

## SUBTITLE A

TITLE 23: EDUCATION AND CULTURAL RESOURCES  
SUBTITLE A: EDUCATION  
CHAPTER II: BOARD OF HIGHER EDUCATIONPART 1001  
GENERAL GRANT PROGRAMS RULES

## Section

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**AUTHORITY:** Implementing and authorized by Sections 9.05, 9.09 and 9.17 of the Board of Higher Education Act [110 ILCS 205/9.05, 9.09 and 9.17].

**SOURCE:** Emergency Rules adopted at 23 Ill. Reg. 11982, effective September 15, 1999, for a maximum of 150 days; emergency expired February 11, 2000; adopted at 24 Ill. Reg. 3354, effective February 14, 2000.

## Section 1001.10 Purpose

This Part provides for administration of, and is applicable only to, general grants from the Board of Higher Education when the Board receives an appropriation or other funds for which there is no specific authorizing statute and only a general purpose is included in the appropriation.

## Section 1001.20 Definitions

“Board” means the Illinois Board of Higher Education.

“Designated Grant” means a grant funded by an appropriation or other source which appropriation or other source specifies the recipient of the grant and the purpose of the grant.

“Grant Period” means the period ending two years after the date that either the Board or the recipient signs a grant agreement, whichever is later.

“Non-Designated Grant” means a grant funded by an appropriation or other source which appropriation or other source specifies the recipient of the grant but does not specify the purpose of the grant.

“Other Sources of Funding” means those grant funds provided through entities outside of State and national government that are not appropriated (e.g., interagency agreement, foundations, associations, businesses or charities).

“Recipient” means the institution of higher education or other entity, public or private,

which institution of higher education or other entity, public or private, is designated by an appropriation or other source to receive a grant, or means a class of institutions that is designated by an appropriation or other source to receive a grant.

#### Section 1001.30 Grant Amounts and Allocations

Grant amounts and allocations shall be made as follows:

- a) Where the appropriation or other funding source specifies a specific amount for a recipient or recipients, the grant amount shall be that sum specified by the appropriation or other funding source.
- b) Where the appropriation appears to leave discretion in the allocation of grant funds to the Board, the Board shall determine the intent of the Governor and the General Assembly in passing the legislation and allocate grants accordingly. If that intent cannot be determined, the Board shall determine eligibility for the grants in accordance with their stated purpose as specified by the appropriation or other funding source and shall notify all potentially eligible recipients prior to making grants.
- c) In those cases where the appropriation or other funding source specifies a specific amount for a class of recipients, the grant amounts shall be determined by the method specified by the appropriation or other funding source, or if no method is specified, then the grant funds shall be allocated equally among all eligible recipients in the class, provided that such recipients sign a grant agreement, if required.

#### Section 1001.40 Grant Requirements

- a) A recipient of a non-designated grant shall not be required to execute a grant agreement in order to receive grant funds.
- b) A recipient of a designated grant must execute a grant agreement with the Board that:
  - 1) Must be executed by the authorized chief executive officer of the recipient within 60 days after receipt of the proposed grant agreement from the Board;
  - 2) Must contain a representation by the recipient that it will expend all grant funds in accordance with the requirements of the appropriation, the funding source and the grant agreement;
  - 3) Must contain a provision that the recipient will refund any grant funds that the recipient was not eligible to receive or that were not spent in accordance with this Part;
  - 4) Must contain a provision that the recipient will expend and disburse all grant funds, except for the audit fee, within the grant period;
  - 5) Must contain a provision that the recipient will contract with an external auditor who is licensed as a public accountant by the Illinois Department of Professional

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## Regulation to conduct an audit of grant expenditures.

- c) Designated grant funds may not be used to reimburse a recipient for obligations or expenditures prior to the date of the grant agreement, except that otherwise eligible expenditures that occur after the effective date of any appropriation may be reimbursed from grant funds.
- d) Designated grant funds may be distributed by the Board to a recipient prior to the expenditure or obligation by the recipient.
- e) For grants of less than \$250,000, interest earned by the recipient may be retained by the recipient since the cost of accounting for the interest or allocating the interest to principal is deemed significant in terms of the amount of interest to be received. For grants of \$250,000 and more, interest earned by the recipient must be accounted for and interest earned shall become a part of the grant principal and used only for those purposes authorized by the grant agreement. For grants over \$250,000, the Board may pay out such grants in installments, with each installment taking into account the purpose of the grant and the rate of anticipated expenditure of the grant funds by the recipient.
- f) For designated grants, grant agreements shall comply with the Grant Funds Recovery Act [30 ILCS 705].

## Section 1001.50 Audit Requirements and Guidelines

- a) Within 120 days after the end of the grant period, the recipient shall submit a schedule of budgeted and actual grant expenditures audited by an external auditor who is licensed as a public accountant by the Illinois Department of Professional Regulation. The audit shall include an opinion by the auditor on the schedule of budgeted and actual grant expenditures and assurance that grant funds were expended in conformance with the purpose of the grant as included in the appropriation, or other funding source, and the grant agreement. Any funds not so expended shall be refunded to the Board. Any recipient that fails to submit an audit shall refund the entire grant amount to the Board.
- b) Recipients of \$25,000 or less in grant funds may submit a statement signed by the chief executive officer of the recipient in lieu of an audit. Such verified statement shall include a schedule of budgeted and actual expenditures and shall represent that grant funds have been used for the purpose contained in the appropriation, or other funding source, and the grant agreement. The verified statement shall further state that the recipient has complied with all requirements with respect to the grant as set forth in the statute, administrative rules, or grant agreement, if applicable.