

**Illinois State Board of Education**  
**FY26 Conditions Imposed Based on Internal Control Questionnaire (ICQ) and Programmatic Risk Assessment**

[Conditions In Accordance with ISBE State and Federal Grant Administration Policy, Fiscal Requirements and Procedures Handbook](#)

Source Document	Section	Medium Risk	High Risk	Reason why the Additional Requirement Imposed	Action Needed to Remove the Additional Requirement	Timeframe for Removing Condition
ICQ	<a href="#">2. Quality of Management Systems (2 CFR 200.302)</a>	Requires development of a plan to correct deficiencies identified in the risk assessment. ISBE may request to review documentation of the plan at its discretion.	Requires development and submission of a plan and timetable to correct deficiencies identified in the risk assessment.	Medium to high risk increases the likelihood that grant revenues and expenditures will be inaccurate that could result in misreporting, and an abusive environment.	Grantee must submit documentation of implementation of new or enhanced accounting system, mitigating controls or a combination of both.	One year
ICQ	<a href="#">3. Financial and Programmatic Reporting (2 CFR 200.328)</a>	Requires development of a plan to correct deficiencies identified in the risk assessment. ISBE may request to review documentation of the plan at its discretion.		Medium to high risk increases the likelihood that grant revenues and expenditures will be inaccurate that could result in misreporting, and an abusive environment.	Grantee must submit documentation of implementation of new or enhanced accounting system, mitigating controls or a combination of both.	One year
ICQ	<a href="#">4. Ability to Effectively Implement Requirements</a>	Requires development of a plan to correct deficiencies identified in the risk assessment. Grantees must maintain documentation of additional prior approvals from grantee management. ISBE may request to review plan and documentation at its discretion.	Requires development of a plan to correct deficiencies identified in the risk assessment. Grantees must maintain documentation of additional prior approvals from grantee management. ISBE may request to review plan and documentation at its discretion.	Medium to high risk increases the likelihood; unallowable costs or services, audit findings and questioned costs and fraud, waste and abuse that would be required to be returned to the state and federal government; subrecipients are not compliant with grant requirements, budgeting and expenditure of funds is in conformity 2 CFR 200	Requires development of a plan and timeline to correct deficiencies identified in the risk assessment. ISBE may request to review plan and documentation at its discretion.	One year from the implementation of additional controls/corrective action plan.
ICQ	<a href="#">5. Audit (2 CFR 200.500)</a>	Grantee must submit, at least semi-annually, documentation to support the status of implementation of corrective action for audit findings.	Grantee must submit, at least semi-annually, documentation to support the status of implementation of corrective action for audit findings.  Grantee may be subject to on-site review of the status of implementation of the corrective action or Agreed Upon Procedures (AUP) on all 4 applicable areas.	Medium to high risk will result in repeated audit findings, potential questioned cost, and increase of administrative and programmatic specific conditions that will increase the cost of managing the grant program.	Implementation of grantee's corrective action plan.	When corrective action is complete.
Program Risk	1. Quality of Management Systems and ability to meet Management Standards	Grantees may be required to participate in periodic technical assistance.	Grantees are required to participate in any technical assistance offered. Grantees may be subject to more frequent project monitoring (desk review and/or on-site).	Medium to high risk increases the likelihood of issues with program delivery resulting in lower levels of program outcome and/or disallowed costs.	Entity must provide evidence that inadequacies of the management system(s) have been remedied.	Agency re-examines in 6 months
Program Risk	2. History of Performance	Grantees are required to submit <b>annual</b> programmatic performance reports.  Grantees may, at the request of ISBE staff, be required to provide additional performance reports or be subject to more frequent project monitoring (desk reviews).  If applicable, grantees are required to report performance data for the subgrantee/sub-recipient / sub-award.	Grantees are required to submit <b>semi-annual</b> programmatic performance reports.  Grantees may be subject to more frequent project monitoring (desk review and/or on-site).  If applicable, grantees are required to report performance data for the subgrantee/sub-recipient / sub-award.  If applicable, grantees are required to report on project monitoring for subgrantee / sub-recipient / sub-award. Grantee is required to complete performance training	Medium to high risk indicates limited grant experience. This increases the likelihood of compliance and/or performance issues.  Medium to high risk may indicate limited experience with subgrantees / sub-recipients / sub-awards. This increases the likelihood of compliance and/or performance issues with the third-party entity.	Entity must demonstrate adequate grant performance.  If applicable, entity must demonstrate adequate oversight of subgrantee, sub-recipient / sub-award.	Agency re-examines in 6 months.
Program Risk	3. Compliance - Audit reports and findings	Grantees are required, <b>annually</b> , to submit documentation of the implementation status of corrective action(s) for audit finding(s).	Grantees are required, <b>annually</b> , to submit documentation of the implementation status of corrective action(s) for audit finding(s).  Grantees may be subject to on-site review of the status of the implementation of corrective action(s).	Repeat audit findings may lead to potential questioned costs and/or occurrences of fraud, waste and abuse.	Implementation of grantee's corrective action plan. No material findings from on-site review or Agreed Upon Procedures (AUP) performed (if applicable).	Agency re-examines in 6 months.
Program Risk	4. Implementation of statutory, regulatory or other requirements	Grantees may be required to participate in periodic technical assistance.	Grantees may be required to have quarterly technical assistance. Grantees may be subject to more frequent project monitoring (desk review/on-site visit).	Medium to high risk increases the likelihood of non-compliance which may result in disallowed costs.	Entity must demonstrate ability to comply with requirements.	Agency re-examines in 6 months.

**Illinois State Board of Education  
 FY26 Conditions Imposed Based on Internal Control Questionnaire (ICQ) and Programmatic Risk Assessment**

Source Document	Section	Medium Risk	High Risk	Reason why the Additional Requirement Imposed	Action Needed to Remove the Additional Requirement	Timeframe for Removing Condition
Program Risk	5. Agency and grant-specific parameters	Requires development of a plan to correct deficiencies identified in the risk assessment. ISBE may request to review documentation of the plan at its discretion.	Requires development and submission of a plan and timetable to correct deficiencies identified in the risk assessment.	Medium to high risk increases the likelihood of issues with program delivery resulting in lower levels of program outcome and/or disallowed costs.	Entity must demonstrate ability to comply with agency and grant-specific requirements.	Agency re-examines in 6 months.