**Section 661.401 Project Initiation**

a) Any obligation of the State of Illinois and the Agency to make any payment of grant funds shall terminate absolutely unless the project is initiated no later than one calendar year from the date of acceptance by the grantee of the project grant offer.

b) A project shall be deemed to have been initiated on the issuance of an authorization to award a construction contract, or, if authorization is not required, execution of the construction contract.

c) In accordance with Section 661.302(e)(8)(B), the Agency must review and approve the bidding information submitted by the grantee prior to initiation of construction.