

**COMMUNITY SERVICES AGREEMENT
BETWEEN**



**THE DEPARTMENT OF HUMAN SERVICES
AND**

FOR FISCAL YEAR 2016

The Illinois Department of Human Services (DHS), with its principal office at _____, and _____ (Provider), with its principal office at _____ and payment address (if different than principal office) at _____, hereby enter into this Community Services Agreement ("Agreement"). DHS and Provider are collectively referred to herein as "Parties" or individually as a "Party."

RECITALS

WHEREAS, it is the intent of the Parties to implement services consistent with all Exhibits hereto and pursuant to the duties and responsibilities imposed by DHS under the laws of the State of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

**ARTICLE I
TAXPAYER CERTIFICATION**

1.1. Federal Taxpayer Identification Number; Nature of Entity. Under penalties of perjury, Provider certifies that _____ is Provider's correct _____ Federal Taxpayer Identification Number or _____ Social Security Number (check one). Provider is doing business as a (please check one):

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Nonresident Alien |
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery Corp. |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Tax Exempt |
| <input type="checkbox"/> Corporation (includes Not For Profit) | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input type="checkbox"/> Medical Corporation | <input type="checkbox"/> D = disregarded entity |
| <input type="checkbox"/> Governmental Unit | <input type="checkbox"/> C = corporation |
| <input type="checkbox"/> Estate or Trust | <input type="checkbox"/> P = partnership |
| <input type="checkbox"/> Pharmacy-Non Corporate | |

1.2. Estimated Amount of Agreement. The estimated amount payable by DHS to Provider under this Agreement is \$_____. Provider agrees to accept DHS' payment for services rendered as specified in the Exhibits incorporated as part of this Agreement.

1.3. Term. This Agreement shall be effective on _____ and shall expire on June 30, 2016, unless terminated or extended pursuant to the terms hereof.

1.4. Certification. Provider certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Provider acknowledges that the award is made solely upon this certification and that any false statements, misrepresentations or material omissions shall be the basis for immediate termination of this Agreement.

1.5. Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

ILLINOIS DEPARTMENT OF HUMAN SERVICES

[PROVIDER NAME]

By: _____
James T. Dimas
Secretary-Designate

By: _____
Signature of Authorized Representative

By: _____
Signature of Designee

Date: _____

Date: _____

Printed Name: _____

Printed Name: _____

Printed Title: _____
Designee

Printed Title: _____

E-mail: _____

FEIN: _____

Agreement #: _____

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**ARTICLE II
REQUIRED REGISTRATIONS**

2.1. Standing and Authority. Provider warrants that:

(a) Provider is duly organized, validly existing and in good standing under the laws of the State in which it was incorporated or organized.

(b) Provider has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Provider is organized under the laws of another jurisdiction, Provider warrants that it is duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement and the other documents to be executed by Provider in connection with this Agreement, and the performance by Provider of its obligations hereunder, have been duly authorized by all necessary entity action.

(e) This Agreement and such documents to which Provider is a party constitute the legal, valid and binding obligations of Provider enforceable against Provider in accordance with their respective terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally or general principles of equity.

2.2. Compliance with Internal Revenue Code. Provider certifies that it does and will comply with all provisions of the Federal Internal Revenue Code, the Illinois Revenue Act, and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3. Compliance with Federal Funding Accountability and Transparency Act of 2006. Provider certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal grants greater than or equal to \$25,000. A FFATA sub-award report must be filed by the end of the month following the month in which the grant was awarded.

2.4. DUNS Number. Execution of this Agreement by DHS shall be contingent upon Provider's provision to DHS of a Data Universal Number System (DUNS) number (FAR 52.204-7).

2.5. Compliance with American Recovery and Reinvestment Act (ARRA). If the Program is funded using ARRA funds, Provider will be notified in an Exhibit or Attachment hereto.

2.6. Compliance with Uniform Grant Rules (2 CFR Part 200). If the Program is funded using Federal funds awarded after December 26, 2014, Provider will be notified in an Exhibit or Attachment hereto of such funding. If so notified, Provider shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations. Otherwise, Provider shall adhere to the applicable OMB Circular effective before December 26, 2014 (such as, without limitation, OMB Circular A-21, A-87, A-100, A-102, A-122 and A-133). This Agreement generally refers to the OMB Circulars effective for awards issued before December 26, 2014, although if notified, the applicable

provision of 2 CFR Part 200 applies.

ARTICLE III DEFINITIONS

3.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

“Administrative Costs” means those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective, *i.e.*, a particular Award, Program, Program, service, or other direct activity of an organization. A cost may not be allocated to an Award as an Indirect Cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a Direct Cost. Provider is responsible for presenting costs consistently and must not include costs associated with its Indirect Cost Rate as Direct Costs. The term “Administrative Costs” is synonymous with the term “Indirect Costs.” *See, e.g.*, U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-26.

“2 CFR Part 200” means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

“Agreement” means this Agreement, and any addendum, schedules and exhibits thereto, all as amended from time to time. Words such as “herein,” “hereinafter,” “hereof,” “hereto,” and “hereunder” refer to this Agreement as a whole, unless the context otherwise requires.

“Allocable Costs” means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

“Allowable Costs” means costs associated with DHS Programs which are reimbursable from DHS funds. Allowable Costs include expenses that are (1) necessary and related to the provision of Program services, (2) reasonable to the extent that a given cost is consistent with the amount paid by similar agencies for similar services, (3) not specified as unallowable, and (4) not illegal. Research expenses may be considered Allowable Costs if Prior Approval is received from DHS. (89 Ill. Adm. Code §509.20(a))

“ARRA” means the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

“Award” means financial assistance that provides support to accomplish the purpose of this Agreement. Awards include grants and other agreements in the form of money by DHS to Provider.

“Budget” means the financial plan for the Program submitted by Provider and approved by DHS.

“CFDA” means the Catalog of Federal Domestic Assistance, a government-wide compendium of Federal programs, projects, services and activities that provide assistance or benefits to the American public.

“Consolidated Financial Report” means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

“Cost Allocation Plan” means a document that identifies, accumulates and distributes allowable direct and

indirect costs under subgrants and contract and identifies the allocation methods used for distributing the costs. A plan for allocating joint costs is required to support the distribution of those costs to the grant program. All costs included in the plan must be supported by formal accounting records to substantiate the propriety of the eventual charges. Providers are required to maintain a Cost Allocation Plan, in accordance with Ill. Adm. Code §509.40(c), if they receive more than one source of funding or operate more than one Program. (89 Ill. Adm. Code §509.20(a)(2)).

“Direct Costs” means those costs that can be identified specifically with a particular final cost objective, *i.e.*, a particular Award, Program, service, or other direct activity of an organization, or that can be directly assigned to such an activity with a high degree of accuracy. Direct costs may be charged based on a full-time equivalent or pro-rated basis. A cost may not be assigned to an Award as a Direct Cost if any other cost incurred for the same purpose, in like circumstance, has been allocated to an Award as an Indirect Cost. Provider is responsible for presenting costs consistently and must not include costs associated with its Indirect Cost Rate as Direct Costs.

“Disallowed Costs” means those charges to an award that DHS determines to be Unallowable Costs.

“DUNS Number” means a unique nine digit identification number provided by Dun & Bradstreet for each physical location of Provider’s organization. Assignment of a DUNS Number is mandatory for all organizations required to register with the Federal government for contracts or grants.

“Fee-for-Service” means a Program for which the payments are made on the basis of a rate, unit cost or allowable cost incurred and are based on a statement or bill as required by DHS. (89 Ill. Adm. Code §509.15). Services provided on a Fee-for-Service basis are Medicaid-related.

“FFATA” means Federal Funding Accountability and Transparency Act of 2006 (P. L. 109-282).

“Fixed-Rate” means a Program for which the payments for non-Medicaid services are made on the basis of a rate, unit cost or allowable cost incurred and the payments are based on a statement or bill as required by DHS. Fixed-Rate payments are subject to all Federal administrative regulations and requirements, including, but not limited to, those set forth at OMB Circular A-102, OMB Circular A-100, OMB Circular A-133, and are subject to all applicable cost principles, including OMB Circular A-21, OMB Circular A-87 OMB Circular A-122 and 2 CFR Part 200, as applicable. Fixed-Rate services are non-Medicaid services. A Fixed-Rate agreement, in common terminology, is a non-Medicaid fee-for-service agreement. Fixed-Rate grants are exempt from cost principles but are subject to audit requirements set forth in the applicable OMB Circular.

“GAAP” means Generally Accepted Accounting Principles.

“Grant” means any assistance, whether financial or otherwise, furnished by DHS to a person or entity for obligation, expenditure, or use by Provider for a specific purpose(s) as authorized by law. This does not include advance payments made under the authority of Paragraph 9.05 of the State Finance Act, 30 ILCS 105/9.05.

“Indirect Costs” means those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective, *i.e.*, a particular Award, Program, service, or other direct activity of an organization. A cost may not be allocated to an award as an Indirect Cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a Direct Cost. Provider is responsible for presenting costs consistently and must not include costs associated with its Indirect Cost Rate as Direct Costs. The term “Indirect Costs” is synonymous with the term “Administrative Costs.” *See, e.g.*, U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-26.

“Indirect Cost Rate” means is a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, DHS will not reimburse those Indirect Costs unless Provider has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate. If Provider has a current, applicable rate negotiated by a cognizant Federal agency, Provider shall provide to DHS a copy of its Indirect Cost Rate proposal and the acceptance letter from the Federal government. If Provider does not have a current, applicable rate negotiated by a cognizant Federal agency, DHS shall be responsible for establishing an Indirect Cost Rate for Provider.

“Indirect Cost Rate Proposal” means the documentation prepared by Provider to substantiate its request for the establishment of an Indirect Cost Rate.

“Net Revenue” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Net Revenue” is synonymous with “Profit.”

“OMB” means the Executive Office of the President of the United States, Office of Management and Budget.

“OMB Circular” means instructions or information issued by the President’s Office of Management and Budget (“OMB”) to Federal agencies.

“Prior Approval” means written approval by an authorized member of DHS management evidencing prior consent.

“Profit” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Profit” is synonymous with “Net Revenue.”

“Program” means the services to be provided pursuant to this Agreement.

“Program Costs” means all Allowable Costs incurred by Provider and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

“Program Income” means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the Award. Interest earned on advances of Federal funds under this Agreement is not Program Income.

“Related Parties” has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-50.

“State” means the State of Illinois.

“Term” has the meaning set forth in Paragraph 1.3.

“Unallowable Costs” means expenses which, pursuant to DHS rules or policies or Federal regulations, are not reimbursable from DHS funds, unless Prior Approval is received from DHS. Specific Unallowable Costs are set forth in 89 Ill. Adm. Code §509.20(b).

ARTICLE IV PAYMENT

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. DHS may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Department by the State or the Federal funding source, (ii) the Governor or DHS reserves funds, or (iii) the Governor or DHS determines that funds will not or may not be available for payment. DHS shall provide notice, in writing, to Provider of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2. Illinois Grant Funds Recovery Act. If the funds awarded are subject to the provisions of the Illinois Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*), any funds remaining at the end of the Agreement period which are not expended or legally obligated by Provider shall be returned to DHS within forty-five (45) days after the expiration of this Agreement. The provisions of 89 Ill. Adm. Code §511 shall apply to any funds awarded that are subject to the Illinois Grant Funds Recovery Act.

4.3. Cash Management Improvement Act of 1990. If applicable, Federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 U.S.C. §6501 *et seq.*) and any other applicable Federal laws or regulations. Programs to which this applies will be listed in the applicable Program Manual and on DHS' website.

4.4. Payments to Third Parties. Provider agrees to hold harmless DHS when DHS acts in good faith to redirect all or a portion of any Provider payment to a third party. DHS will be deemed to have acted in good faith if it is in possession of information that indicates Provider authorized DHS to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.5. Modifications to Estimated Amount. The Agreement amount is established on an estimated basis and may be increased at any time during the term. DHS may decrease the estimated amount of this Agreement at any time during the term if (i) DHS believes Provider will not use the funds during the term, (ii) DHS believes Provider has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Department by the State or the Federal funding source, (iv) the Governor or DHS reserves funds, or (v) the Governor or DHS determines that funds will or may not be available for payment. Provider will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Provider under Exhibit A may be reduced accordingly. Provider shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment.

4.6. Interest.

(a) This Paragraph 4.6 does not apply to Fee-for-Service payments or to providers who are not subject to the terms of the Cash Management Improvement Act (31 U.S.C. §6501 *et seq.*).

(b) Federal pass-through grant funds disbursed under this Agreement and held for over five (5) days by Provider shall be placed, when possible, in an interest-bearing account. All interest earned shall be considered grant funds and are subject to the same restrictions. A Provider, which receives such funds, is subject to the requirements of the Cash Management Improvement Act (31 CFR 205 Subpart B)

and shall meet all record-keeping requirements. If Provider does not comply with these requirements, Provider will be subject to the interest penalties described in Subpart A of the Cash Management Improvement Act. Any exceptions to this requirement must be approved, in writing, by DHS.

(c) The provisions of the Illinois Grant Funds Recovery Act, 30 ILCS 705/1 *et seq.*, shall apply to any grant funds, except Fixed Rate, received by Provider under this Agreement. The period of time during which grant funds may be expended by Provider is the Term of this Agreement as set forth in Paragraph 1.3.

4.7. Timely Billing Required. This Paragraph 4.7 does not apply to Fee-for-Service payments. For all non-recurring Federal funding, such as one-time grants and ARRA funding, Provider must submit any bills to DHS within thirty (30) days of the end of the quarter. Failure to submit such bills within thirty (30) days will render the amounts billed an unallowable cost which DHS cannot reimburse. In the event that Provider is unable, for good cause, to submit its bills within thirty (30) days of the end of the quarter, Provider shall so notify DHS within that thirty (30) day period and may request an extension of time to submit the bills. DHS' approval of Provider's request for an extension shall not be unreasonably withheld.

4.8. Certification. Each invoice submitted by Provider must contain the following certification:

Provider certifies that the amounts shown on this invoice (1) are true and correct, (2) have not been falsified, inflated or otherwise improperly represented, (3) have been used only for the purposes set forth in the Community Services Agreement between Provider and DHS, (4) are allowable in accordance with State and Federal laws and regulations, and (5) have not been submitted for payment to any other State agency or entity.

ARTICLE V SCOPE OF SERVICES/PURPOSE OF GRANT

5.1. Services to be Provided/Purpose of Grant. Provider will provide the services as described in the applicable Program Manual and Exhibits, including **Exhibit A** (Scope of Services) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. All programmatic reporting required under this Agreement is described in the attached Exhibits and applicable Program Manual.

5.2. Special Provisions. None.

ARTICLE VI BUDGET

6.1. Exemptions. Fee-for-Service payments are exempt from the Budget provisions of this ARTICLE VI. Unless notified in the Exhibits or the Program Attachment to this Agreement, Fixed-Rate payments are exempt from the Budget provisions of this ARTICLE VI.

6.2. Submission of Proposed Budget. Within thirty (30) days of execution of this Agreement, Provider must submit to DHS, via DHS' Community Services Agreement (CSA) Tracking System portal, available on the Internet at <https://grants.dhs.illinois.gov/gpsecure/gtp>, a detailed Budget prepared in accordance with the template provided by DHS.

6.3. Payment Contingency. Payment to Provider is contingent upon DHS' receipt and approval of Provider's proposed Budget. Provider will be paid for reasonable services provided prior to DHS' approval of Provider's Budget.

6.4. Budget Approval. A decision indicating approval or disapproval of the proposed Budget shall be made by DHS within sixty (60) business days after submission by Provider. The CSA Tracking System portal shall provide access to the status, including acceptance, of any approved Budget.

6.5. Preparation of Budget. Provider's Budget must be prepared in accordance with the template provided by DHS, which follows and adheres to all applicable Federal guidelines. DHS' policy requires that all Providers follow Federal regulations for Federal funding as set forth in Paragraph 7.11.

6.6. Budget Revisions. The Budget is a schedule of anticipated grant expenditures that is approved by DHS for carrying out the purposes of the Grant. When Provider or third parties support a portion of expenses associated with the Award, the Budget includes the non-Federal as well as the Federal share of grant expenses. Provider shall obtain Prior Approval from DHS whenever a Budget revision is necessary because of:

- (a) the transfer to a third party (by subgranting, contracting or other means) of any work under the Grant;
- (b) the transfer of funds from other Budget detail line items greater than ten percent (10%) of the line item; or
- (c) changes in the scope of services or objectives of the Grant.

6.7. Revision Approvals. All requests for Budget revisions shall be signed by Provider's grant administrator and submitted to DHS' Office of Contract Administration for approval by DHS management.

6.8. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, DHS will review the request and notify Provider whether or not the Budget revision has been approved.

ARTICLE VII ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under Grants, Fee-for-Service and Fixed-Rate shall be determined in accordance with the applicable Federal cost principles and the terms and conditions of the award. However, DHS delegates to Provider the authority to approve costs that the applicable cost principles state are allowable only with the prior approval of the funding agency, unless specifically prohibited by other articles in these general provisions, or by the terms and conditions of the Award. Examples of such costs are foreign travel; equipment purchases; and publication and printing costs. This delegation does not relieve Provider of the responsibility to document that such charges are reasonable, necessary and allocable to the Program.

7.2. Indirect Cost Rate Proposal Submission.

- (a) This Paragraph 7.2 applies only to:
 - (i) Providers who charge, or expect to charge, any indirect costs; and
 - (ii) Providers who are allowed to charge indirect costs under federal or state

statutes, state administrative rules, and agency or program rules, regulations and policies.

(b) Providers who receive \$250,000 or more in funding from the State of Illinois, including all Departments or Agencies thereof, and whether state or federal funds, must submit an Indirect Cost Rate Proposal in accordance with federal regulations for approval no later than 60 days after their submission of audited financial statements, in a format prescribed by DHS (for example, if audited financial statements are submitted August 2016, then the Indirect Cost Rate Proposal must be submitted in October 2016).

(c) Providers who have had an Indirect Cost Rate Proposal approved by a cognizant Federal agency must submit an Indirect Cost Rate Proposal, but DHS will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. See U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-43; OMB Circular A-122, 2 CFR Part 230, Appendix A at A.4.b, 2 CFR Part 200.

7.4. OMB Circular A-21. The Federal cost principles that apply to public and private institutions of higher education are set forth in OMB Circular A-21 (relocated to 2 CFR Part 220), unless notified in an Exhibit or Attachment hereto (see Paragraph 2.6 hereof).

7.5. OMB Circular A-122. The Federal cost principles that apply to nonprofit organizations that are not institutions of higher education are set forth in OMB Circular A-122 (relocated to 2 CFR Part 230), unless notified in an Exhibit or Attachment hereto (see Paragraph 2.6 hereof).

7.6. OMB Circular A-87. The Federal cost principles that apply to State, local and Federally-recognized Indian tribal governments are set forth in OMB Circular A-87 (relocated to 2 CFR Part 225), unless notified in an Exhibit or Attachment hereto (see Paragraph 2.6 hereof).

7.7. 48 CFR Part 31. The Federal cost principles and procedures for cost analysis and the determination, negotiation and allowance of costs that apply to commercial organizations are set forth in 48 CFR Part 31.

7.8. Changes in Scope of Services. Any Program that is carried out must be consistent with the scope of services. No changes may be made to the scope of services without Prior Approval from DHS. All requests for a change in the scope of services shall be signed by Provider's grant administrator and submitted to DHS' Office of Contract Administration for approval by DHS management.

7.9. Changes in Key Grant Personnel. When it is specifically required as a condition of a Grant, the replacement of the Program director or the co-director or a substantial reduction in the level of their effort, *e.g.*, their unanticipated absence for more than three (3) months, or a twenty-five percent (25%) reduction in the time devoted to the Program, requires Prior Approval from DHS. When it is specifically required as a condition of a Grant, Prior Approval will be required for the replacement or the substantial reduction in the level of effort of other personnel whose work is deemed by DHS to be critical to the Program's successful completion. All requests for approval of changes in key Program personnel shall be signed by Provider's grant administrator and submitted to the appropriate DHS program officer. Evidence of the qualifications for replacement personnel (such as a *résumé*) shall be included.

7.10. Financial Management Standards. The financial management systems of Provider must meet the

following standards:

(a) **Accounting System.** Provider organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each State- and Federally-sponsored Program. Accounting records must contain information pertaining to State and Federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other grant funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the grant and general ledger accounts which are to be charged or credited.

(1) The documentation required for salary charges to grants is prescribed by the cost principles applicable to the entity's organization (see Title XX Social Services).

(2) For Providers subject to OMB Circular A-21 (educational institutions), documentation for salary charges shall either (i) use a payroll distribution based on one of the three methods listed in Section J(10)(c) of OMB Circular A-21 or, alternatively, (ii) with DHS Prior Approval, use a payroll distribution that meets the criteria specified in Section J(10)(b)(2) of OMB Circular A-21.

(3) For Providers subject to OMB Circular A-122 (nonprofit organizations), documentation for all salary charges shall be based on a system of personnel activity reports.

(4) For Providers subject to OMB Circular A-87 (State and local governments), documentation for salary charges shall be based on a system of personnel activity reports unless an employee is working solely on a single Federal award. In such case, the charge for salary will be supported by a certification signed by the employee or the employee's supervisor.

(5) Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(6) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Provider.

(7) If third party in-kind (non-cash) contributions are used on a Program, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Provider must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Provider must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement.

(d) **Budget Control.** Records of expenditures must be maintained for each Grant Program by the cost categories of the approved Budget (including indirect costs that are charged to the Program), and actual expenditures are to be compared with Budgeted amounts no less frequently than quarterly.

(e) **Cash Management.** Provider must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant funds to avoid having excess Federal funds on hand. Requests for advance payment shall be limited to Provider's immediate cash needs and are not to exceed anticipated expenditures for a three- (3) to five- (5) day period.

7.11. **Federal Requirements.** State Grants and State funds are subject to Federal requirements and regulations, including but not limited to the applicable OMB Circulars and financial management standards, unless an exemption has been granted and is cited in Paragraph 5.2 of this Agreement.

7.12. **Profits.** It is not permitted for any person or entity to earn a Profit from a Grant, including Fixed Rate Grants. *See, e.g.,* U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-29; 45 CFR §92.22; 2 CFR §200.400(g).

7.13. **Management of Program Income.** Federal rules govern Program Income for federally-funded Grants (2 CFR §215.24). State-funded Grants shall comply with those same requirements.

ARTICLE VIII ADMINISTRATIVE REQUIREMENTS

8.1. **Administrative Requirements.** Unless notified in an Exhibit or Attachment hereto (see Paragraph 2.6 hereof), Provider must meet the following administrative requirements with respect to Federal pass-through Grants:

(a) **OMB Circular A-110.** The uniform administrative requirements for Grants and other agreements with institutions of higher education, hospitals and other non-profit organizations are set forth in OMB Circular A-110 (relocated to 2 CFR Part 215).

(b) **OMB Circular A-102.** The uniform administrative requirements for the management of grants and cooperative agreements with State, local and Federally-recognized Indian tribal governments are set forth in OMB Circular A-102.

(c) **Equipment.** Provider must comply with the uniform standards set forth in 2 CFR §§215.31–215.37 governing the management and disposition of property furnished by the Federal government whose cost was charged to a Program supported by a Federal Award. Any waiver from such compliance must be granted by the President's Office of Management and Budget and must be set forth in Paragraph 5.2 of this Agreement.

(d) **Procurement Standards.** Provider must comply with the standards set forth in 2 CFR §§215.40-215.48 for use by recipients in establishing procedures for the procurement of supplies and

other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal and State statutes and executive orders.

8.2. Audits. Provider must meet the following audit requirements with respect to Federal pass-through grants:

(a) Institutions of higher education and other non-profit organizations (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. §§7501-7507) and revised OMB Circular A-133 (“Audits of States, Local Governments and Non-Profit Organizations”).

(b) State and local governments shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. §§7501-7507) and revised OMB Circular A-133 (“Audits of States, Local Governments and Non-Profit Organizations”).

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A-133 shall be subject to the audit requirements of the Federal awarding agency.

(d) Commercial organizations shall be subject to the audit requirements of the Federal awarding agency or the prime recipient as incorporated in the award document.

ARTICLE IX REQUIRED CERTIFICATIONS

9.1. Certifications. Provider shall be responsible for compliance with the enumerated certifications to the extent that the certifications legally apply to Provider.

(a) **Bribery**. Provider certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging**. Provider certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Educational Loan**. Provider certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(d) **International Boycott**. Provider certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 U.S.C. Appx. 2401 *et seq.* or the regulations of the U.S Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(e) **Dues and Fees**. Provider certifies that it is not prohibited from selling goods or services to the State of Illinois because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1, 25/2).

(f) **Drug-Free Work Place.** If Provider is not an individual, Provider certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Provider is an individual and this Agreement is valued at more than \$5,000, Provider certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Provider further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 U.S.C. §8102.

(g) **Motor Voter Law.** Provider certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (42 U.S.C. §1973gg *et seq.*).

(h) **Clean Air Act and Clean Water Act.** Provider certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 U.S.C. §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 U.S.C. §1251 *et seq.*)

(i) **Debarment.** Provider certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any Federal department or agency (45 CFR Part 76).

(j) **Pro-Children Act.** Provider certifies that it is in compliance with the Pro-Children Act of 1994 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by Federal or State government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 U.S.C. §6081 *et seq.*).

(k) **Debt to State.** Provider certifies that neither it, nor its affiliate(s), is/are barred from being awarded a contract because Provider, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Provider, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Provider acknowledges DHS may declare the contract void if the certification is false (30 ILCS 500/50-11).

(l) **Grant for the Construction of Fixed Works.** Provider certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Provider shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the contract and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(m) **Health Insurance Portability and Accountability Act.** Provider certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 U.S.C. §§1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Provider shall maintain, for a minimum of six (6) years, all protected health information.

(n) **Sarbanes-Oxley Act.** Provider certifies that neither it nor any officer, director, partner or other managerial agent of Provider has been convicted of a felony under the Sarbanes-Oxley Act of 2002,

nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Provider further certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-10.5, and acknowledges that DHS shall declare the contract void if this certification is false (30 ILCS 500/50-10.5).

(o) **Forced Labor Act.** Provider certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (PA 93-0307).

(p) **Illinois Use Tax.** Provider certifies in accordance with 30 ILCS 500/50-12 that it is not barred from being awarded a contract under this Paragraph. Provider acknowledges that this Agreement may be declared void if this certification is false.

(q) **Environmental Protection Act Violations.** Provider certifies in accordance with 30 ILCS 500/50-14 that it is not barred from being awarded a contract under this Paragraph. Provider acknowledges that this Agreement may be declared void if this certification is false.

(r) **Goods from Child Labor Act.** Provider certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (PA 94-0264).

(s) **Abuse of Adults with Disabilities Intervention Act.** Provider certifies that it is in compliance with the Abuse of Adults with Disabilities Intervention Act to protect people with disabilities who are abused, neglected or financially exploited and who, because of their disability, cannot seek assistance on their own behalf. Anyone who believes a person with a disability living in a domestic setting is being abused, neglected or financially exploited must file a complaint with the Office of Inspector General, Department of Human Services. Provider has an obligation to report suspected fraud or irregularities committed by individuals or other entities with whom it interacts on DHS' behalf and should make a report to the appropriate program office (20 ILCS 2435/1 *et seq.*).

(t) **Procurement Lobbying.** Provider warrants and certifies that it and, to the best of its knowledge, its subcontractors have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Providers and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

(u) **Restrictions on Lobbying.** Provider certifies that it is in compliance with the restrictions on lobbying set forth in 45 CFR Part 93.

(v) **Business Entity Registration.** Provider certifies that it is not required to register as a business entity with the State Board of Elections pursuant to the Procurement Code (30 ILCS 500/20-160 and 30 ILCS 500/50-37). Further, Provider acknowledges that all contracts between State agencies and a business entity that do not comply with this Paragraph shall be voidable under Section 50-60 of the Procurement Code (30 ILCS 500/50-60).

(w) **Non-procurement Debarment and Suspension.** Provider certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(x) **Grant Award Requirements.** Provider certifies that it is in compliance with 45 CFR Part 74 or 45 CFR Part 94.

(y) **Federal Funding Accountability and Transparency Act of 2006.** Provider certifies that it is in compliance with the terms and requirements of P.L. 109-282.

(z) **American Recovery and Reinvestment Act of 2009.** Provider certifies, if applicable, that it is in compliance with the terms and requirements of P.L. 111-5 with respect to reporting fraud, waste and abuse to the Department of Health and Human Services' Fraud Unit. Contact information for reporting fraud, waste and abuse is located at <http://www.oig.hhs.gov/fraud/hotline/>. Provider shall also report such instances of misconduct to the Secretary of DHS with a copy to DHS' General Counsel and DHS' Chief Financial Officer at the following postal or electronic addresses (or successor):

To the Secretary:

401 South Clinton Street, Third Floor
Chicago, Illinois 60607
DHS.Secretary@illinois.gov

To the General Counsel:

100 West Randolph Street, Suite 6-400
Chicago, Illinois 60601
Gregory.Bassi@illinois.gov

To the Chief Financial Officer:

100 South Grand Avenue East
Springfield, Illinois 62762
Robert.Brock@illinois.gov

(aa) **Services, Debarment and Employment.** Provider hereby certifies that all services provided under this Agreement are explicitly identified and described herein. Services not identified in this Agreement are not authorized or chargeable to DHS, including, but not limited to, administrative costs or fiscal agent fees. Provider further acknowledges that DHS is subject to applicable Federal and State laws, rules and policies that are reasonable and necessary to deliver the goods and services as described in the scope of services and required deliverables. Those applicable laws, rules and policies govern the procurement of goods and services as well as the hiring of personnel who perform work or services in an office or position of employment with the State of Illinois. In accordance therewith, Provider hereby certifies, under penalty of applicable laws, that Provider will not provide services that are not specifically described in this Agreement. Provider further agrees that it is in good standing with the State of Illinois, has not been debarred or suspended from conducting business with the Federal government or primary recipients of Federal grants or contracts, and will not retain any individual(s) as staff on behalf of DHS in contravention of State rules and practices governing the hiring of State employees.

**ARTICLE X
BACKGROUND CHECKS**

10.1. Employee and Subcontractor Background Checks. Provider certifies that neither Provider, nor any employee or subcontractor who works on DHS' premises, has a felony conviction. Any request for an exception to this rule must be made in writing, listing the name of the individual, home address, type of conviction and date of conviction. Provider will also supply DHS with a list of individuals assigned to work on DHS' premises at least ten (10) working days prior to the start of their employment, unless circumstances prevent Provider from giving a list within that time. If Provider cannot provide a list, or the name of an individual, at least ten (10) working days prior to his/her employment, it shall do so as soon as possible. DHS may conduct, at its expense, criminal background checks on Provider's employees and subcontractors assigned to work on DHS' premises. Provider agrees to indemnify and hold harmless DHS and its employees for any liability accruing from said background checks.

**ARTICLE XI
UNLAWFUL DISCRIMINATION**

11.1. Compliance with Nondiscrimination Laws. Provider, its employees and subcontractors under subcontract made pursuant to this Agreement, shall comply with all applicable provisions of State and Federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

- (a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Adm. Code Part 750, which is incorporated herein;
- (b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);
- (c) The United States Civil Rights Act of 1964 (as amended) (42 U.S.C. §§2000a- 2000h-6). (*See also* guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);
- (d) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794);
- (e) The Americans with Disabilities Act of 1990 (42 U.S.C. §12101 *et seq.*);
- (f) Executive Orders 11246 and 11375 (Equal Employment Opportunity) and Executive Order 13166 (2000) (Improving Access to Services for Persons with Limited English Proficiency); and
- (g) Charitable Choice: In accordance with P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

**ARTICLE XII
LOBBYING**

12.1. Improper Influence. Provider certifies that no Federally-appropriated funds have been paid or will be paid by or on behalf of Provider to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal agreement, the making of any Federal grant, the

making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any Federal agreement, grant, loan or cooperative agreement.

12.2. Federal Form LLL. If any funds, other than Federally-appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

12.3. Lobbying Costs. If there are any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

12.4. Subawards. Provider must include the language of this ARTICLE XII in the award documents for any subawards made pursuant to this Award. All subawardees are also subject to certification and disclosure.

12.5. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 U.S.C. §1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

ARTICLE XIII CONFIDENTIALITY

13.1. Compliance with Law. Provider shall comply with applicable State and Federal statutes, Federal regulations and DHS administrative rules regarding confidential records or other information obtained by Provider concerning persons served under this Agreement. The records and information shall be protected by Provider from unauthorized disclosure.

ARTICLE XIV INDEMNIFICATION AND LIABILITY

14.1. Indemnification. Provider agrees to hold harmless DHS against any and all liability, loss, damage, cost or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Provider, with the exception of acts performed in conformance with an explicit, written directive of DHS.

14.2. Liability. Neither Party assumes liability for actions of the other Party under this Agreement including, but not limited to, the negligent acts and omissions of either Party's agents, employees or subcontractors in the performance of their duties as described under this Agreement.

ARTICLE XV MAINTENANCE AND ACCESSIBILITY OF RECORDS

15.1. Records Retention. Provider shall maintain for a minimum of five (5) years from the later of the date of final payment under this Agreement, or the expiration of this Agreement, adequate books, records and supporting documents to comply with 89 Ill. Adm. Code §509, unless a longer retention period is required by a Program Attachment to this Agreement. If an audit, litigation or other action involving the records is begun before the end of the five-year period, the records shall be retained until all issues arising out of the action are resolved.

15.2. Accessibility of Records. Provider shall make books, records, related papers and supporting documentation relevant to this Agreement available to authorized DHS representatives, the Illinois Auditor

General, Illinois Attorney General, Federal authorities and any other person as may be authorized by DHS (including auditors) or by the State of Illinois or Federal statute. Provider shall cooperate fully in any such audit.

15.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in the preceding provision, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

ARTICLE XVI RIGHT OF AUDIT AND MONITORING

16.1. Monitoring of Conduct. DHS shall monitor Provider's conduct under this Agreement which may include, but shall not be limited to, reviewing records of Program performance in accordance with administrative rules, license status review, fiscal and audit review, Agreement compliance and compliance with the affirmative action requirements of this Agreement. DHS shall have the authority to conduct announced and unannounced monitoring visits and Provider shall cooperate with DHS in connection with all such monitoring visits. Failure of Provider to cooperate with DHS in connection with announced and unannounced monitoring visits is grounds for DHS' termination of this Agreement.

16.2. Requests for Information. DHS may request, and Provider shall supply, upon request, necessary information and documentation regarding transactions constituting contractual (whether a written contract is in existence or not) or other relationships, paid for with funds received hereunder. Documentation may include, but is not limited to, information regarding Provider's contractual agreements, identity of employees, shareholders and directors of Provider and any party providing services which will or may be paid for with funds received hereunder, including, but not limited to, management and consulting services rendered to Provider.

16.3. Rights of Review. This ARTICLE XVI does not give DHS the right to review a license that is not directly related to the Program being audited nor does it allow DHS to unilaterally revoke a license without complying with all due process rights to which Provider is entitled under Federal, State or local law or applicable rules promulgated by DHS.

ARTICLE XVII FINANCIAL REPORTING REQUIREMENTS

17.1. Quarterly Reports.

(a) This Paragraph 17.1 does not apply to Fee-for-Service payments. Unless notified in the Exhibits or the Program Attachment to this Agreement, Fixed-Rate payments are exempt from this Paragraph 17.1.

(b) Provider agrees to submit financial reports as requested and in the format required by DHS. If Provider receives funding in excess of \$25,000, Provider shall file with DHS quarterly reports describing the expenditure(s) of the funds related thereto. Quarterly reports must be submitted no later than November 1, February 1, May 1 and August 1. Additional information regarding required financial reports is set forth in the applicable Program Manual. Failure to submit such quarterly reports may cause a delay or suspension of funding (30 ILCS 705/1 *et seq.*).

17.2. Close-out Reports.

(a) Fee-for-Service payments are exempt from this Paragraph 17.2.

(b) Provider shall submit annual close-out reports within sixty (60) calendar days following the end of the State fiscal year or longer if specified in the program plan or rules. In the event that this Agreement is terminated prior to the end of the State fiscal year, Provider shall submit a close-out report within sixty (60) calendar days of such termination. The format of this close-out report shall follow a format prescribed by DHS.

(c) If an audit of Provider occurs and results in adjustments after Provider submits a close-out report, Provider will submit a new close-out report based on audit adjustments

17.3. Audited Financial Statements.

(a) This Paragraph 17.3 applies only to Providers who receive \$150,000 or more in funding from the State of Illinois, including all Departments or Agencies thereof, and whether state or federal funds.

(b) Providers not subject to OMB Circular A-133 shall provide audited financial statements, conducted in accordance with Government Auditing Standards, within 180 days after Provider's fiscal year ending on or after June 30, 2016.

(c) Providers subject to OMB Circular A-133 shall submit audited financial statements within 180 days after Provider's fiscal year ending on or after June 30, 2016.

(d) These deadlines may be extended at the discretion of the DHS' Chief Financial Officer.

17.4. Consolidated Financial Reports.

(a) This Paragraph 17.4 applies to all Providers, unless exempted by program rules, regulations or policies.

(b) Providers shall submit Consolidated Financial Reports within 180 days after the Provider's fiscal year ending on or after June 30, 2016. This deadline may be extended at the discretion of the DHS' Chief Financial Officer.

(c) The Consolidated Financial Report must cover the same period as the Audited Financial Statements cover.

(d) Consolidated Financial Reports must include an opinion from the report issuer on the Cost and Revenue schedules included in the Consolidated Financial Report.

(e) Consolidated Financial Reports shall follow a format prescribed by DHS.

17.5. Compliance with Grant Requirements of Comptroller. All Grant agreements must comply with the requirements of the Illinois Office of the Comptroller applicable to grants including, but not limited to, Accounting Bulletin No. 161, issued on July 2, 2010.

17.6. Compliance with Federal Reporting Requirements. All Grant agreements funded in whole or in part with Federal funds must comply with all applicable Federal reporting requirements.

17.7. Notice. Provider shall immediately notify DHS of any event that may have a material impact on Provider's ability to perform this Agreement.

17.8. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs.

ARTICLE XVIII PERFORMANCE REPORTING REQUIREMENTS

18.1. Monthly and Quarterly Reports. Provider agrees to submit Performance Reports as requested and in the format required by DHS. Performance Measures listed in **Exhibit E** must be reported no less frequently than quarterly. Some Providers may be required to submit monthly Performance Reports; in such case, DHS shall notify Provider of same and said monthly reports shall be submitted by the 15th day of the month following the most recent month which is the subject of the report. Quarterly Performance Reports must be submitted no later than the 15th day of the month following the close of the quarter. Failure to submit such monthly or quarterly Performance Reports may cause a delay or suspension of funding. (30 ILCS 705/1 *et seq.*)

18.2. Close-out Performance Reports. Provider agrees to submit a Close-out Performance Report, as requested and in the format required by DHS, within ninety (90) calendar days following the end of the State fiscal year. In the event that this Agreement terminates prior to the end of the State fiscal year, Provider agrees to provide a Close-out Performance Report within ninety (90) days after the expiration or termination of this Agreement.

18.3. Content of Performance Reports. All Close-out Performance Reports must include qualitative and quantitative information on customer characteristics, program objectives, program activities, performance measures and outcomes, and evaluation efforts. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Close-Out Performance Report will be determined by DHS contingent on the Award's statutory, regulatory and/or administrative requirements.

18.4. Performance Standards. If applicable, Provider shall perform in accordance with the Performance Standards set forth in **Exhibit F**.

ARTICLE XIX AUDIT REQUIREMENTS

19.1. Submission of Audit Report. Provider shall annually submit an independent audit report and/or supplemental revenue and expense data to DHS as required by 89 Ill. Adm. Code §507 (Audit Requirements of DHS) to enable DHS to perform fiscal monitoring and to account for the usage of funds paid to Provider under this Agreement.

19.2. Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by a Certified Public Accountant or Certified Public Accounting Firm licensed in the State of Illinois. For audits required to be performed subject to Government Auditing Standards, Provider shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter.

19.3. Instructions. If Provider is subject to the audit requirements, DHS will send to Provider, by registered or certified mail, detailed instructions related to independent audit requirements, including provisions for requesting waivers, modifications and filing extensions, by May 31, 2016.

ARTICLE XX SERVICE PROVIDER DIRECTORY

20.1. Inclusion in Directory. Provider shall be listed in DHS' Service Provider Directory, an Internet-based directory of all providers with whom DHS has an agreement to provide services. Provider must provide the following information to DHS for inclusion in the Service Provider Directory:

- (a) The legal name of Provider;
- (b) Provider's business address;
- (c) Provider's business telephone number;
- (d) Provider's hours of operation;
- (e) The general category of services provided by Provider;
- (f) Areas served by Provider; and
- (g) Provider's service specialization, if any.

20.2. Multiple Locations. In the event that Provider has more than one location, Provider shall include either (1) the address, phone number and hours of operation of each location, or (2) the address, phone number and hours of operation of Provider's primary location.

20.3. Update Requirements. Provider must advise DHS immediately any time there is a change to any of the foregoing information so that the change may be reflected in the Service Provider Directory no later than the effective date of the change.

20.4. Submission of Information. The information requested in this ARTICLE XX must be submitted to DHS' Office of Contract Administration, 222 South College Avenue, Springfield, Illinois, 62704, within thirty (30) days after execution of this Agreement.

ARTICLE XXI INDEPENDENT CONTRACTOR

21.1. Independent Contractor. Provider is an independent contractor under this Agreement and neither Provider nor any employee or agent of Provider is an employee of DHS and do not acquire any employment rights with DHS or the State of Illinois by virtue of this Agreement. Provider will provide the agreed services and achieve the specified results free from the direction or control of DHS as to the means and methods of performance. Provider will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, DHS makes any such equipment and/or supplies available to Provider, Provider's use of such equipment or supplies provided by DHS pursuant to this Agreement shall be strictly limited to official DHS or State of Illinois business and not for any other purpose, including any personal benefit or gain.

**ARTICLE XXII
TERMINATION; SUSPENSION**

22.1. Termination. This Agreement may be terminated by either Party for any or no reason upon thirty (30) days' prior written notice to the other Party.

22.2. Breach. DHS may terminate this Agreement immediately upon written notice to Provider in the event Provider breaches this Agreement and either (i) fails to cure such breach within ten (10) days' written notice thereof, or (ii) if such cure would require longer than ten (10) days and the Provider has failed to commence such cure within ten (10) days' written notice thereof. In the event that DHS terminates this Agreement as a result of the breach of the Agreement by Provider, Provider shall be paid for work satisfactorily performed prior to the date of termination.

22.3. Suspension. If the Provider fails to comply with terms and/or conditions of this Agreement or any other state-issued Grant, DHS may suspend this Agreement, withhold further payment and prohibit Provider from incurring additional obligations pending corrective action by Provider or a decision to terminate this Agreement by DHS. DHS may determine to allow necessary and proper costs that Provider could not reasonably avoid during the period of suspension.

**ARTICLE XXIII
POST-TERMINATION/NON-RENEWAL**

23.1. Duties. Upon notice by DHS to Provider of the termination of this Agreement or notice that DHS will not renew, extend or exercise any options to extend the term of this Agreement, or that DHS will not be contracting with Provider beyond the term of this Agreement, Provider shall, upon demand:

(a) Cooperate with DHS in assuring the transition of recipients of services hereunder for whom Provider will no longer be providing the same or similar services or who choose to receive services through another provider.

(b) To the extent permitted by law, provide copies of all records related to recipient services funded by DHS under this Agreement.

(c) Grant reasonable access to DHS to any and all Program sites serving recipients hereunder to facilitate interviews of recipients to assure a choice process by which recipients may indicate provider preference.

(d) Provide detailed accounting of all service recipients' funds held in trust by Provider, as well as the identity of any recipients for whom Provider is acting as a representative payee of last resort.

23.2. Survival. The promises and covenants of this ARTICLE XXIII shall survive the Term of this Agreement for the purposes of the necessary transition of recipients of services hereunder.

**ARTICLE XXIV
SUBCONTRACTS**

24.1. Subcontracting/Delegation. Provider may not subcontract nor subgrant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of DHS.

(a) The requirement for Prior Approval is satisfied if the subcontractor or subgrantee has been identified in a DHS-approved grant application, such as, without limitation, a Program Plan or a Work Plan.

(b) In emergencies, Provider will request approval in writing within seven (7) days of the use of a subcontractor or subgrantee to fulfill any obligations of this Agreement. Approved subcontractors or subgrantees shall adhere to all provisions of this Agreement.

24.2. Application of Terms. Provider shall advise any subgrantee of funds awarded through this Agreement of the requirements imposed on them by Federal and State laws and regulations, and the provisions of this Agreement.

ARTICLE XXV INTERNET ACCESS

25.1. Access to Internet. Provider must have Internet access. Internet access may be either dial-up or high-speed/DSL. Provider must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from DHS. Provider may list additional e-mail addresses at contract execution. The additional addresses may be for a specific department/division of Provider or for specific employees of Provider. Provider may list additional e-mail points of contact in the same manner as listed above. Provider must notify DHS of any e-mail address changes within five (5) business days from the effective date of the change.

ARTICLE XXVI NOTICE OF CHANGE

26.1. Notice of Change. Provider shall give thirty (30) days' prior written notice to DHS if there is a change in Provider's legal status, Federal employer identification number (FEIN), DUNS number, or address. DHS reserves the right to take any and all appropriate action as a result of such change(s).

26.2. Failure to Provide Notification. Provider agrees to hold harmless DHS for any acts or omissions of DHS resulting from Provider's failure to notify DHS of these changes.

26.3. Circumstances Affecting Performance; Notice. In the event Provider becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Provider's ability to perform under this Agreement, Provider shall notify DHS, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Provider's ability to perform under this Agreement. Such notice must be sent to the Secretary of DHS with a copy to DHS' General Counsel and DHS' Chief Financial Officer at the following postal or electronic addresses (or successor):

To the Secretary:
401 South Clinton Street, Third Floor
Chicago, Illinois 60607
DHS.Secretary@illinois.gov

To the General Counsel:
100 West Randolph Street, Suite 6-400

Chicago, Illinois 60601
Gregory.Bassi@illinois.gov

To the Chief Financial Officer:
100 South Grand Avenue East
Springfield, Illinois 62762
Robert.Brock@illinois.gov

26.4. Effect of Failure to Provide Notice. Failure to provide the notice described in the preceding Paragraph shall be grounds for immediate termination of this Agreement.

ARTICLE XXVII ASSIGNMENT

27.1. Assignment Prohibited. Provider understands and agrees that this Agreement may not be sold, assigned, or transferred in any manner, to include an assignment of Provider's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer without the Prior Approval of DHS shall render this Agreement null, void, and of no further effect.

ARTICLE XXVIII MERGERS/ACQUISITIONS

28.1. Effect of Reorganization. Provider acknowledges that this Agreement is made by and between DHS and Provider, as Provider is currently organized and constituted. No promise or undertaking made hereunder is an assurance that DHS agrees to continue this Agreement, or any license related thereto, should Provider reorganize or otherwise substantially change the character of its corporate or other business structure. Provider agrees that it will give DHS prior notice of any such action and will provide any and all reasonable documentation necessary for DHS to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. Failure to comply with this ARTICLE XXVIII shall constitute a material breach of this Agreement.

ARTICLE XXIX CONTRACTS WITH OTHER STATE AGENCIES; OTHER REQUIRED DISCLOSURES

29.1. Disclosure. Provider shall fully disclose, in **Exhibit G**, all contracts and other agreements to which it is a party with any other State agency. For each contract or agreement, Provider shall indicate:

- (a) The name of the State agency;
- (b) The number of the contract(s) or other agreement(s);
- (c) The estimated amount of the contract(s) or other agreement(s);
- (d) The term of the contract(s) or other agreement(s); and
- (e) The nature or purpose of the contract(s) or other agreement(s).

Within thirty (30) days of execution of this Agreement, Provider shall submit **Exhibit G** to DHS' Office of Contract Administration, 222 South College Avenue, Springfield, Illinois, 62704, or via email at DHS.DHSOCA@illinois.gov.

Providers with multiple Agreements with DHS for the same fiscal year need to submit **Exhibit G** only once.

29.2. Copies upon Request. Provider shall, upon request by DHS, provide DHS with copies of contracts or other agreements to which Provider is a party with any other State agency.

29.3. Related Parties. Within 30 days of execution of this Agreement, Provider shall disclose all Related Parties.

29.4. Provider Board Membership. Within 30 days of execution of this Agreement, Provider shall submit its Board membership. In the event of changes to the membership of Provider's Board during the term of this Agreement, Provider shall timely notify DHS of such changes.

ARTICLE XXX CONFLICT OF INTEREST

30.1. Prohibited Payments. Provider agrees that payments made by DHS under this Agreement will not be used to compensate, directly or indirectly, any person: (1) currently holding an elective office in this State including, but not limited to, a seat in the General Assembly, or (2) employed by an office or agency of the State of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or \$106,447.20 (30 ILCS 500/50-13).

30.2. Request for Exemption. Provider may request written approval from DHS for an exemption from Paragraph 30.1. Provider acknowledges that DHS is under no obligation to provide such exemption and that DHS may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as DHS may require.

ARTICLE XXXI TRANSFER OF EQUIPMENT

31.1. Transfer of Equipment. DHS shall have the right to require that Provider transfer to DHS any equipment, including title thereto, purchased in whole with DHS funds. DHS shall notify Provider in writing should DHS require the transfer of such equipment. Upon such notification by DHS, and upon receipt or delivery of such equipment by DHS, Provider will be deemed to have transferred the equipment to DHS as if Provider had executed a bill of sale therefor.

31.2. Meaning of "Equipment". For purposes of this ARTICLE XXXI, equipment means any equipment used in the administration and/or operation of the Program having a useful life of two (2) years or more and an acquisition cost of at least \$500.

ARTICLE XXXII WORK PRODUCT

32.1. Definition of Work Product. "Work Product" means all the tangible materials, regardless of format, delivered by Provider to DHS under this Agreement. Provider assigns to DHS all right, title and interest in and to Work Product. However, nothing in this Agreement shall be interpreted to grant DHS any right, title or interest in Provider's intellectual property that has been or will later be developed outside the scope of services provided hereunder.

32.2. License to DHS. To the extent Provider-owned works are incorporated into Work Product,

Provider grants to DHS a perpetual, non-exclusive, paid-up, world-wide license in the use, reproduction, publication and distribution of such Provider-owned works when included within the Work Product. Provider shall not copyright Work Product without DHS' prior written consent.

32.3. License to Provider; Objections. DHS grants to Provider a perpetual, non-exclusive, paid-up license to publish academic and scholarly articles based upon the services rendered under this Agreement. All materials to be published shall first be submitted to DHS at least forty-five (45) days prior to publication or other disclosure. Upon written objection from DHS, Provider shall excise any confidential information, as that term is defined in applicable State and Federal statutes, federal regulations and DHS administrative rules, from materials before publication. DHS may also object to the publication on grounds other than confidentiality. As to the latter objections, Provider and DHS will attempt to resolve DHS' concerns within the forty-five (45) day review period, or as otherwise agreed between the Parties. DHS waives any objections not made to Provider in writing before expiration of the review period.

32.4. Unresolved Objections; Disclaimer. If DHS' objections on grounds other than confidentiality are not resolved within the review period or other such time as agreed by the Parties, then Provider may publish the materials but shall include therein the following disclaimer: "Although the research or services underlying this article were funded in whole or in part by the Illinois Department of Human Services, the Illinois Department of Human Services does not endorse or adopt the opinions or conclusions presented in the article." Notwithstanding the above, DHS shall not have the right to control or censor the contents of Provider publications.

ARTICLE XXXIII PROMOTIONAL MATERIALS; PRIOR NOTIFICATION

33.1. Publications, Announcements, etc. In the event that DHS funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Provider agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the Illinois Department of Human Services." Exceptions to this requirement must be requested, in writing, from DHS and will be considered authorized only upon written notice thereof to Provider.

33.2. Prior Notification/Release of Information. Provider agrees to notify DHS prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with DHS in joint or coordinated releases of information.

ARTICLE XXXIV INSURANCE

34.1. Purchase and Maintenance of Insurance. Provider shall purchase and maintain in full force and effect during the term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real and/or personal property purchased or otherwise acquired, in whole or in part, with funds disbursed pursuant to this Agreement.

34.2. Cost of Insurance. If, during the term of this Agreement, Provider's cost of property and casualty insurance increases by twenty-five percent (25%) or more, or if new State regulations impose additional costs on Provider, Provider may request that DHS review this Agreement and adjust the compensation or reimbursement provisions hereof in accordance with any agreement reached, all of which shall be at the sole discretion of DHS and subject to the limitations of DHS' appropriated funds.

34.3. Claims. If a claim is submitted for real and/or personal property purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to DHS.

ARTICLE XXXV LAWSUITS

35.1. Indemnification. Indemnification will be governed by the State Employee Indemnification Act (5 ILCS 350/1 *et seq.*) as interpreted by the Illinois Attorney General. DHS makes no representation that Provider, an independent contractor, will qualify or be eligible for indemnification under said Act.

ARTICLE XXXVI GIFTS AND INCENTIVES PROVISION

36.1. Gift Ban. Provider is prohibited from giving gifts to DHS employees (5 ILCS 430/10-10). Provider will provide DHS with advance notice of Provider's provision of gifts, excluding charitable donations, given as incentives to community-based organizations in Illinois and clients in Illinois to assist Provider in carrying out its responsibilities under this Agreement.

ARTICLE XXXVII EXHIBITS; ATTACHMENT AND PROGRAM MANUAL

37.1. Exhibits A through H. Exhibits A through H and any documents referenced therein are attached hereto and are incorporated herein in their entirety.

37.2. Attachment and Program Manual. The related Attachment and Program Manual are hereby incorporated into this Agreement and can be found via the following DHS website:
<http://www.dhs.state.il.us/page.aspx?item=29741>.

ARTICLE XXXVIII MISCELLANEOUS

38.1. Renewal. This Agreement may be renewed for additional periods by mutual consent of the Parties, expressed in writing and signed by the Parties. Provider acknowledges that this Agreement does not create any expectation of renewal.

38.2. Amendments. This Agreement may be modified or amended at any time during its term by mutual consent of the Parties, expressed in writing and signed by the Parties.

38.3. Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

38.4. No Waiver. No failure of DHS to assert any right or remedy hereunder will act as a waiver of its right to assert such right or remedy at a later time or constitute a course of business upon which Provider may rely for the purpose of denial of such a right or remedy to DHS.

38.5. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the State of Illinois. Any claim against DHS arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* DHS does not

waive sovereign immunity by entering into this Agreement.

38.6. Compliance with Law. This Agreement and Provider's obligations and services hereunder are hereby made and must be performed in compliance with all applicable Federal and State laws, including, without limitation, ARRA and its reporting requirements, Federal regulations, State administrative rules, including 89 Ill. Adm. Code §509, and any and all license and/or professional certification provisions.

38.7. Compliance with Freedom of Information Act. Upon request, Provider shall make available to DHS all documents in its possession that DHS deems necessary in order to comply with requests made under the Freedom of Information Act. 5 ILCS 140/7(2).

38.8. Cooperation with Office of the Executive Inspector General. In the event that Provider is contacted by the Office of the Executive Inspector General for the Agencies of the Illinois Governor, Provider shall cooperate fully with any request made by the Inspector General and his or her designee including, but not limited to, requests for documents and interviews.

38.9. Precedence. In the event there is a conflict between this Agreement and any of the exhibits hereto, this Agreement shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

38.10. Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

38.11. Entire Agreement. Provider and DHS understand and agree that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Provider or DHS.

38.12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

Agreement No. _____

EXHIBIT A
SCOPE OF SERVICES

Agreement No. _____

EXHIBIT B
DELIVERABLES

Agreement No._____

EXHIBIT C

PAYMENT

Provider shall receive an estimated total compensation of \$_____ for services under this Agreement.

Enter specific terms of payment here:

Estimated Annual Contract Amount: \$_____

NOTE: The estimated figures are merely an objective means of computing the contract amount and should not be construed as a guaranteed amount that will be spent on the contract during the fiscal year.

EXHIBIT D

CONTACT INFORMATION

CONTACT FOR NOTIFICATION:

All notices required or desired to be sent by either Party shall be sent to the persons listed below.

DHS CONTACT

PROVIDER CONTACT

Name: _____
Title: _____
Address: _____
Phone: _____
TTY#: _____
Fax#: _____
E-mail Address: _____

Name: _____
Title: _____
Address: _____
Phone: _____
TTY #: _____
Fax #: _____
E-mail Address: _____

Agreement No. _____

EXHIBIT E
PERFORMANCE MEASURES

Agreement No. _____

EXHIBIT F
PERFORMANCE STANDARDS

Agreement No. _____

EXHIBIT G

STATE AGENCY CONTRACTS

For each contract or other agreement to which Provider is a party with any other State agency, state:

1. The name of the State agency;
2. The number of the contract(s) or other agreement(s);
3. The estimated amount of the contract(s) or other agreement(s);
4. The term of the contract(s) or other agreement(s); and
5. The nature or purpose of the contract(s) or other agreement(s).

EXHIBIT H
LINGUISTIC AND CULTURAL COMPETENCY GUIDELINES AND ASSURANCE

These Linguistic and Cultural Competency Guidelines and Assurance (LCC Guidelines) are attached to the Community Services Agreement (Agreement) and incorporated into it. Throughout this attachment, DHS is referred to as the Agency.

SECTION I
INTRODUCTION

1.1. Introduction. The purpose of these LCC Guidelines is to improve access to culturally competent programs, services, and activities for Limited English Proficient (LEP) customers, persons who are hard of hearing or Deaf, and persons with low literacy (collectively, the Goal). LEP Customers, as used herein, includes LEP Customers, persons who are hard of hearing or Deaf, and persons with low literacy.

1.2. Linguistic and Cultural Competency Mandate: These LCC Guidelines were developed because the State of Illinois must comply with the Constitution of the United States, Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, Americans with Disabilities Act Amendments Act of 2008, Illinois Human Rights Act, the 1970 Constitution of the State of Illinois and any laws, regulations or orders, federal or state, which prohibit discrimination on the grounds of race, sex, color, religion, national origin, age, ancestry, marital status, disability, or the inability to speak or comprehend the English language.

SECTION II
KEY CONCEPTS

2.1. Cultural Competence. A set of behaviors, attitudes and policies in a system, agency or among professionals that affect cross-cultural work, evolving over time.

2.2. Individual Cultural Competence. Acquisition of the values, knowledge, skills and attributes that allows an individual to work appropriately in cross-cultural situations.

2.3. Organizational Cultural Competence. Systems and organizations approve, and in some cases mandate, the incorporation of cultural knowledge into policymaking, infrastructure and practice. An example of an LEP practice would include: requiring written material translated, adapted, and or provided in alternative formats based on needs and preferences of the populations served.

2.4. Language Access. Assuring language access means providing language assistance services, including bilingual personnel and interpreter services, at no cost to each LEP customer, at key points of contact, in a timely manner. Interpretation and translation services must comply with all relevant federal, state and local mandates governing language access. Consumers must engage in evaluation of language access and other communication to ensure quality and satisfaction. Importantly, Title VI of the Civil Rights Act of 1964 prohibits

discrimination on the basis of race, color or national origin including actions that *delay, deny, or provide different* quality services to a particular individual or group of individuals. See Civil Rights Act of 1964, Pub. L. 88–352, July 2, 1964, 78 Stat. 241, as amended.

2.5. Meaningful Access. Providers and their subcontractors, providing services subject to 7 CFR §272.4(b) are required to take reasonable steps to ensure meaningful access to their services and programs by LEP Customers. Compliance involves the balancing of four factors: 1) the number and proportion of eligible LEP Customers, 2) the frequency of contact with LEP Customers, 3) the importance or impact of the contact upon the lives of the person(s) served, and 4) the resources available to the organization. This four-factor analysis (LEP Assessment) may be applied to the different types of programs or activities the Provider provides to determine the level of language assistance measures sufficient to assure full compliance or to demonstrate reasonable efforts.

SECTION III PLAN

3.1. Plan Development. Providers are required to develop a plan (the LCC Plan) to meet the Goal, which must include a description of the customer base served by the Provider and an analysis of the four factors discussed in section 2.5, following the LCC Guidelines contained herein. Appendix A provides the plan elements with corresponding indicators of plan compliance. Appendix B provides a guide for drafting the LCC Plan.

3.2. Language Assistance Services. The LCC Plan should explain how the Provider will meet the needs of LEP Customers, either through direct assistance, use of private interpretation services or use of State-funded or other interpretation programs, via both short-term and long-term strategies. For example, a Provider may solicit, through all reasonable and available means, the services of a subcontractor to provide interpretation, translation or other services to assist the Provider in meeting the Goal.

3.3. Personnel Strategies. The LCC Plan should include a description of how the Provider will promote strategies to increase recruitment, hiring, retention, and promotion of personnel with bilingual and bicultural backgrounds representative of the target population served, such as establishing requirements for specific language skills in job descriptions and compensation for bilingual skills or American Sign Language skills.

3.4. Data-Driven Approach. Providers must incorporate data-driven rationale for the approach in its LCC Plan. Providers should collect customer data on race, ethnicity, and primary spoken language to ensure every effort is made to provide consumers with effective, understandable and respectful services provided in the consumers' preferred language and in a manner sensitive to cultural beliefs and practices. Providers should maintain current demographic and cultural profile of the community to plan for services that respond to the cultural and linguistic characteristics of the service area.

3.5. Additional Information. The LCC Plan should include any additional information that will aid the Agency in assessing the Provider's ability to provide access to services for LEP Customers.

3.6. Contract Inclusion. If applicable based on the Provider's customer base, the LCC Plan will include any executed agreements specifying the terms and conditions of the relationship between the Provider and any entity providing language access support to programs, services, and activities to meet the Goal.

3.7. Plan Submission. The Provider shall submit to the Agency its LCC Plan by June 30, 2016.

3.8. Plan Amendments. The Provider may amend the LCC Plan and provide written notice to the DHS of such amendment. The Provider must ensure that any amendments to the LCC Plan do not result in a reduction in access to programs, services, and activities for LEP Customers.

3.9. Plan Implementation. It is expected that once the initial LCC Plan has been submitted to the Agency, in subsequent years, the Provider will submit an annual report detailing progress toward implementation (LCC Plan Implementation Progress Report) at the time of contract execution, commonly July 1st. The LCC Plan Implementation Progress Report shall identify all goals met and describe any efforts made toward meeting additional goals still in progress.

SECTION IV RECORDS AND COMPLIANCE

4.1. Compliance. Compliance with the LCC Guidelines, as described herein, is an essential part of the Agreement.

4.2. Records. The Provider shall maintain a record of all relevant data with respect to the access of programs, services, and activities by LEP Customers for a period of at least five years after the completion of this Agreement. Complete access to these records, and data reasonably related to a representation by the Provider regarding these LCC Guidelines or the LCC Plan, shall be granted by the Provider upon 48 hours' written notice by the Agency.

4.3. Periodic Review. The Agency may periodically review the Provider's compliance with these LCC Guidelines, its LCC Plan and the terms of its contract. Without limitation, the Provider's failure to cooperate in providing information regarding its compliance with these LCC Guidelines or its LCC Plan, or the provision of false or misleading information or statements concerning compliance, customer base, good faith efforts, or any other material fact or representation shall constitute a material breach of this Agreement and entitle the Agency to declare a default, terminate the contract, or exercise those remedies provided for in the Agreement or at law or in equity.

APPENDIX A
LINGUISTIC AND CULTURAL COMPETENCE ELEMENTS AND INDICATORS

This table lists the LCC Guideline elements and the respective indicators, which demonstrate full compliance.

LINGUISTIC AND CULTURAL COMPETENCY ELEMENTS	INDICATORS
<p>1. Organizations should have a linguistic and cultural competence plan for the funded program(s) or for the organization as a whole that includes clear goals, outcomes, policies and procedures related to the provision of culturally and linguistically appropriate services.</p>	<p>1. The LCC Plan addresses in a meaningful way the guidelines in this document and is consistent with the organization’s mission. 2. The LCC Plan has defined short-term and long-term goals and outcomes that improve services to LEP Customers, persons who are hard of hearing or Deaf, and persons with low literacy. 3. The LCC Plan identifies a staff member responsible for overseeing its implementation.</p>
<p>2. Organizations should implement strategies to recruit, retain, and promote at all levels, diverse staff and leadership that are representative of the service area’s population characteristics. Regular staff training should be incorporated as a key element to strengthen cultural competency.</p>	<p>1. The LCC Plan demonstrated hiring, retention and promotion of staff of racial and ethnic backgrounds representative of target population served. 2. The LCC Plan notes that personnel at different levels receive ongoing education and training in culturally and linguistically service delivery. 3. The LCC Plan establishes requirements for specific language skills in job descriptions and remuneration for language skills.</p>
<p>3. Organizations should provide hearing impaired and language assistance services, including bilingual personnel and interpreter services, at no cost to each LEP Customer, or those who are hard of hearing or Deaf, at key points of contact, in a timely manner that facilitates maximum access to services.</p>	<p>1. The LCC Plan includes evidence that appropriate interpretation services are provided to the LEP Customers in a timely manner. 2. The LCC Plan includes an assessment of personnel and interpreters’ ability to effectively communicate in a language other than English or to provide American Sign Language in their specific field of service. 3. The LCC Plan notes that family, friends, or other unlicensed or untested individuals are not used to provide interpretation services.</p>
<p>4. Organizations should provide to consumers in their preferred language both verbal and written notices of their right to receive language assistance services that are culturally appropriate.</p>	<p>1. The LCC Plan notes that easily understood consumer-related materials and visible notices are posted in languages of commonly encountered groups represented in the service area. 2. The LCC Plan notes that pertinent written, oral, and symbolic consumer materials, including consent forms, statement of rights forms, posters, signs, and audio tape recordings, are available in the language of the consumer, including Braille, and available at all key points of access. 3. The LCC Plan puts quality assurance measures in place to verify accuracy of translated documents.</p>
<p>5. Organizations should collect customer data to ensure that every effort is made to provide consumers with effective, understandable and respectful services, provided in the consumer’s preferred language and in a manner sensitive to cultural beliefs and practices.</p>	<p>1. The LCC Plan is data driven, based on analysis of verifiable service and demographic data, including the consumers’ self-identified primary spoken language, race, ethnicity, need for language assistance and how language assistance was provided (<i>e.g.</i> on-site interpreter, telephone interpreter, preferred interpreter or brought own interpreter). 2. The LCC Plan uses the data to assess new and emerging community and population needs. 3. The LCC Plan notes that the organization tracks consumer satisfaction with language access services and with sensitivity to consumer culture.</p>

APPENDIX B DRAFTING AN LCC PLAN

Providers must submit an LCC Plan to serve LEP Customers as described above. Providers should include any additional information that will add clarity to the Provider's proposed LCC Plan to provide access to services for LEP Customers

The following is a guide for drafting the LCC Plan submission:

1. Identifying the LEP Customers Who May Need Assistance. Describe the number or proportion of LEP Customers eligible to be served or encountered. Use the four factor analysis to provide an assessment of need and required effort, *i.e.* include the LEP Assessment. As described in section 2.5, the four factors are: 1) the number and proportion of eligible LEP Customers, 2) the frequency of contact with LEP Customers, 3) the importance or impact of the contact upon the lives of the person(s) served, and 4) the resources available to the organization.
2. Organizational or Program LCC Plan. Provide a general description of the linguistic and cultural competence plan for the funded program(s) or for the organization as a whole that includes clear goals, outcomes, policies and procedures related to the provision of culturally and linguistically appropriate services.
3. Diverse Personnel and LCC Training. Describe the strategies used to recruit, retain and promote at all levels, diverse personnel and leadership that are representative of the demographic characteristics of the service area. Provide a list of personnel positions that receive ongoing education and training in culturally and linguistically appropriate service delivery.
4. Language Assistance Measures. Describe any language assistance services, such as bilingual personnel and interpreter services, cost of services, point of accessing the services, and how the services are delivered. Describe efforts and solicitations to secure the services of a Provider to provide interpretation or translation services, or other services (e.g. LCC Provider) that will assist the Provider in meeting the Goal. Describe the use of services from available minority community organizations; minority business groups; local, state, and federal minority business offices; and other organizations that provide assistance in meeting the Goal.
5. Providing Notice to the LEP Customers. Describe practices established to ensure consumers receive both verbal and written notices, in their preferred language, of their right to receive language assistance or American Sign Language services. List any consumer-related materials and signage that are in languages of commonly encountered groups represented in the service area, including the languages in which the materials are available.
6. Quality Assurance. Describe the procedures that ensure that consumers receive effective, understandable and respectful services, provided in the consumer's preferred language and in a manner sensitive to cultural beliefs and practices including a description of data collection procedures.

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