**Section 535.135 Distribution of Grant Payments by Qualified Distribution Agents**

a) The Department shall cause Nursing Home Grant Assistance grant payments to be issued to qualified distribution agents. If the amount appropriated or available in the fund is insufficient to meet all or part of any quarterly payment certification, then the total amount appropriated or available, after subtracting 2½% of that amount, shall be divided by the total amount of the quarterly grant certification. The factor resulting from that calculation shall be applied to the total amount of each Nursing Home Grant Assistance payment.

b) Nursing Home Grant Assistance payments must be distributed by a qualified distribution agent to the named payee within 2 working days after the date received by the distribution agent.

c) In order to avoid the imposition of penalties as provided by the Act, a qualified distribution agent should notify the Department in writing as soon as it becomes aware that it will not be able to make a distribution of Nursing Home Grant Assistance payments to one or more eligible individuals, or to the legally authorized representative of a deceased eligible individual, within the time required by the Act. The written notification should state the reason for the delay in making timely distribution and the expected date on which payment is expected to be made. The written notification should be made on or before the expiration of the 48 hour (or two business days) period for distributing grant payments to an eligible individual, or on or before the 30th day of the period for distributing a grant payment to the legally authorized representative of an eligible individual that is deceased. Where an eligible individual is deceased and payment must be made to the eligible individual's legally authorized representative, the failure to give the written notification herein specified shall submit the qualified distribution agent to the imposition of penalties under the Act notwithstanding that the grant payment is made to the legally authorized representative after the 30th day and on or before the 120th day provided in Section 30 of the Act, and notwithstanding that the undistributed grant payment is returned to the Department within the 120 day period provided in Section 30 of the Act.

d) A qualified distribution agent that is unable to locate the legally authorized representative of an eligible individual that is deceased shall within 120 days from the date that payment was made to the qualified distribution agent by the Department return the grant payment that remains undistributed to the Department.