**Section 661.704 Grant Payment Schedule**

a) General

The grantee shall be paid the state share of allowable costs incurred within the scope of an approved project not to exceed the total grant, subject to the limitations of the conditions of the grant. Such payments must be in accordance with this Section, the payment schedule provided by the grantee, and the grant amount set forth in the grant award or any amendments thereto. The payment schedule shall not provide for payment more frequently than monthly.

b) Initial request for payment

Upon award of grant assistance, the grantee may request payment for the unpaid state share of actual or estimated allowable project costs incurred prior to grant award subject to the limitations of the conditions of the grant under this Part, and payment for such costs shall be made in accordance with the payment schedule included in the grant. This request may include payment for 50 percent of the State share of the estimated design allowance (as set forth in Appendix C).

c) Payment for the final design allowance

Final payment of the State share of the final design allowance (as set forth in Appendix C) may be requested after the grantee has awarded all prime subagreements for the construction of the project.

d) Interim requests for payment

The grantee may submit requests for payments for allowable costs incurred in accordance with the payment schedule. Upon receipt of a request for payment, subject to the limitations set forth in the conditions of the grant under this Part, the Agency shall cause to be disbursed from available appropriated funds such amounts as are necessary so that the total amount of state payments to the grantee for the project is equal to the state share of the actual or estimated allowable project costs incurred to date, as certified by the grantee in its most recent request for payment.

e) Adjustment

The Agency shall cause all request(s) for payment to be reviewed or audited. Each subsequent payment shall be subject to reduction for amounts included in the related request for payment which are found, on the basis of such review or audit, not to constitute allowable costs. Any payment may be reduced for overpayments or increased for underpayments on preceding requests for payment.

f) Refunds, rebates, credits, etc.

The state share of any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the grantee with respect to the project, to the extent that they are properly allocable to costs for which the grantee has been paid under a grant, must be paid to the State of Illinois.

g) Final payment

1) Upon completion of final audit by the Agency and the final inspection pursuant to Section 661.405 and approval of the request for payment designated by the grantee as the "final payment request" and upon compliance by the grantee with all applicable requirements of the grant, the Agency shall cause to be disbursed to the grantee any balance of approved allowable project cost which has not been paid to the grantee.

2) Prior to final payment under the grant, the grantee must:

A) Execute and deliver a certified check made payable to the Treasurer, State of Illinois, of the state share of refunds, rebates, credits or other amounts (including any interest thereon) properly allocable to costs for which the grantee has been paid by the State under the grant, and a release discharging the State of Illinois, its officers, agents, and employees from all liabilities, obligations, and claims arising out of the project work or under the grant, subject only to such exceptions which may be specified in the release; and

B) Submit to the Agency a certified copy of the grantee's enacted users charge ordinance.

h) Schedule of payments

Payments for project work will be paid in accordance with the schedule of payments established by a special condition of this grant, subject to appropriation of funds by the Illinois General Assembly.