**Section 515.120 Administrative Requirements**

a) Termination of Grant – Grants shall be terminated for the following reasons:

1) Termination Due to Loss of Funding – In the absence of State funding for a fiscal year, all grants for that year will be terminated in full. In the event of a partial loss of State funding, the Department will make proportionate cuts to all Grantees. In the event the Department suffers such a loss of funding in full or part, the Department will give the Grantee written notice setting forth the effective date of full or partial termination, or if a change in funding is required, setting forth the change in funding and changes in the approved budget.

2) Termination for Cause

A) If the Department determines that the Grantee has failed to comply with the terms and conditions of the grant, the Department shall terminate the grant in whole, or in part, at any time before the date of completion. Circumstances that will result in the termination of a grant include, but are not necessarily limited to, the following: consistent failure to submit required reports; failure to maintain required records; evidence of fraud and abuse; and consistent failure to meet performance standards. These circumstances are explained in the Grant Agreement.

B) The Department shall notify the Grantee in writing, within 10 working days after the determination to terminate, of the reasons for the termination and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be made in accordance with legal rights and liabilities specified in the Grant Agreement.

3) Termination by Agreement – The Department and the Grantee shall terminate the grant in whole, or in part, when the Department and the Grantee agree that the continuation of the program objectives would not produce beneficial results commensurate with the future expenditure of funds. The Department and the Grantee shall agree on termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The Department shall allow full credit to the Grantee for the Department's share of the noncancelable obligations properly incurred by the Grantee prior to termination.

b) Interest on Grant Funds – In accordance with Section 10 of the Illinois Grant Funds Recovery Act [30 ILCS 705/10], all interest earned on funds held by the Grantee under the grant shall become part of the grant when earned, as long as this amount does not exceed the maximum allowable grant award. Any interest earned under the grant, and not expended as grant principal during the term of the grant, shall be returned to the Department.

c) Grant Close-out – In accordance with Section 4 of the Illinois Grant Funds Recovery Act [30 ILCS 705/4], all funds, including any interest, remaining at the end of the grant period or at the expiration of the period of time grant funds are available for expenditure or obligation by the Grantee, shall be returned to the Department within 45 days after the end of the relevant period. The Grantee agrees to repay the Department for any funds that are determined by the Department to have been spent in violation of the Grant Agreement.

d) Audits – A Grantee shall be responsible for securing a compliance audit for any grant award exceeding $300,000. Additionally, an audit may be required when certain risk conditions exist, including, but not limited to, a negative compliance history and disclosure of previous material audit findings. The audit shall be performed by an independent certified public accountant, licensed by authority of the State of Illinois pursuant to the Illinois Public Accounting Act [225 ILCS 450]. The audit shall be conducted in accordance with generally accepted auditing standards contained in the publication entitled AICPA Professional Standards, American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza 3, Jersey City, New Jersey 07311 (June 2000, no later editions are incorporated).

e) Special Audits – The Department reserves the right to conduct special audits, including but not limited to an agency-wide audit, at any time during normal working hours, of the funds expended under Department grants.

f) Monitoring and Evaluation – Grantee shall permit any agent authorized by the Department, upon presentation of identification, in accordance with the constitutional limitation on administrative searches, to have full access to and the right to examine any documents, papers, and records of the Grantee involving transactions related to a grant from the Department. Once the Department has concluded its monitoring activities, the Grantee will be notified of the Department's findings. If a determination of noncompliance has been made by the Department, the Grantee will be allowed an opportunity to cure any and all noncompliance issues. If any noncompliance issues cannot be resolved, the Department will issue a notice requesting that the Grantee repay any funds that are determined by the Department to have been spent in violation of the Agreement. If the Grantee fails to comply with the Department's notice, the Department shall issue a final notice providing the Grantee the opportunity to request an administrative hearing pursuant to the Department's Administrative Hearing Rules found at 56 Ill. Adm. Code 2605.

g) Complaint Process – An administrative hearing is initiated by a party serving a Petition for Hearing on the Department, or by the Department serving a Notice of Charges on the Grantee. In either case, the Department and the Grantee shall follow the Administrative Hearing Rules set forth in 56 Ill. Adm. Code 2605.

h) Certifications – The Grantee shall certify that it has not been barred from contracting with a unit of State or local government as a result of a violation of 720 ILCS 5/33E-3 and 33E-4 (Bid-rigging and Bid rotating).

i) Reports – Grantee shall submit, as required by the Department, reports on the financial status of the Project and reports on outcomes and results of the Project.