**Section 995.80 Conditions on Use and Disbursement of Grant Funds**

a) The grantee is responsible for assuring that the investigators fulfill the grant requirements and the requirements for the fiscal and legal management of a project that is funded with a grant.

b) All grants shall be subject to all requirements and limitations imposed by Illinois law, including, without limitation, the Illinois Grant Funds Recovery Act.

c) Each institution receiving a grant shall establish an IRC to review the institution's activities during the grant period. The IRC shall meet at least quarterly and hear reports from the institution's projects. The IRC shall include scientists, ethicists and community representatives, including organizations supporting medical conditions likely to be investigated by stem cell research.

d) Project funds shall be used for the direct cost of administering, operating and maintaining a project and for an amount of indirect costs as announced by the Department in its RFA. The direct costs permitted include, but are not limited to:

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

2) Contractual services costs, including, but not limited to, fees for consultants and specialists, exclusive of consultant services for patient care; conference registration fees; repair and maintenance of furniture and equipment; postage and postal services; subscriptions to periodicals; training and education costs; software; and telecommunications costs;

3) Travel costs, which are the expenses for transportation, lodging and subsistence for personnel who are on travel status on official business related to the IRMI grant. Out-of-state travel requires prior written approval of the Department;

4) Supplies/commodities as required in the operation of the project that are directly related to its operation. Supplies include, but are not limited to, office, medical and educational supplies; equipment items costing less than $100 each; printing; and paper; and

5) 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, requires prior written approval from the Department.

e) No grant funds shall be used for facility construction or lobbying.

f) No grant funds shall be awarded to any person who knowingly *purchases or sells embryonic or cadaveric fetal tissue for research purposes*. (Section 45(a) of the Act) Funds may be used to pay customary medical charges for the removal, processing, disposal, preservation, quality control, storage, transplantation or implantation of the tissue.

g) Payments for the purchase of stem cells and stem lines for the purpose of research under this Part shall be limited to payment for removal, processing, disposal, preservation, quality control, storage, transplantation, implantation and legal transaction and other administrative costs associated with these medical procedures and shall specifically include any required payments for medical or scientific technologies, products and processes for royalties, patents, licensing fees and other costs for intellectual property.

h) Requests for budget adjustments shall be submitted to the Department in writing no later than 45 calendar days before the end of the grant agreement period.

i) No grant funds shall be disbursed for costs incurred more than two years after the start of the project period. Any grant funds not expended or legally obligated by the end of the project period shall be returned to the Department within 45 days after the end of the project period, if the funds are not already on deposit with the Department or the State Treasurer. Returned funds shall be deposited into the fund from which the original grant disbursement to the grantee was made.

j) Grant funds shall not be provided for:

1) Research involving the reproductive cloning of a human being;

2) Research involving fetuses from induced abortions; and

3) Research involving the creation of embryos through the combination of gametes solely for the purpose of research.