**Section 550.80 Contractual Requirements**

a) Method of Compensation. Payments pursuant to a grant shall be subject to the availability of funds appropriated by the General Assembly.

1) The grantee shall receive grant funds, as stipulated in the Grant Agreement, upon approval of its application by the Department and execution of the Grant Agreement by the Chief Executive Officer (CEO) and by the Department.

2) Prior to funds being awarded, a grantee shall employ a full-time, paid, professional CEO. In the event of the resignation of a bureau's CEO, an interim CEO must be named within 30 days. When a new CEO is hired, the bureau must provide the Department with the individual's tourism related experience and qualifications for the position. The interim CEO shall fulfill all duties of the position.

b) Reporting Requirements: The grantee shall submit, within the timeframes specified in the Grant Agreement, reports on the financial status of its Fiscal Year Marketing Plan/Project Budget Plan and reports on the outcomes and results of its grant-related activity. Failure to comply with the timely submission of financial and programmatic reports may result in withholding of subsequent monthly grant checks. The Department reserves the right to request additional information to clarify or document information contained in the reports.

c) Financial Management Standards. A grantee's financial management systems shall be structured under generally accepted accounting standards, which include maintaining effective control and accountability over all funds, property, and other assets acquired with grant and match funds.

d) Travel Expenses. Travel expenses that are paid with grant funds must be in compliance with the latest State of Illinois Department of Central Management Services Travel Regulations (80 Ill. Adm. Code 2800) and shall be allowable for expenses of transportation, lodging, per diem, and related items incurred by bureau employees who are on travel status for allowable tourism promotional purposes outside the grantee's service area. The grantee shall retain receipts to document travel expenses.

e) Monitoring. The Department shall periodically conduct on-site monitoring of each grantee funded under this Program. The Department will use its best efforts to notify the grantee at least two working days in advance of monitoring visits unless the Department has reason to believe that a monitoring visit must be conducted immediately. The grantee's internal procedures, financial reporting, and performance shall be evaluated for compliance with terms and conditions of the Grant Agreement. The Department reserves the right to request additional information prior to, during, or subsequent to monitoring visits.

f) Interest on Grant Funds. All interest earned on grant funds shall be accounted for by the grantee and shall be expended on eligible tourism promotional activities or returned to the Department.

g) Obligation of Grant and Match Funds. All grant and match funds shall be legally obligated for expenditure no later than June 30 of the fiscal year and must be paid out no later than the date stated in the Grant Agreement. Any unexpended grant funds, including accrued interest, shall be returned to the Department. In addition, the grantee shall return any funds that are determined by the Department to have been spent in violation of this Part or the Grant Agreement.

h) Audits. The grantee shall be responsible for securing a compliance audit pursuant to 44 Ill. Adm. Code 7000.90 (GATA Auditing Standards). In addition to having to return grant funds spent in violation of this Part or the Grant Agreement, the grantee may be deemed ineligible to apply for and receive funds under this Program for a maximum of two years. The Department shall reserve the right to perform special audits of these funds during normal working hours.

i) Nondiscrimination. Grantees shall refrain from unlawful discrimination in employment and will undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination in accordance with the Illinois Human Rights Act [775 ILCS 5]; section 504, and the equal opportunity clause promulgated thereto, of the Rehabilitation Act of 1973, as amended (29 USC 794); the Age Discrimination Act of 1975 (42 USC 6101 et seq.); and Title VI of the Civil Rights Act of 1964, as amended (42 USC 1981 et seq.).

j) Complaint Process. In the case of a grantee complaint, the Department shall follow the procedures outlined in 56 Ill. Adm. Code 2605 (Administrative Hearing Rules).

k) When expending LTCB grant and match funds, two authorizing signatures shall be required on all checks over the amount of $500.

l) Suspension and Termination

1) If a grantee fails to comply with this Part or the Grant Agreement, the Department may suspend the grant until the grantee has cured the deficiency. Failure to cure the deficiency within the time frame established by the Department may result in termination of the Grant Agreement and recovery of grant funds in accordance with the Illinois Grant Funds Recovery Act [30 ILCS 705]. The Department will find that a grantee has failed to comply with the Grant Agreement if the grantee has been notified in writing of a deficiency and fails to submit a corrective plan for Department approval within 30 days after the deficiency notice.

2) A Grant Agreement may be terminated for cause notwithstanding availability of appropriated funds and sufficient revenues for the grant.

m) Reallocation of Funds. On or before May 1 of the fiscal year, the grantee shall be required to identify grant funds that will not be fully expended or legally obligated by June 30, including any grant funds for which there will be insufficient match. The Grant Agreement shall be modified to decrease the grant award accordingly and the funds may be reallocated by the Department.

n) Conflict of Interest. The grantee shall comply with all provisions of the Grant Agreement with respect to hiring or awarding contracts to family members of bureau officers, principals and board members.

(Source: Amended at 45 Ill. Reg. 602, effective December 23, 2020)