**Section 640.340 Administrative Standards for Grant Recipients**

a) Grant Agreement – The Department will negotiate as needed with the applicant. The grant agreement will set out the scope of work of the grant, the terms and conditions of the grant, and the budget of the grant agreement.

b) Grant Period – The grant shall have a period of completion as determined by the Department.

c) Complaint Process – In the event of a recipient complaint, the Department will follow the procedures outlined in 47 Ill. Adm. Code 10 (Review and Appeal Procedures).

d) Fund Availability – Payments pursuant to a grant are subject to the availability of funds appropriated to the Department by the Illinois General Assembly. Grant funds must be expended or obligated within the period of the grant agreement and liquidated within the period of time in accordance with the Illinois Grant Funds Recovery Act (Ill. Rev. Stat. 1989, ch. 127, pars. 2301 et seq.).

e) Disbursement of Funds – Payments to the recipient pursuant to a grant are subject to the initiation of an invoice voucher and receipt of an expenditure summary or documentation of expenses. Further, financing shall be made available to the recipient in periodic allotments as determined by the fund balance position of appropriated funds available to the Department for this program in comparison with the cash needs of the various recipients under this program.

f) Financial Management – The recipient is accountable for funds received under this grant and shall maintain effective control and accountability over all funds and other assets under the grant. The recipient shall keep records which detail and accurately document the recipient's expenditures of grant funds for a period of two years from the end of the grant agreement.

g) Interest on Grant Funds – In accordance with Section 10 of the Illinois Grant Funds Recovery Act, all interest earned under the grant shall become part of the grant when earned. Any interest earned during the term of the grant, and not expended as grant principal during the term of the grant, shall be returned to the Department.

h) Recovery of Funds – If the grant recipient expends funds contrary to the provisions of the grant agreement, such action shall require the repayment of those funds.

i) Department Monitoring and Evaluation – Recipients and their subcontractors, if any, must permit any agent authorized by the Department, upon presentation of credentials, to have full access to and the right to examine any documents, papers, and records of the recipient involving transactions related to a grant from the Department.

j) Reports – Grant recipients must submit, at least semi-annually during the period of the grant agreement, reports on the financial status of the project and narrative reports on the activities and achievement of objectives and results.

k) Audits – The recipient shall be responsible for securing any compliance audit required of grant records. Such audit must be performed by an independent certified public accountant, licensed by authority of the State of Illinois pursuant to the Illinois Public Accounting Act. The audit must be conducted in accordance with generally accepted government auditing standards adopted by the AICPA (1989).

l) 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.