**Section 360.804 Grant Payment Schedule**

a) The grantee shall be paid the state share of allowable costs incurred within the scope of an approved project not to exceed the total grant, subject to the limitations of the general and special conditions of this grant; Provided, that such payments must be in accordance with the payment schedule and the grant amount set forth in the grant offer, any amendments thereto or in this condition.

b) The payment schedule will provide that payment for Step 1 and Step 2 project work will be made only on the basis of completion of the step or, if specified in the payment schedule in the grant agreement, upon completion of specific tasks within the step. All allowable costs incurred prior to initiation of construction of the project must be claimed in the application for grant assistance for that project prior to the award of such assistance or no subsequent payment will be made for such costs.

1) Initial request for payment

 Upon award of grant assistance, the grantee may request payment for the unpaid state share of actual or estimated allowable project costs incurred prior to grant award subject to the limitations of the general and special conditions of the grant, and payment for such costs shall be made in accordance with the payment schedule included in the grant.

2) Interim requests for payment

 The grantee may submit requests for payments for allowable costs incurred in accordance with the payment schedule. Upon receipt of a request for payment, subject to the limitations set forth in the general and special conditions of the grant, the Agency shall cause to be disbursed from available appropriated funds such amounts as are necessary so that that total amount of state payments to the grantee for the project is equal to the state share of the actual or estimated allowable project costs incurred to date, as certified by the grantee in its most recent request for payment.

3) Adjustment.

 At any time or times prior to final payment under the grant, the Agency may cause any request(s) for payment to be reviewed or audited. Each payment theretofore made shall be subject to reduction for amounts included in the related request for payment which are found, on the basis of such review or audit, not to constitute allowable costs. Any payment may be reduced for overpayments or increased for underpayments on preceding requests for payment.

4) Refunds, rebates, credits, etc.

 The state share of any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the grantee with respect to the project, to the extent that they are properly allocable to costs for which the grantee has been paid under a grant, must be paid to the State of Illinois Anti-Pollution Fund. Reasonable expenses incurred by the grantee for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable under the grant when approved by the Agency.

5) Final payment

 Upon completion of final audit by the Agency and the final inspection pursuant to General Condition Section 360.405, (Final Inspection) hereof and approval of the request for payment designated by the grantee as the "final payment request" and upon compliance by the grantee with all applicable requirements of the grant, the Agency shall cause to be disbursed to the grantee any balance of approved allowable project cost which has not been paid to the grantee. Prior to final payment under the grant, the grantee must execute and deliver an assignment to the Agency, in form and substance satisfactory to the Agency, of the state share of refunds, rebates, credits or other amounts (including any interest thereon) properly allocable to costs for which the grantee has been paid by the State under the grant, and a release discharging the State of Illinois, its officers, agents, and employees from all liabilities, obligations, and claims arising out of the project work or under the grant, subject only to such exceptions which may be specified in the release.

6) Schedule of payments

 Payments for project work will be paid in accordance with the schedule of payments established by a special condition of this grant, subject to appropriation of funds by the Illinois General Assembly.