**Section 662.1030 Disbursement of Loan Funds**

a) Disbursements are subject to the appropriation of funds by the General Assembly and the availability of cash deposited into the PWSLP from drawdowns from the USEPA Automated Clearing House, State matching funds, repayments of existing loans, interest earnings on money in the PWSLP, and money deposited into the PWSLP from other sources.

b) Disbursements shall be made as follows:

1) After the receipt of a fully executed loan agreement, disbursement requests must be sent directly to the Agency. Actual disbursements shall be processed in accordance with the loan agreement.

2) Disbursements will be processed based on costs incurred that are due and payable as evidenced by invoices. The Agency may withhold any disbursement for a violation of the loan agreement conditions.

c) The loan recipient shall make prompt payment to the contractor.

d) The State share of any refunds, rebates, credits or other amounts (including any interest) accruing to or received by the loan recipient with respect to the project that are properly allocable to costs for which loan funds have been disbursed must be paid, minus any reasonable expenses incurred in securing these funds, to the State of Illinois for deposit in the PWSLP.

e) Before the final principal amount of the loan can be established:

1) The Agency shall conduct a final inspection and a project review to insure that all applicable loan conditions have been satisfied; and

2) The loan recipient must submit to the Agency a final waiver from the contractor and a Certification of Payment that all bills have been paid.

f) The loan recipient must also submit 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 loan, subject only to such exceptions which may be specified in the release.

g) Any use of loan funds at variance with this Part 662 shall result in repayment of those loan funds to the State of Illinois for deposit into the PWSLP.

(Source: Amended at 24 Ill. Reg. 16245, effective November 1, 2000)