**Section 871.502 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 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 of 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 to inspection and audit by the Agency or any authorized representative at the times specified in Section 871.501 of this Part.

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 or lawful requirement, or by subsection (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 that relate to appeals under Section 871.304 of this Part, litigation, 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 to which exception has been taken by the Agency or any of its duly authorized representatives shall be retained until final disposition of such appeals, litigation, claims, or exceptions.

f) Any failure by the grantee or any contractor or subcontractor of the grantee to make records available to the Agency as required by this Section after 10 days' written notice from the Agency shall be cause for termination of the grant pursuant to Section 871.203 of this Part, and refund to the State of Illinois Solid Waste Management Fund of any grant funds previously expended by the grantee, contractor or subcontractor found in noncompliance with this Section.

(Source: Amended at 19 Ill. Reg. 11871, effective August 3, 1995)