**Section 217.120 Grant Agreement**

a) When a grant has been awarded, the grantee and the Department shall execute an agreement. The grant will be subject to the requirements of the Illinois Grant Funds Recovery Act [30 ILCS 705]. The project shall not be initiated and costs shall not be incurred prior to a grant agreement being executed.

b) The agreement shall meet at least the following requirements:

1) Be signed by the Department and the representative of the grantee;

2) Specify that payment will be made on a reimbursable basis, what constitutes permissible expenditures of the grant funds, and the financial controls applicable to the grant;

3) Contain a provision that all funds remaining at the end of the grant agreement or the expiration of the period of time grant funds are available for expenditures or obligation by the grantee shall be returned to the Department within 45 days;

4) Contain a recitation of legal authority pursuant to which the agreement is made;

5) Identify the project scope and schedule and the work or services to be performed or conducted by the grantee;

6) Identify the grant amount;

7) Specify the conditions, timing, and manner in which the Department shall pay the grant amount, subject to annual appropriation by the General Assembly;

8) Include the following irrevocable covenants by the grantee:

A) to pay the grantee's portion of the total project cost (see Section 217.130);

B) not to assign or transfer, during the tenure of the grant agreement, any of the rights, duties or obligations of the grantee, without the written consent of the Department;

C) that the grantee shall expend the grant amount only for the purposes of the project as stated in the grant agreement and approved by the Department;

D) that the grantee shall refrain from entering into any written or oral agreement or understanding with any party that might be construed as an obligation of the State of Illinois or the Department for the payment of any funds under the Act;

9) specify the starting and termination dates of the agreement; and

10) specify the dates for submitting progress reports and other requirements.