**Section 1035.50 Grant Agreement**

a) Once the Board of Higher Education has approved a grant, the institution and the Board shall execute a grant agreement.

b) Such grant agreement shall:

1) be signed by the chief executive officer or chairman of the institution's board;

2) specify the two-year period of time for which the grant is valid and during which grant funds may be expended by the institution;

3) provide that construction on any renovation project funded under the grant shall not commence prior to the date specified in the grant agreement;

4) provide that institutions shall contract annually with external auditors to conduct an audit of the expenditure of grant funds provide under this program; to verify the eligible gross square feet upon which the grant is based; and to verify that funds were expended pursuant to the grant agreement and not for sectarian purposes. The audits shall be conducted annually until such time that all grants funds have been expended or refunded to the State, and certified reports of such audits shall be filed annually with the Board of Higher Education;

5) provide that all funds remaining at the end of the period of the grant agreement, or any funds that are spent for purposes not listed in the grant agreement shall be returned to the State of Illinois; and

6) comply with the terms of the Illinois Grant Funds Recovery Act (Ill. Rev. Stat. 1985, ch. 127, pars. 2301 et seq.).