**Section 970.350 Award and Use of Grant Funds**

a) Funds shall be used only for the direct cost of administering, operating and maintaining a project or service.  The following direct costs are examples of those that may be incurred when specified in the grant agreement:

1) Personal services costs, including gross salaries and employer paid fringe benefits for full-time and part-time employees of the project or service;

2) Contractual services costs, including, but not limited to, fees for consultants and specialists, exclusive of consultant services for patient care;

3) Supplies/commodities as required in the operation of the project or service that are directly related to its operation, which may include medical supplies and equipment supplies costing less than $100; and

4) Equipment directly related to the operation of the project. (Equipment

is defined as items costing over $100 each, with a useful life of more than one year. Equipment costs shall include all freight and installation costs. Purchase of equipment items, other than those included in the approved budget, require prior written approval from the Department.)

5) The grant funds may not be used for institutional, organizational, or

community-based overhead costs, indirect costs, or levies.

b) Payments to the grantee shall be made on a reimbursement basis.

1) The grantee shall use the Department's Reimbursement Certification Form or a reasonable facsimile to request reimbursement.

2) The grantee shall document actual expenditures incurred for the purchase of goods and services necessary for conducting program activities or services.

A) Expenditures shall be itemized on the Reimbursement Certification Form in such a manner as to establish an audit trail for future verification of appropriate use of grant funds.

B) Each item claimed on the Reimbursement Certification Form must be based on an expenditure traceable through the grantee's internal accounting system and shall include:

i) The check number or internal ledger transfer code;

ii) Date of payment;

iii) Dates goods or services were received for the period covered;

iv) A description of the goods or services and gross amount of the check or transfer; and

v) The amount claimed for reimbursement from the Department.

3) The grantee shall submit requests for reimbursement periodically (monthly or quarterly) throughout the period of the grant.  The final request for reimbursement shall be submitted within 45 calendar days after the end of the grant agreement period.

c) Line-item budget adjustments to reallocate awarded funds shall be submitted to the Department on Department-provided forms no later than 45 calendar days before the end of the grant agreement period.

(Source: Added at 30 Ill. Reg. 17924, effective October 27, 2006)