

Grant Termination and Non-Renewal Policy

I. PURPOSE

The Illinois State Board of Education (ISBE) has an obligation as a state grantmaking agency to ensure that grantees are accountable and compliant with federal and state regulations and the terms and conditions of grant agreements.

II. SCOPE

This policy applies to all grantees and subgrantees of ISBE and all federal and state grants under the authority of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) and the Illinois Grant Accountability and Transparency Act (GATA). (30 ILCS 708/). This policy is not meant to override any requirements under federal and state law and administrative rules.

III. POLICY

A. Remedies for noncompliance

ISBE may impose additional conditions, including, but not limited to, suspension and the conditions listed under 2 CFR 200.208 (Specific conditions) if a grantee fails to comply with federal or state statutes, regulations, or the terms and conditions of an award. If ISBE determines that noncompliance cannot be remedied by imposing additional conditions, ISBE may take one or more of the following actions, as appropriate in the circumstances per 2 CFR 200.339 (Remedies for noncompliance):

1. Temporarily withhold cash payments pending correction of the deficiency by the nonfederal entity or more severe enforcement action by the federal awarding agency or passthrough entity.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
3. Wholly or partly suspend or terminate the federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a federal awarding agency).
5. Withhold further awards for the project or program.

6. Take other remedies that may be legally available, including Stop Pay as authorized under Section 105 of the Illinois Grant Accountability and Transparency Act (30 ILCS 708/105).

B. Termination

1. The award may be terminated in whole or in part as follows:
 - a. By ISBE, if a grantee fails to comply with the terms and conditions of an award;
 - b. By ISBE for cause;
 - c. By ISBE with the consent of the grantee, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
 - d. By the grantee upon sending ISBE written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if ISBE determines in the case of partial termination that the reduced or modified portion of the award or subaward will not accomplish the purposes for which the award was made, ISBE may terminate the award in its entirety.
2. When an award is terminated or partially terminated, both ISBE and the grantee remain responsible for compliance with the requirements in §200.344 Closeout and §200.345 Post-closeout adjustments and continuing responsibilities.

C. Notification of termination requirement

ISBE must provide to the grantee a notice of termination via trackable method. The notice shall include the effective date of the termination action.

D. Appeals process

1. The grantee will have 30 calendar days from the date of the notification to submit a written appeal of the decision.
2. Appeals are limited to termination of grant. Renewal or continuation of grant is not subject to appeal. Appeals are further limited to terminations based on Section (III)(B)(1)(a) of this Policy, terms and conditions of the grant agreement.
3. An appeal must be submitted in writing and received as indicated below. An appeal must be received within 30 calendar days from the date of the notice of termination per Section (III)(C). If no appeal is received by that date, or if the grantee waives the right to appeal in writing, the termination will proceed immediately. The appeal must be delivered:
 - a. In person;
 - b. By certified mail, postage prepaid, return receipt requested;
 - c. By a nationally recognized, next-day courier service that provides a receipt; or

- d. Via email at gata@isbe.net.
4. Appeals that are submitted under Sections (III)(D)(3)(a), (III)(D)(3)(b), or (III)(D)(3)(c) of this Policy can be mailed or hand-delivered to:

GATA Administration Department
c/o State Superintendent of Education
Illinois State Board of Education
100 N 1st Street
Springfield, IL 62777-0001
5. The written appeal must include at a minimum the following:
 - a. The name, email address, and address of the grantee;
 - b. Identification of the grant;
 - c. A statement of reasons for the appeal; and
 - d. Any documentation supporting the reasons for the appeal.
6. ISBE must acknowledge receipt of an appeal via email or U.S. Mail within 14 calendar days from the date the appeal was received. An appeal that does not meet the requirements under this section shall not be considered a valid appeal for review purposes. Those grantees that do not meet the appeal requirements under Sections (III)(D)(1) through (III)(D)(5) shall be notified via email or U.S. Mail. The appeal will be considered closed and additional correspondence concerning the appeal will not be accepted.
7. ISBE must respond to an appeal meeting the requirements of this section within 60 calendar days or supply a written explanation to the grantee as to why additional time is required.
8. ISBE may request that the grantee supply additional information. The grantee must provide the requested information to ISBE within the time period requested.
9. Upon the conclusion of the appeal and after a review of all materials provided by the grantee, ISBE shall issue a written final determination order and send a copy of the order to the grantee. The final determination order will include:
 - a. Review of the appeal;
 - b. Appeal determination; and
 - c. Rationale for the determination.
10. If the final determination order upholds the termination action, the grant will be immediately terminated.
11. If the final determination order overturns the termination action, the notice of termination will be canceled. ISBE may require grantee to take additional actions in order to remain in good standing.
12. If an action concerning the appeal has commenced in a court or administrative body, ISBE may defer resolution of the appeal pending the judicial or administrative determination.

E. Effects of suspension and termination

1. Grant eligibility and reinstatement - Termination of a grant will result in the grantee being ineligible for consideration for current grant Request for Proposals/Notice of Funding Opportunities and ineligible for consideration for future grant Requests for Proposal/Notice of Funding Opportunities for a minimum period of five years from the date of the Notification of termination action or longer at the discretion of ISBE. Reinstatement of eligibility of a grantee that operated a terminated grant is not automatic once the termination period ends. In order to return to eligible status, the grantee must apply for reinstatement in writing to the State Superintendent of ISBE. Additional evidence may be requested by ISBE to consider the reinstatement request. Reinstatement decisions are at the sole discretion of ISBE after evaluation of the evidence provided.
2. Impact on other grants - Termination of a grant may result in removal from other grant programs under which the grantee is funded depending upon the nature of the termination. Removal from other grant programs under which the grantee is funded may be immediate or at the conclusion of the current grant period at the discretion of ISBE. If the removal is not effective until the end of the current grant period, compliance with additional conditions and reporting requirements will be required during the remainder of the grant period.
3. Obligation of funds prior to termination - Costs to the grantee resulting from obligations incurred by the grantee during a suspension or after termination of an award or subaward are not allowable unless ISBE expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable if:
 - a. The costs result from obligations that were properly incurred by the grantee before the effective date of suspension or termination, are not in anticipation of it; and
 - b. The costs would be allowable if the award was not suspended or expired normally at the end of the term in which the termination takes effect.
4. Stop Pay - Termination of grant may result in the grantee being submitted to the State Grantee Compliance Enforcement System, which will result in Stop Pay action in accordance with Section 105 of the Illinois Grant Accountability and Transparency Act (30 ILCS 708/105).

F. Non-renewal

Funding in the subsequent years beyond the term of the grant will be contingent upon compliance with federal and state law, regulations, administrative rules, terms and conditions of the award, passage of sufficient appropriations for the program, and satisfactory performance in the preceding grant period. Renewal decisions are at the sole discretion of ISBE, and the receipt of an award in a current or previous term does not create any right to or expectation of renewal in a subsequent term. Grantees will be notified of non-renewal determinations by ISBE in writing.

IV. Definitions

Award - Grant funds that are to be expended in accordance with the grant agreement for a particular project in compliance with applicable federal and state statutes, regulations, administrative rules, and terms and conditions of the grant agreement. The terms “grant” and “award” may be used interchangeably.

Conditions – Additional requirements placed on grantees as a result of GATA pre-qualification activities, risk assessments, and/or programmatic or fiscal monitoring.

Grantee - The person, entity, or entities that are to receive or have received grant funds through an award from the Illinois State Board of Education. The terms “grantee” and “award recipient” may be used interchangeably.

Term - The period of time from the project beginning date through the project ending date as defined in the grant agreement.

Non-renewal – Determination to remove the grantee from the pool of eligible renewal applicants for the subsequent term of funding.

Stop Pay status – A cessation of payments resulting from all grant awards and ineligibility for application to any grants administered by the State of Illinois in conformance with the Grantee Compliance Enforcement System described at 30 ILCS 708/105.

Term - The period of time from the project beginning date through the project ending date as defined in the grant agreement.

Termination – Ending of a grant, in whole or in part, at any time prior to the end of the term as stated in the grant agreement.