**Section 360.502 Audit and Records**

a) The grantee shall maintain books, records, documents, reports, and other evidentiary material and accounting procedures and practices that conform to generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants and to the 13 basic principles set forth by the National Committee on Governmental Accounting, to properly account for:

1) The receipt and disposition by the grantee of all assistance received for the project, including both State assistance and any matching share or cost sharing; and

2) The costs charged to the project, including all direct and indirect costs of whatever nature incurred for the performance of the project for which the grant has been awarded. The foregoing constitute "records" for the purposes of this condition.

b) The grantee's facilities, or such facilities as may be engaged in the performance of the project for which the grant has been awarded, and the grantee's records shall be subject at all reasonable times to inspection and audit by the Agency or any authorized representative.

c) The grantee shall preserve and make his records available to the Agency or any authorized representative:

1) Until expiration of 3 years from the date of final payment under this grant, and

2) For such longer period, if any, as is required by applicable statute of lawful requirement, or by Section 360.502(d) or (e) below.

d) If this grant is terminated completely or partially, the records relating to the work terminated shall be preserved and made available for a period of 3 years from the date of any resulting final termination settlement.

e) Records which relate to appeals under the "Disputes" clause of this grant, litigation or the settlement of claims arising out of the performance of the project for which this grant was awarded, or costs and expenses of the project as to which exception has been taken by the Agency or any of its duly authorized representatives, shall be retained until such appeals, litigation, claims, or exceptions have been disposed of.

f) Any failure by the grantee or any contractor or subcontractor or the grantee to make records available to the Agency as required by this Condition Section 360.502 after 10 days' written notice from the Agency, shall be cause for termination of the grant, pursuant to Condition Section 360.103, (Termination) hereof, and refund to the State of Illinois Anti-Pollution Bond Fund of any unexpended grant funds in the hands of the grantee, and in addition thereto, refund of any grant funds previously expended by the grantee, contractor or subcontractor found in noncompliance with this Condition Section 360.502.