individuals in the target population (e.g., instructor costs and curriculum materials)
- Expense for the ongoing evaluation and refinement of the curricula and related materials
- Expenses for the design and implementation of a needs assessment to determine specific skill shortages being experienced by one or more of local industries
- Expenses for the design and implementation of a needs assessment to determine the education and training needs of the target population relative to the skill needs of local industries
- Expenses for the design of curricula and related materials for training programs designed for individual in the target population to prepare them to meet identified skill labor shortages
- Expenses for the delivery of the industry linked training and work-based learning to unemployed persons and placement of program completers into jobs in the target industries
- Expenses for ongoing coordination of the Eligible Training Partners
- Program participant wages
- Expenses for career planning activities that provide one-on-one staff assistance and career counseling as defined under "Program Services"
- Expenses incurred to meet grant administration requirements
- Any other costs determined to be reasonable and necessary to carry out the grant program activities as permitted and approved by the Department.

## **PAYROLL DISBURSEMENTS**

The Grantee must complete the provided file in workNet that includes the fields and information identified then upload the file in the Illinois workNet (IwN), to meet the payroll reporting requirement. The upload will include the eligible participants hourly wage rate and number of hours worked. Expenditures entered in the GRS under wages will equal the payroll entered in workNet plus the employer cost for FICA and workers compensation. The standardized time sheet provided **MUST BE USED** and is included.

## **AUDITS**

Grantees are required to have an audit completed for their programs as outlined in the Grant Agreement. A copy of the audit needs to be sent to the Department within 30 days of the Grantee's receipt of completed audit but no later than nine months following the end of the period for which the audit was performed. Reference the Reports Deliverable Schedule in your Grant Agreement for due dates.

### **Scope of Work Compliance and Consequences for Non-compliance**

Upon receipt of a grant, a 'Scope of Work' will be completed by DCEO staff that summarizes the expectations of the Grantee and their commitment to DCEO to fulfill these expectations. This document will include: 1) an overview of the project goals; 2) the targeted population, industries and business partners, as well as the roles of each in project implementation; 3) the training approach, training location, and work-based learning activities; and 4) the specific training outcomes and performance expectations for the grantee.

The implementation plan submitted as a part of the Grantee application will be reviewed and revised as needed by the Grantee to include a project outline, the employers served, employees/job seekers served, the training provided, project deliverables and timelines, and the individual to serve as point of contact for the project.

This plan will be approved by DCEO and will be incorporated into this agreement with the approved Grantee project budget.

The Grantee is responsible for complying with the negotiated scope of work, implementation plan, and state policies concerning services and training provided to youth. Failure of a Grantee to comply with any of these requirements may result in disciplinary action, up to and including termination of grant.

### **Project Management and Reporting**

The Grantee shall provide management and oversight of the project to ensure expenditure of funds, timely submittal of all required reports, submittal of a participant report due monthly, completion of all project activities by the end of the Grant Term, and identification of problems and/or concerns. This includes:

- The quarterly submittal of a financial trial balance report that is generated by the Grantee's electronic accounting system;
- Costs incurred and requests for payment to be reported in the Department's Grant Reporting System (GRS) by the 20<sup>th</sup> of each month for costs incurred the preceding month; and
- Tracking of participants by entering all project data into the Illinois workNet (IwN) System within the timeframe required and as directed by DCEO; and
- Other reporting deemed necessary by the Department of Commerce and/or USDOL;

## **Monitoring**

Grants awarded are subject to fiscal and programmatic monitoring visits by the Department. The Grantee must have an open-door policy allowing periodic visits by Department monitors to evaluate the progress of the project and provide documentation upon request of the monitor. The Department may modify grants based on performance.

The Grantee will be assessed to determine the impact the program has on the target population and the effective and efficient utilization of the funds. These reviews will assess how well project staff are meeting proposed goals in the planned timeframes, how many participants are being served, how the money is being spent, and whether any problems have developed that may hinder the progress of the project. The Department will ensure that periodic on-site monitoring or in-house desk monitoring is conducted during the grant period and upon its completion.

The reviews verify that the Grantee's financial management system is structured to provide accurate, current, and complete disclosure of grant expenditures. The review also confirms that all expenditures are in accordance with the provisions, terms, and conditions contained in the grant agreement with the Department. The monitors will also verify that participant files are maintained and contain documentation sufficient to demonstrate that individuals entering the program are eligible to receive services.

Worksite Files: Grantee must have on file a worksite agreement and worksite assessment, as well as a list of participants placement for each worksite.

## **Fiscal Management**

Payments may be prorated dependent upon the grantee meeting performance targets.

## **Final DCEO Grantee Report**

The grantee shall be responsible for completing the Final DCEO Grantee Report (FDGR), which identifies the programmatic and financial status of the grant funds. The FDGR is the same as the DCEO Grantee Report (DGR) discussed in the reporting section, however this submittal is marked as the final report. The grantee, upon submission of the FDGR, or within 45 days after the expiration of the grant, whichever is first, shall refund to the Department any balance of funds, which were unexpended at the end of the grant period. Additionally, the grantee shall repay Commerce for any funds determined by the Commerce to have been spent in violation of the grant agreement. If the grant should terminate for any reason, the FDGR shall be due within 45 days after the date of termination.