**Section 501.70 Contents of Grant Agreement and Disbursement of Grant Funds**

a) The Agency shall execute a grant agreement with each grantee to whom a grant is awarded. The grant agreement shall specify the parties to the grant, the term of the grant, the amount of the grant, method of payment of the grant funds, permissible uses of the grant funds, that documentation of expenditures be maintained by the grantee, that the Agency may audit records required to be maintained to verify that grant monies were used for permissible uses under the grant and, if not, will be recovered pursuant to the Illinois Grant Funds Recovery Act [30 ILCS 705] or offset as indicated in subsection (b), and that the grant agreement shall cease if funds for the grant are not appropriated by the General Assembly, and any other standard provisions required by the Comptroller to be included in grant agreements entered into by the State.

b) The Agency may offset a grantee's award with unexpended funds from the previous year if the offset will aid the State and grantee in preparedness efforts relative to this Part. The offset shall be clearly documented by the Agency in order to identify the approved purpose and use for the unexpended funds.

c) Failure to comply with conditions of the grant agreement, this Part, or other IEMA regulations may result in actions taken to recover grant funds pursuant to the Illinois Grant Funds Recovery Act or offset in accordance with subsection (b).

d) On July 1 of each year, or as soon thereafter as is practicable, the Agency shall disburse to the grantee the grant amount determined by the Agency for that fiscal year.

AGENCY NOTE: It is the Agency's intent that grant funds will be disbursed on July 1 of each year. However, such disbursement might be delayed for reasons beyond the Agency's control (e.g., failure of the General Assembly to make appropriations before July 1).

(Source: Amended at 47 Ill. Reg. 15909, effective October 26, 2023)