GATA

GRANT ACCOUNTABILITY AND TRANSPARENCY ACT

ILSAC SUBCOMMITTEE KICK-OFF

APRIL 2015

What time is it?

Topics of Discussion

- GATA Objectives
- ILSAC Subcommittee Structure
- ILSAC Subcommittees' Roles and Responsibilities
- GATA Subcommittee Overview
- New Federal Guidance
- GATA Applicability and Effective Dates
- ILSAC Subcommittee Next Steps

Successful Grantees = Illinois Success

GATA Objectives - “Uniform Requirements”

- Assist State agencies and grantees in implementing the new Federal guidance at 2 CFR Part 200 (Uniform Requirements).
- Increase accountability and transparency while reducing redundant administrative burdens.
- Team effort – need State agency and Grantee input for rulemaking recommendations.
- Strive to maintain a uniform process throughout the entire grant life cycle.
- Optimize resources – coordination of grant-monitoring activities to promote efficient use of scarce resources.
- Leverage Federal model for State grants.
- Provide training and technical assistance for State agency staff and grantees.

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

National and International Recognition

The Illinois Grant Accountability and Transparency Act is the first, and currently only, state legislation in the nation to require the adoption and implementation of a comprehensive set of standards that mandate accountability and transparency throughout the entire life cycle of a grant.

- The National Council of Nonprofits believes that the Illinois Grant Accountability and Transparency Act should be a model for the nation.
- The Federal Council on Financial Assistance Reform (COFAR) and the President's Office of Management and Budget are encouraging other states to follow Illinois' lead.
- Florida, New York, North Carolina, and South Carolina have already reached out to Illinois for guidance in passing and implementing similar legislation.
- Canada has 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.

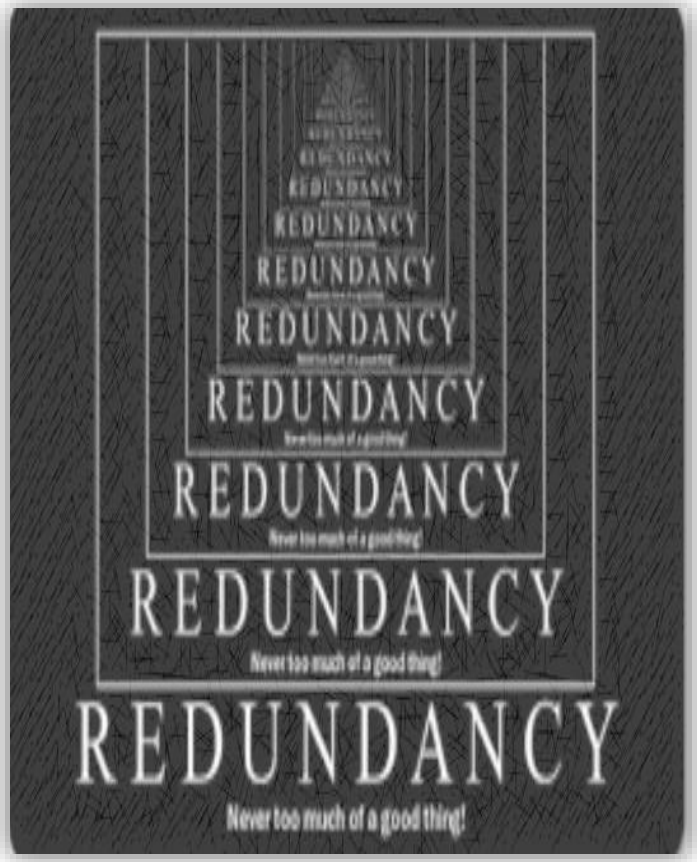
GATA – Optimizing Resources Remove Redundancies & Duplication

Example:

Analysis of the grantees who received grants from two or more of the five social service agencies.

- Consideration of only 2 required compliance activities – audit report review, and on-site fiscal and administrative review.
- 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.

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



Collaboration!

GATA Implementation

GATA focuses on review and discussion of options for rulemaking and 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 and developing presentation materials.
- Debarred and Suspended List and Stop Payment System.
- Implementation of performance measures.
- Use of the Central Repository Vault.
- Continuous assessment and improvement of GATA policies and procedures.

JCAR Status and Next Steps

We have completed:

- Initial JCAR submission of administrative rules applicable to Federal and Federal pass-through grants.
- State grant rules that do not allow for flexibility.

The public hearing on the proposed rules is scheduled for Friday, April 17, 2015.

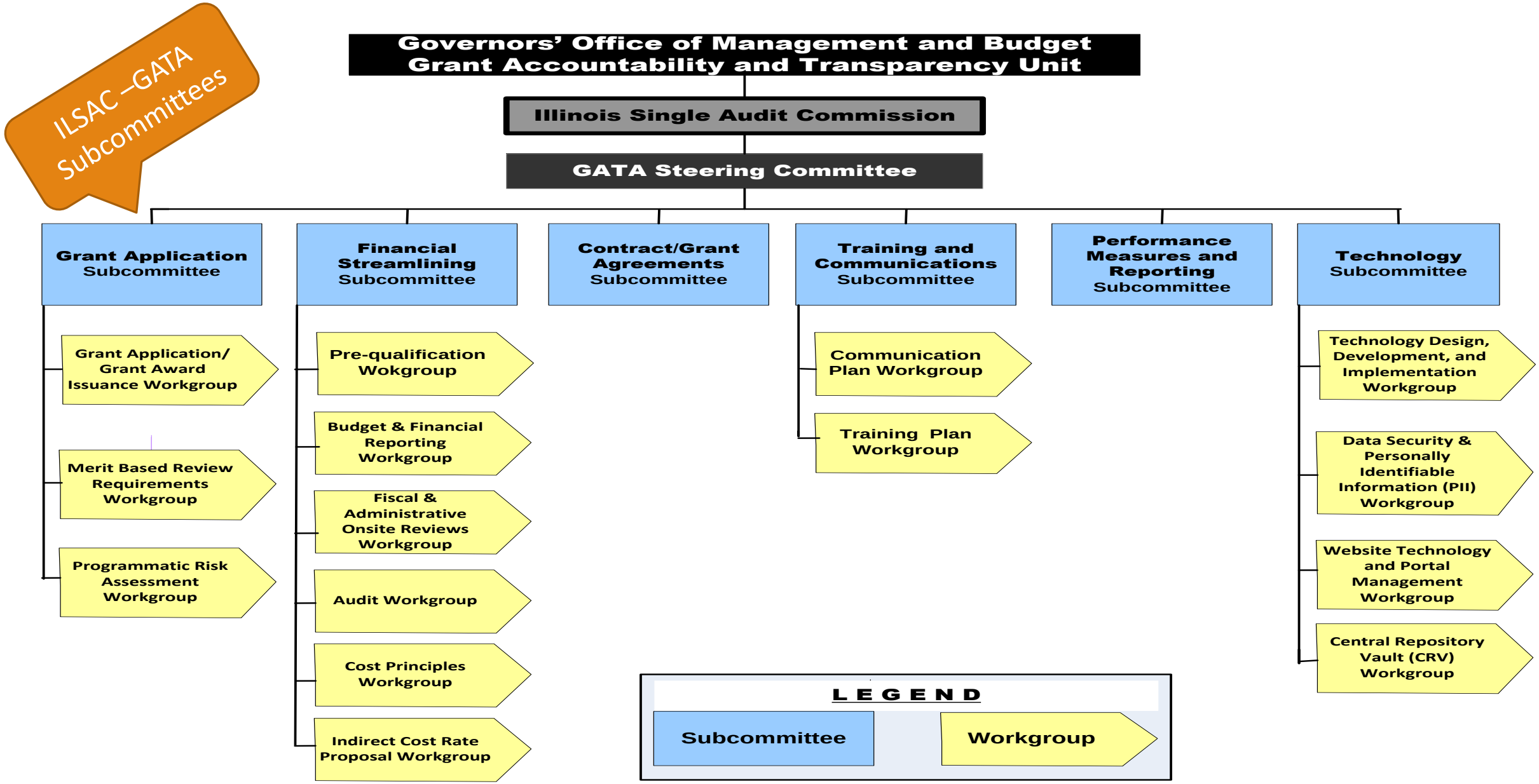
GATA Implementation Structure

The implementation structure includes ILSAC-GATA subcommittees:

- The ILSAC-GATA subcommittees and associated workgroups will be made up of representatives of State agencies, grantees and subrecipients, and GATU staff.
- Each subcommittee and workgroup will have a GATU representative and co-chairs, one representing State agencies and one representing grantees.

- The subcommittees will have 3 phases:
  - ✓ **R**ulemaking
  - ✓ **I**mplementation
  - ✓ **M**onitoring

RIM
Process!


ILSAC –GATA Subcommittees
Governors' Office of Management and Budget
Grant Accountability and Transparency Unit
Illinois Single Audit Commission
GATA Steering Committee
Grant Application Subcommittee
Financial Streamlining Subcommittee
Contract/Grant Agreements Subcommittee
Training and Communications Subcommittee
Performance Measures and Reporting Subcommittee
Technology Subcommittee
Grant Application/ Grant Award Issuance Workgroup
Merit Based Review Requirements Workgroup
Programmatic Risk Assessment Workgroup
Pre-qualification Wokgroup
Budget & Financial Reporting Workgroup
Fiscal & Administrative Onsite Reviews Workgroup
Audit Workgroup
Cost Principles Workgroup
Indirect Cost Rate Proposal Workgroup
Communication Plan Workgroup
Training Plan Workgroup
Technology Design, Development, and Implementation Workgroup
Data Security & Personally Identifiable Information (PII) Workgroup
Website Technology and Portal Management Workgroup
Central Repository Vault (CRV) Workgroup
LEGEND
Subcommittee
Workgroup

GATA Steering Committee

The GATA Steering Committee is made up of the GATU staff, and the co-chairs of the ILSAC subcommittees. The purpose of the GATA Steering Committee is to:

- Provide oversight and guidance to ILSAC and its subcommittees and workgroups.
- Review and submit ILSAC subcommittee recommendations to ILSAC.
- Develop funding mechanisms for GATA implementation.

ILSAC Subcommittee's Roles and Responsibilities

ILSAC subcommittees and workgroups are critical to the success of GATA.

The subcommittees are responsible for making recommendations for rules in areas where the State and Federal regulations allow for flexibility:

- Each subcommittee is responsible for reviewing the State and Federal regulations in that govern their topic in 2 CFR Part 200 and the Grant Accountability and Transparency Act in order to make informed recommendations to the GATA Steering Committee.
- Developing performance metrics to measure the effectiveness of GATA.
- Developing training programs to meet the needs of State agency and grantee staff.
- Change control management – managing expectations.

Grant Application Subcommittee

Responsible for:

- Developing a uniform grant application.
- Developing requirements for publishing Notices of Funding Opportunity.
- Developing merit-based review requirements.
- Developing a template that lists criteria for programmatic risk assessment.

Financial Streamlining Subcommittee

Responsible for:

- Pre-qualification requirements
  - Fiscal and administrative risk assessment.
  - Use of fiscal agent.
- Developing a uniform budget and financial reporting template.
- Developing uniform on-site review protocol for fiscal and administrative requirements.

Financial Streamlining Subcommittee (cont.)

Responsible for:

- Developing uniform audit requirements.
- Developing cost principles and special considerations.
- Developing training and technical assistance guides for preparing an indirect cost rate proposal, procedures for the submission and negotiation of indirect cost rates to be included in the RFP process.

Contract and Grant Agreements Subcommittee

Responsible for:

- Developing a uniform grant agreement.
- Developing uniform clauses for goods and services purchased with federal funding.

Training and Communications Subcommittee

Responsible for:

- Establishing minimum training requirements
- Developing a training plan
- Developing annual training requirements
- Developing a communication plan

Performance Measures Subcommittee

Responsible for:

- Developing policies and procedures for measuring the performance of State agencies and grantees.
- Aligning performance measures with the Statewide prioritized goals of the Budgeting for Results initiative.

Technology Subcommittee

Responsible for:

- Development of technology design and implementation
- Data Security and Personally Identifiable Information
- Website technology development and management Grantee Portal development and management
- Central Repository Vault expansion.

GATA – Optimizing Resources Central Repository Vault (CRV)

- Provides a platform for efficiency.
- Stores the most frequently requested documents from grantees.
- Allows State agencies to review business documents and preserve them for future reference and retrieval.
- Prevents duplicate requests for the same information.
- Assists with pre-grant qualification, risk assessment, and ongoing monitoring.
- Central Repository Vault is currently used by 5 State social service agencies.

GATA Questions??

New Federal Guidance

HIGHLIGHTS OF SIGNIFICANT CHANGES

Eliminating Duplicative and Conflicting Guidance

BEFORE:

Awards Received

- A-102 & A-89
- A-87
- A-133 & A-50

Subawards to Nonprofits

- A-110
- A-122
- A-133 & A-50

Subawards to Universities

- A-110
- A-21
- A-133 & A-50

AFTER:

All OMB guidance streamlined in 2 CFR Part 200

2 CFR Part 200 - Organization by Subpart

A. Acronyms and Definitions
B. General Provisions
C. Pre-Award Requirements and Contents of Federal Awards
D. Post-Award Requirements
E. Cost Principles
F. Audit Requirements

Appendices

I. Notice of funding opportunity
II. Contract provisions
III. Indirect costs – Higher Ed
IV. Indirect costs – Nonprofits
V. State/local government central service cost allocation plans
VI. Public assistance cost allocation plans
VII. State/local government indirect cost proposals
VIII. Nonprofits exempted from Federal cost principles
IX. Hospital cost principles
X. Data Collection Form (SF-SAC)
XI. Compliance Supplement

Highlights of Significant Changes

- Setting standard business processes using data definitions
- Merit-based review
- Review of risk posed by applicants
- Internal control requirements
- New procurement standards
- Subrecipient monitoring, financial management, and performance measurement

Consistency!

Highlights of Significant Changes

- Changes to cost principles
- Numerous changes to Single Audit requirements
- Performance: outcome-driven
- Indirect cost rates - If a subrecipient has a Federally-approved indirect cost rate or cost allocation plan, that indirect cost rate or cost allocation plan must be honored by the State. If no such rate exists, the subrecipient and pass-through entity may negotiate an indirect cost rate, or the subrecipient may use the *de minimis* indirect cost rate.

General Provisions: Applicability

For Federal and Federal Pass-through Awards:

- Federal agencies that make Federal awards to non-Federal entities
- Non-Federal entities that administer Federal awards
- Non-Federal entities that receive Federal pass-through awards
- Limited exceptions are noted at §200.102

Sets Standard Business Processes Using Data Definitions

- **Requires all Agencies to use the same terminology**
- **Setting Standard Business processes Using Data Definitions**
  - Use of consistently defined data elements
  - Notices of Funding Opportunity – requires standard set of data elements to be provided for all Federal notices of funding opportunities
  - Standard set of data elements required to be provided in the Federal and Federal pass-through awards
- **Consistently Use OMB-Approved Standard Information Collections**
  - Standard application requirements
  - Performance measurement
  - Financial reporting
  - Monitoring and reporting program performance

New Federal Rules - Effective Dates

- Federal agencies implemented **December 26, 2014**.
- Subpart F Audit Requirements – fiscal years beginning after **December 26, 2014**.
- Administrative requirements and cost principles will apply to **new awards or funding increments**, where the Federal award was made on or after December 26, 2014.
  - In cases where the Federal agency considers funding increments to be an opportunity to modify the terms and conditions of the Federal award, the new rules will apply.
  - The new Federal rules will not retroactively change the terms and conditions applicable to funds a non-Federal entity has already received.
- Existing Federal awards that do not receive incremental funding with new terms and conditions will continue be governed by the original terms and conditions of the Federal award.

New Federal Rules - Effective Dates

- The effective date for **subawards** is the same as the effective date of the Federal award from which the subaward is made. The requirements for a subaward, no matter when made, flow from the requirements of the original Federal award.

- Existing negotiated indirect cost rates will remain in place until they are due to be renegotiated.

- A non-Federal entity may elect to keep current Federally-approved rate in place for an additional 4 years.

Effective Dates and Grace Period for Procurement

- One-year grace period after the effective date of the Uniform Requirements.
- For procurement policies and procedures, the non-Federal entity must, in the first full fiscal year that begins on or after December 26, 2014:
  - Document whether it is in compliance with the old or new standard, and must meet the documented standard;
  - For example, a non-Federal entity with a June 30th year end would be the year ending June 30, 2016;
  - The Single Audit Compliance Supplement will instruct auditors to review procurement policies and procedures based on the documented standard.
  - For future years, all non-Federal entities will be required to comply fully with the Uniform Requirements.

Procurement Questions? Check with your SPO and APO

GATA: Applicability

For State grants, GATA applies to:

- State agencies that receive funding to administer State grant programs.
- State agencies that make State awards to non-State entities.
- Non-State entities that receive State awards.
- Non-State entities that receive Federal pass-through awards.
- Limited exceptions are noted in Section 45 of GATA.

GATA: Effective Dates

- For Federal and Federal pass-through grants the effective date is the Federal effective date.

- For State grants the effective date is **July 1, 2016.**

- We are pursuing legislation to extend the implementation date of GATA.

Moving Grants Forward!

GATA Effective Dates

The Grant Accountability and Transparency Unit (GATU) within GOMB will be responsible for the following:

- Providing technical assistance and advice, effective immediately.
- Providing training to ILSAC subcommittee members regarding the administrative rules applicable to State-funded grants, effective immediately.
- Maintaining the State Debarred and Suspended List, which will be operational no later than **July 1, 2015.**
- Coordinating audit report reviews – **FY 2016 audits, due in FY 2017**.

GATA Effective Dates

The Grant Accountability and Transparency Unit (GATU) within GOMB will be responsible for the following:

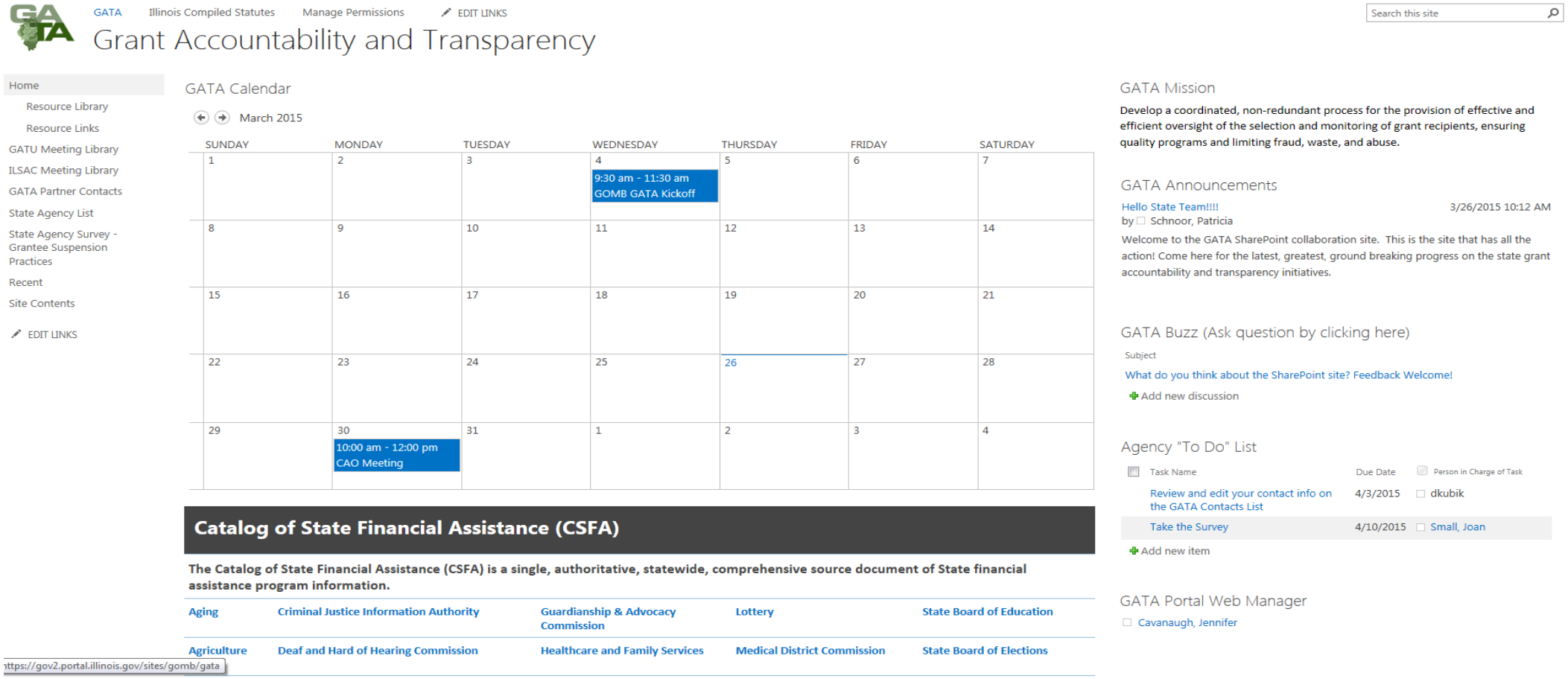
- Indirect cost rates will be negotiated during **FY 2016 to be included in FY 2017 grant agreements**.
- Coordination of on-site reviews **beginning in FY 2017**.
- Development and implementation of uniform grant agreements – **FY 2016**.
- Catalog of State Financial Assistance – **during FY 2016**.

ILSAC Subcommittee Next Steps

- Finalize ILSAC appointments
- Finalize subcommittee co-chair appointments and members
- Host GATA Steering Committee meeting – tentative date April 16, 2015
  - Project Charters
  - Subcommittee timelines
  - Training presentations
  - Meeting logistics and norms
  - Available resources - SharePoint

GATA SharePoint Site

The GATA SharePoint site is a collaboration area established solely for the use of those participating in the establishment, organization, and implementation of GATA policy, procedures, and business systems.



GATA SharePoint Site

To access the GATA SharePoint Site, an Illinois.gov ID is required. If you do not have an Illinois.gov ID, go the link below to obtain one:

http://www.illinois.gov/bccs/support/Pages/BCCSIdentityManagement.aspx

Click on Create Illinois.gov account and follow the instructions.

Collaboration
Consistency
Communication
ALL TOGETHER ON GATA SHAREPOINT!

GATA Questions

- Make it a habit to review the GATA SharePoint site for updated information.
- Never hesitate to post questions on the SharePoint site!

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 State agencies and grantees hundreds of millions of dollars.