

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER II: BOARD OF HIGHER EDUCATION

PART 1038
STATE MATCHING GRANT PROGRAM

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AUTHORITY: Implementing and authorized by Section 9.26 of the Board of Higher Education Act [110 ILCS 205/9.26].

SOURCE: Adopted at 23 Ill. Reg. 2747, effective February 17, 1999; amended at 24 Ill. Reg. 3364, effective February 14, 2000.

Section 1038.10 Purpose

The purpose of this Part is to provide for the distribution of matching grants to Illinois institutions of higher education as incentives in the competition for external grants and contracts. Grants will be made to stimulate increased federal and corporate research funds and to improve the research capabilities of those institutions. [110 ILCS 205/9.26]

(Source: Amended at 24 Ill. Reg. 3364, effective February 14, 2000)

Section 1038.20 Definitions

"Applied research" means systematic study and investigation undertaken to discover the applications and uses of knowledge and principles in actual work or in solving problems.

"Award eligibility period" means the 12-month period ending March 31 of the grant period.

"Basic research" means systematic study and investigation undertaken to discover new knowledge and establish facts or principles.

"Board" means the Illinois Board of Higher Education.

"Expenditure period" means the two-year period beginning on the first day of the grant period.

"Grant funds" means dollars appropriated by the State of Illinois to be used in support of the State Matching Grant Program.

"Grant period" means the State of Illinois fiscal year for which grant funds are appropriated.

"Institution" means an Illinois public university or community college, or not-for-profit degree-granting independent college or university.

"Matching contribution" is the institution's resource commitment to a sponsored research project as required by the terms of the agreement between the institution and the project sponsor. Matching contributions shall not include the contributed effort of project investigators and shall be limited to institutionally-provided direct costs separately budgeted and accounted for as the institution's contribution to the research project.

"Matching period" means the State of Illinois fiscal year two years prior to the grant period, or in the case of an institution where the institution fiscal year is not the same as the State fiscal year, "matching period" means the institution fiscal year which most closely overlaps the State fiscal year two years prior to the grant period.

"OMB Circular A-133 Audit Report" means an audit conducted according to the United States Office of Management and Budget Circular A-133.

"Sponsor" means an entity, other than the State of Illinois, the applicant institution, or any consortium in which the institution is a member, that provides primary financial support for research project activities.

"Supported project" means a sponsored research project for which an award is formally committed to by a sponsor during the Award Eligibility Period, for which the receipt of sponsored research grant funding requires an institutional matching contribution, that meets the criteria set forth in Section 1038.30, and for which grant funds will be allocated to meet all or part of the matching contribution during the expenditure period. Multi-year projects may be submitted for only one year at a time, but may be re-submitted annually during the life of the project if the project sponsor is required to make a re-determination each year that

the institution is eligible for grant funding.

(Source: Amended at 24 Ill. Reg. 3364, effective February 14, 2000)

Section 1038.30 Project Eligibility Criteria

Eligible projects shall meet the following criteria:

- a) The project is a research project and is described by the sponsor as a research project.
- b) The research project is awarded grant funds through an open and competitive process of merit review.
- c) Matching funds are required by the sponsor under the terms of the award or the award is conditioned on a match as a determination of institutional commitment.
- d) The institution is committed to provide a specified matching contribution and shall provide funding for any portion of the matching contribution not covered by the State Matching Grant Program.
- e) Projects must be basic research or applied research activities.
- f) Such activities as training of personnel, workforce training or development, curricular research or development, clinical trials, or building construction or renovation (except for renovation costs incurred in support of an eligible project) are only incidental to the basic research or applied research activities.
- g) Research projects for which the State of Illinois has provided a specific grant or appropriation are ineligible for matching funds under this grant program.
- h) The results of the sponsored research project must be available to the public or to the sponsoring governmental agency. Research projects may not support private, non-governmental, or for-profit research activities.

(Source: Amended at 24 Ill. Reg. 3364, effective February 14, 2000)

Section 1038.40 Funding Formula

State Matching Grant Program grant funds shall be allocated to each participating institution based on the institution's expenditures of federal funds during the matching period as contained in the institution's U.S. Office of Management and Budget Circular A-133, Audit Schedule of Expenditures of Federal Awards, less any of those funds that represent student financial aid.

Individual institutional allocations shall be based on the institution's proportional share of the total federal funds received during the matching period for all Illinois institutions submitting grant applications. It shall be the responsibility of the institution to provide an accounting of the portion of those federal funds representing student financial assistance.

(Source: Amended at 24 Ill. Reg. 3364, effective February 14, 2000)

Section 1038.50 Application Requirements

- a) The Board shall notify in writing the chief executive officer of every institution in the State of Illinois of the availability of grant funds not less than 45 days before the deadline for submission of applications.
- b) Applications must be completed on forms prescribed by the Board.
- c) Grant applications shall contain, at a minimum:
 - 1) A copy of the institution's U.S. Office of Management and Budget (USOMB) A-133, Audit Schedule of Expenditures of Federal Awards, for the matching period.
 - 2) Certification by the chief executive officer of the institution that:
 - A) the institution will provide a program specific audit as required by this Part;
 - B) the institution will comply with this Part and applicable State and federal statutes;
 - C) the institution will refund to the Board of Higher Education the prorated amount of grant funds for supported projects for which funding is not received, for which grant funds are not properly expended, or for which the institution is deemed ineligible; and
 - D) the institution will provide such additional information requested by the Board or external evaluators as necessary to administer this program.
- d) Application information may be obtained from, and applications shall be submitted to:

State Matching Grant Program
Illinois Board of Higher Education

431 East Adams, Second Floor
Springfield, Illinois 62701-1418
217/557-7377

(Source: Amended at 24 Ill. Reg. 3364, effective February 14, 2000)

Section 1038.60 Use of Grant Funds

- a) State Matching Grant Program grant funds may be used only for:
 - 1) All or part of the institution's required matching contribution during the expenditure period for eligible supported research projects for which the institution receives formal notification of the awarding of sponsor research funds during the award eligibility period.
 - 2) Audit of grant funds.
- b) The Board will distribute grant funds to institutions based on:
 - 1) The institution's allocation of grant funds as determined in Section 1038.40, one-half of which will be distributed to grant recipients at the time of allocation.
 - 2) Not later than May 1 of the grant year, each institution receiving a grant shall submit to the Board a request for the distribution of the remaining grant funds that includes a listing of all eligible supported research projects for which the institution received award notification during the award eligibility period.

For each supported project, the following information shall be submitted:

- A) project title;
 - B) copy of official award notification letter from the project sponsors;
and
 - C) a description of institution matching requirements and contributions to be expended during the expenditure period.
- c) Any single supported research project shall not be eligible for more than ten percent of the grant funds appropriated by the State for the grant period.

(Source: Amended at 24 Ill. Reg. 3364, effective February 14, 2000)

Section 1038.70 Conditions and Administrative Responsibilities

- a) Non-Discrimination. No recipient shall discriminate on the basis of race, creed, sex, handicap, color, or national origin in the employment, training, or promotion of personnel.
- b) Audit. Each recipient of a State Matching Grant Program grant shall submit an audit performed by an external auditor who is licensed as a public accountant by the Illinois Department of Professional Regulation. Such audit shall include a report from the auditor as to whether grant funds were expended in accordance with the uses outlined in Section 1038.60. A State Matching Grant Program grant specific audit is required and shall be performed in accordance with Government Auditing Standards, issued by the United States General Accounting Office, Comptroller General of the United States and in effect at the time of the audit. Audits are due by November 30 following the end of the expenditure period.

The Government Auditing Standards is offered for sale by the U.S. Government Printing Office, Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328, ISBN 0-16-045011-X. A copy of this publication is on file at the Board of Higher Education office. The standards also are available on-line at <http://www.gao.gov/govaud/ybk01.htm#ybkintro>.

- c) Evaluation Report. A report documenting the external leveraging of funds achieved and results achieved by the matching grant funds is to be provided. The report shall document the extent to which the institutions' ability to attract funds has been enhanced by the State Matching Grant Program and what monetary and non-monetary benefits have accrued to the citizens of Illinois as a result of projects included in the State Matching Grant Program. Evaluation reports are due October 1 following the end of the expenditure period.
- d) Grant funds not expended as matching contributions for eligible projects identified by the grant recipient or the required audit shall be refunded to the Board.
- e) At the end of the grant period, the Board may allocate any remaining, returned or unspent funds to eligible applicant institutions based on their previously determined proportionate share.
- f) With the assistance of a panel of external evaluators, the State Matching Grant Program will be reviewed annually and the results reported to the Board of Higher Education. The following questions will be addressed in the report:

SUBTITLE A

- 1) To what extent have the objectives of the program been achieved?
- 2) How many federal and corporate research dollars have come to Illinois as a result of projects included in the program?
- 3) What monetary and/or non-monetary benefits have accrued to the citizens of Illinois as a result of the projects supported by the grant program?

(Source: Amended at 24 Ill. Reg. 3364, effective February 14, 2000)