**Section 1110.170 Lapsed Funds**

a) Grant funds not expended or legally obligated by the end of the Grant Agreement are considered lapsed.

b) The Grantee shall identify the amount of lapsed funds in the final report submitted to the Administrator.

c) The Administrator shall verify the amount of the lapsed funds and notify the Grantee in writing of the amount of lapsed funds and the date by which the lapsed funds must be returned, which shall be within 45 days following the end of the Grant Agreement, as required by the Grant Funds Recovery Act [30 ILCS 705].

d) If the Grantee fails to timely return the lapsed funds, the Administrator shall institute proceedings to recover the funds in accordance with the Grant Funds Recovery Act.