**Section 2735.50 Advance Payment Option**

a) ISAC-approved institutions of higher learning may request consideration for the advance payment option. To be eligible, the institution must have received MAP payments for each of the last five academic years, and ISAC must have completed an audit of the institution's performance during that five year period. Institutions with provisional eligibility shall not receive advance payments. (See 23 Ill. Adm. Code 2700.30(i)(6).)

b) Subject to the availability of funds, payments may be advanced on a term-by-term basis. If advanced, payments will be made in an amount not to exceed 75 percent of a term's announced recipients, adjusted for attrition as determined by subsection (c)(2). The formula by which ISAC computes an institution's advance payment is illustrated in Appendix A of this Part.

c) For purposes of computing an institution's advance payment, ISAC uses the lowest retention rate resulting from the following three formulae:

1) Dollar value of the previous fiscal year's claimed awards divided by the dollar value of the previous fiscal year's announced awards;

2) Number of claimed awards for the previous fiscal year divided by the number of awards announced during the previous fiscal year; or

3) Using the formula in subsection (c)(2), compute the retention rate for the previous five fiscal years. Add the five retention rates and divide by five to produce the five year average retention rate.

d) If an institution receives advance payment pursuant to this Section, the balance of payment due for the current term will be paid to the institution after ISAC receives a payment request.

e) If an advance payment received by an institution exceeds the total grant payments for which that institution's students are eligible, the institution shall submit the appropriate refund to ISAC prior to the end of the academic year.

(Source: Amended at 27 Ill. Reg. 10349, effective July 1, 2003)