**Section 662.820 Audit and Records**

a) The loan recipient shall maintain books, records, documents, reports, and other evidentiary material in accordance with Generally Accepted Accounting Principles.

b) For purposes of this Section 662.820 "records" shall include, but not be limited to:

1) Documentation of the receipt and disposition by the loan recipient of all financial assistance received for the project, including both State financial assistance and any matching share or cost sharing; and

2) Documentation of the costs charged to the project, including all direct and indirect costs of whatever nature incurred for the performance of the project for which the loan has been provided.

c) The loan recipient's facilities, or any facilities engaged in the performance of the PWSLP loan project, and the loan recipient's records shall be subject to inspection and audit by the Agency or its authorized representative, at the times specified in Section 662.810 (Access) of this Subpart.

d) The loan recipient shall preserve and make its records available to the Agency or its authorized representative for the following periods:

1) For all costs associated with design and construction, for 3 years after final loan closing;

2) For all other accounting records concerning the loan, for 3 years from the date of the transaction; and

3) For any longer period required by law or by subsections (e) and (f).

e) If the loan is completely or partially terminated, the records relating to the terminated work shall be preserved and made available for 3 years after any resulting final termination settlement.

f) Records that relate to appeals under the "Disputes" clause, litigation or the settlement of claims arising out of the performance of the PWSLP loan project, or to project costs and expenses to which exception has been taken by the Agency or its authorized representatives, shall be retained until the appeals, litigation, claims, or exceptions have been completed.

g) Failure of the loan recipient or its contractors or subcontractors to make records available to the Agency as required by Section 662.810 (Access) of this Subpart after 10 days written notice shall be cause for termination of the loan pursuant to Section 662.330 (Termination) of this Part and for refund to the State of Illinois for deposit into the PWSLP of any unexpended loan funds. In addition, any loan recipient, contractor or subcontractor found in noncompliance with this Section 662.820 shall repay any loan funds previously spent.

(Source: Amended at 34 Ill. Reg. 17661, effective November 8, 2010)