**Section 1.110 Suspension and Termination**

a) Suspension – If the Grantee fails to comply with the special conditions and/or the general terms and conditions of the grant award, the Department shall, after notice to the Grantee, suspend the grant and withhold further payments and prohibit the Grantee from incurring additional obligations of grant funds, pending the Grantee's implementation of a corrective action plan, which provides a strategy to correct areas of noncompliance, or a decision to terminate.

b) Termination – Grant shall be terminated for loss of funding, for cause, or for convenience as follows:

1) Termination due to Loss of Funding – In the absence of state/federal funding for a grant year, all grants for that year will be terminated in full. In the event of a partial loss of state/federal funding, the Department will make proportionate cuts to all Grantees. In the event the Department suffers such a loss of funding in full or part, the Department will give the Grantee written notice setting forth the effective date of full or partial termination, or if a change in funding is required setting forth the change in funding and changes in the approved budget.

2) Termination for Cause

A) If the Department determines that the Grantee has failed to comply with the special conditions and/or the general terms and conditions of the Grant Document, the Department may terminate the grant in whole, or in part, at any time before the date of completion. Circumstances which will result in the termination of a grant include, but are not necessarily limited to the following: consistent failure to submit required reports; failure to maintain required records; failure to protect inventory; misuse of equipment purchased with grant funds; evidence of fraud and abuse; consistent failure to meet performance standards and failure to resolve points of the agreement (i.e., narrative, number to be served).

B) The Department shall promptly notify the Grantee in writing of the determination to terminate, the reasons for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be made in accordance with legal rights and liabilities of the parties explained in the Grant Document.

3) Termination for Convenience – The Department or the Grantee shall terminate the grant in whole, or in part, when the Department and the Grantee agree that the continuation of the program objectives would not produce beneficial results commensurate with the further expenditures of funds. The Department and the Grantees shall agree upon termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall allow full credit to the Grantee for the Department's share of the noncancellable obligations, properly incurred by the Grantee prior to termination.

(Source: Amended at 13 Ill. Reg. 20321, effective December 15, 1989)