



**STATE OF ILLINOIS**  
**EXECUTIVE OFFICE OF THE GOVERNOR**

**GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**  
SPRINGFIELD 62706

**BRUCE RAUNER**  
GOVERNOR

December 29, 2016

To Governor Rauner and Members of the General Assembly:

On behalf of the Governor's Office of Management and Budget (GOMB) and the Illinois Single Audit Commission (ILSAC), we are pleased to submit the second annual report on the Grant Accountability and Transparency Act. Your ongoing commitment and support of policy efforts to improve the accountability of public funds that are spent to meet the needs and priorities of Illinoisans is sincerely appreciated.

The objective of the Grant Accountability and Transparency Act (GATA) is to optimize the administration and monitoring of the state's grant funds, both federal- and state-funded, to improve performance outcomes by applying efficient and effective processes throughout the entire grant life cycle. Grants comprise approximately 66% of Illinois' annual budget. The implementation of this Act is an important initiative led by the Grant Accountability and Transparency Unit (GATU) at GOMB.

This first full year of implementation has led to statewide, uniform policies and procedures that enable Illinois to comply with federal Uniform Guidance and promote transparency and accountability within grant management. We are pleased to report significant accomplishments with related cost savings and cost avoidance within this annual report including:

- Adoption of supplemental rules on multi-year grants and advance payment under grant agreements;
- Implementation of the Catalog of State Financial Assistance;
- Implementation of the Grantee Compliance Enforcement System;
- Implementation of a centralized grantee registration and pre-qualification system;

- Implementation of pre-award grantee risk assessments (a centralized financial and administrative risk assessment called the Internal Control Questionnaire and a grant-specific programmatic risk assessment);
- Implementation of a uniform Notice of Funding Opportunity (NOFO), uniform grant application, uniform grant agreement and budget template; and
- Implementation of a centralized indirect cost rate negotiation system.

The federal Office of Management and Budget recognizes Illinois as a promising practice in administering Federal Uniform Guidance. The partnership between this Administration, the General Assembly and GATA enables Illinois to be positioned as a national leader in grant management. We recognize the support of the General Assembly for this initiative and look forward to continuing to work with you as we progress towards full implementation of GATA.

Sincerely,

Tim Nuding, Director

Carol Kraus, GATU Director and ILSAC Chair