



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

April 14, 2009

MR. JACK LAVIN
DIRECTOR
ILLINOIS DEPT. OF COMMERCE AND COMMUNITY AFFAIRS
620 EAST ADAMS ST., 5TH FLOOR
SPRINGFIELD, IL 62701

Re: Notice of Grant Award - FY 2009

Dear Grantee:

This grant award represents the annual allocation for Fiscal Year 2009 to the State for the Community Services Block Grant Stimulus, American Recovery and Reinvestment Act (Recovery Act) of 2009, made available under Public Law 111-5.

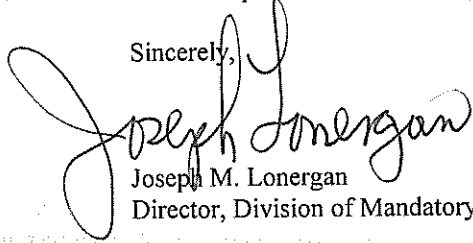
Appropriation	CAN	Allotment	This Action	Cumulative
75-9/0-1537	2009G99UTRN	\$47,232,781	\$47,232,781	\$47,232,781
EIN:	1-376002067-A1	Fiscal Year: 2009		
Document Number:	G-0901ILCOS2	CFDA #: 93.710		
Grant Period:	10/01/2008 - 09/30/2010			

With the acceptance of this award, you agree to administer this grant in compliance with conditions set forth in the applicable Program Instructions, terms and conditions, Departmental regulations, and OMB Circulars. Further, in accordance with Department of Treasury regulations 31 CFR Part 205, implementing the Cash Management Improvement Act, you agree to limit your request to draw Federal funds to the minimum amount needed and to time the request in accordance with the actual, immediate requirements in carrying out programs funded through this award. Failure to adhere to these requirements may cause the suspension of grant funds.

Funds included in this award will be made available through the DHHS Payment Management System (PMS). Questions pertaining to payments should be directed to DHHS Division of Payment Management, Post Office Box 6021, Rockville, MD 20852; telephone 1-877-614-5533.

Program questions about this grant should be referred to Brandy RayNor at (202) 205-5926. Fiscal reporting questions regarding this grant should be directed to Lydia Peele, Administration for Children and Families, (202) 401-6493.

Please transmit a copy of this letter to the office authorized to request funds covered by this award.

Sincerely,

Joseph M. Loneragan
Director, Division of Mandatory Grants

* Recovery Act fund may be used for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient. Funds must be accounted for separately from regularly appropriated funds, and will have a separate CFDA number, and separate draw-downs in PMS. Existing accountability measures for CSBG formula grant awards are outlined in the Terms and Conditions of the grant award and include compliance with OMB Circular A-133, the Single Audit Act of 1984 and compliance with CSBG regulations.

** TO CORRECT CFDA NUMBER.



**ADMINISTRATION FOR CHILDREN AND FAMILIES
COMMUNITY SERVICES BLOCK GRANT
American Recovery and Reinvestment Act (Recovery Act) Funds**

TERMS AND CONDITIONS

FISCAL YEAR 2009

October 1, 2008 – September 30, 2009

By acceptance of this award, the State, Tribe or Territory agrees to comply with the terms and conditions detailed below. Failure to comply with these terms and conditions may result in the loss of Federal funds and may be considered grounds for the suspension or termination of this grant.

This award is subject to the following terms, conditions and provisions:

PROGRAM STANDARDS

1. The provisions of Public Law 105-285, Title II – Community Services Block Grant Program, Subtitle B – Community Services Block Grant Program of the Community Services Block Grant Act, the provision of the current approved Community Services Block Grant State plan, including all approved amendments or revisions. OMB M-09-10, Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009.

ADMINISTRATIVE REQUIREMENTS

2. The following regulations from Title 45 of the Code of Federal Regulations (CFR):

45 CFR Part 16 – Procedures of the Departmental Grant Appeals Board;
45 CFR Part 30 – Claims Collection;
45 CFR Part 76 – Debarment and Suspension from Eligibility for Financial Assistance (Nonprocurement);
45 CFR Part 80 - Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services, Effectuation of Title VI of the Civil Rights Act of 1964;
45 CFR Part 81 - Practice and Procedure for Hearings Under Part 80 of this Title;
45 CFR Part 84 - Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance;
45 CFR Part 86 – Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance;
45 CFR Part 87 – Equal Treatment for Faith-Based Organizations;
45 CFR Part 91 – Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance;
45 CFR Part 93 – New Restrictions on Lobbying;
45 CFR Part 96 – Block Grants;
45 CFR Part 97 – Consolidation of Grants to the Insular Areas;
45 CFR Part 100 – Intergovernmental Review of Department of Health and Human Services Programs and Activities.

3. The following Circulars from the Office of Management and Budget (OMB):

OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Single Audit Act of 1984, as amended.

4. Direct Federal grants, sub-awards, or contracts under this program shall not be used to support inherently religious activities such as religious instruction, worship, or proselytization. Therefore, organizations must take steps to separate, in time or location, their inherently religious activities from the services funded under this program. Regulations pertaining to the prohibition of Federal funds for inherently religious activities can be found on the HHS website at: <http://www.os.dhhs.gov/fbci/waisgate21.pdf>.
5. Federal grant funds provided under this award may not be used by the grantee or any sub-grantee to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations. This prohibition is related to the use of Federal grant funds and is not intended to affect an individual's right or that of any organization, to petition Congress, or any other level of Government, through the use of other resources. (See 45 CFR Part 93.)
6. In accordance with Public Law 103-333, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995," the following provisions are applicable to this grant award:

Section 507: "Purchase of American-Made Equipment and Products - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made."

Section 508: "When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all States receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources."

7. In accordance with Part C of Public Law 103-227, the "PRO-KIDS Act of 1994," smoking may not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs wither directly or through State or local governments. Federal programs include grants, cooperative agreements, loans and loan guarantees, and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions or facilities and used for inpatient drug and alcohol treatment.

The above language must be included in any subawards that contain provisions for children's services and that all subgrantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.

8. This award is subject to the requirements listed in the enclosed terms and conditions. This award is subject to the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to: http://www.acf.hhs.gov/grants/award_term.html. The use of Federal funds from this award constitutes the State's acceptance of these terms and conditions.
9. Recovery Act funds may be used for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.
10. Funds must be accounted for separately from regularly CSBG appropriated funds, and will have a separate CFDA number, a separate CAN number, and separate drawn-downs in Payment Management System.

SUB-RECIPIENTS AND VENDORS UNDER GRANTS

Sub-Recipients/Sub-Grantees and Vendors/Contractors

11. **Sub-recipient/Sub-grantee and vendor determinations.** States are required to determine recipient type when sub-granting or contracting using Federal funds. Recipient type includes sub-grantees/sub-recipients, vendors and contractors. OMB Circular A-133 establishes the standards for determining the difference between a sub-grantee and a vendor, based on the substance of the relationship with the State, rather than the form of the agreement.

A recipient is considered a *sub-grantee* and is subject to OMB Circular A-133 if it meets the following conditions:

- a. Determines who is eligible to receive what Federal financial assistance;
- b. Has its performance measured against whether the objectives of the Federal program are met;
- c. Has responsibility for programmatic decision making;
- d. Has responsibility for adherence to applicable Federal program compliance requirements;
- e. Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity;

A recipient is considered a *vendor* and is not subject to OMB Circular A-133 if it meets the following conditions:

- a. Provides the goods and services within normal business operations;
- b. Provides similar goods or services to many different purchasers;
- c. Operates in a competitive environment;
- d. Provides goods or services that are ancillary to the operation of the Federal program;
- e. Is not subject to compliance requirements of the Federal program.

12. No organization may participate in this project in any capacity or be a recipient of Federal funds designated for this project if the organization has been debarred or suspended or otherwise found to be ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension." (See 45 CFR 92.35.) States must include a similar term and/or condition for all sub-awards or contracts awarded under this program. Prior to issuing subawards or contracts under this grant, the state must consult the ineligible parties list to ensure that organizations under funding consideration are not ineligible. The list is available on the Web at <http://www.epls.gov>.

13. The State is responsible for monitoring grant, sub-grant/sub-recipient and contract supported activities to assure compliance with Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function and activity. (See 45 CFR 92.40.)

14. States are required to advise sub-grantees/sub-recipients of requirements imposed on them by Federal laws, regulations, and the provisions of grant agreements or contracts as well as any supplemental requirements imposed by the State. These include grant administrative requirements and cost principles according to recipient type. For example, nonprofit subrecipients are subject to the cost principles at OMB Circular A-122; educational institution subrecipients are subject to those at OMB Circular A-21; and commercial organization vendors or subcontractors are subject to the cost principles under 48 CFR Part 31.

15. States must ensure that sub-recipients and sub-grantees expending more than \$500,000 or more in Federal awards during the sub-recipient/sub-grantee's fiscal year have an audit in compliance with the requirements of OMB Circular A-133.

FINANCIAL AND PROGRAM PROGRESS REPORTING

16. If the grantee is on an accrual accounting system, services must be provided on or before September 30, 2010; and liquidated on or before December 29, 2010; and final report is due on or before December 29, 2010. If the grantee is on a cash accounting system, services must be expended on or before September 30, 2010 and final report is due on or before December 29, 2010.
17. Grantees shall adhere to a provision of law under the Consolidated Appropriations Act of 2005 which requires that to the extent FY 2009 CSBG funds are distributed by a State to an eligible entity, and have not been expended by such eligible entity, they shall remain with such eligible entity for carryover and expenditure into the next fiscal year. If FY 2009 funds are carried forward by such eligible entity into FY 2010, those funds must be fully expended and services provided on or before September 30, 2010.
18. Uses and restrictions for Recovery Funds differ from the uses and restrictions that apply to allotments to States from regular CSBG annual appropriations with regard to allowable State use of funds and the percentage of funds allocated to eligible entities. State expenditures on administrative costs and statewide discretionary activities are not allowed. States are allowed to reserve one (1) percent of the funds for activities relating to the identification and enrollment of eligible individuals and families in Federal, State, and local benefit programs.
19. States must ensure all funds provided by the Recovery Act are clearly distinguishable from non-Recovery Act funds. As such States are required to tract expenditures of these funds separately from their formula CSBG allotment.
20. In accordance with Action Transmittal OA-ACF-AT-01-05 (January 25, 2005), in lieu of paper copies, States are encouraged to submit their periodic financial reporting forms electronically, via the ACF On-Line Data Collection (OLDC) system.

States that elect to submit these reports in writing must send an original signature copy of Form SF-269A to:
Administration for Children and Families
Division of Mandatory Grants
370 L'Enfant Promenade, SW - 6th Floor East
Washington, DC 20447

21. Program progress reports should be submitted to:
Office of Community Services
Administration for Children and Families
U.S. Department of Health of Human Services
370 L'Enfant Promenade, SW
Washington, DC 20447

PAYMENT ARRANGEMENTS

22. Payments under this grant will be made through the Department of Health and Human Services' Payment Management System (PMS). Note: Recovery Act funds will be drawn down separately from the formula CSBG allotment. The State must comply with requirements imposed by the PMS on-line system. Please direct any questions concerning grant payments to the payment office at 1-877-614-5533.

NOTE: The U.S. Government Accountability Office (GAO) maintains **FraudNET**, a system for reporting allegations of fraud, waste and abuse under Federal grants and cooperative agreements. Reports are kept confidential; you need not provide your name. Information provided through the Internet web site is secure and all information is safeguarded against unauthorized disclosure.

To report the possible misuse of federal funds, the E-mail address is fraudnet@gao.gov ; the fax number is 202-512-3086 and the mailing address is GAO **FraudNET**, 441 G Street N.W., Washington, D.C. 20548. When you submit allegations, please provide as much detailed information as possible.