



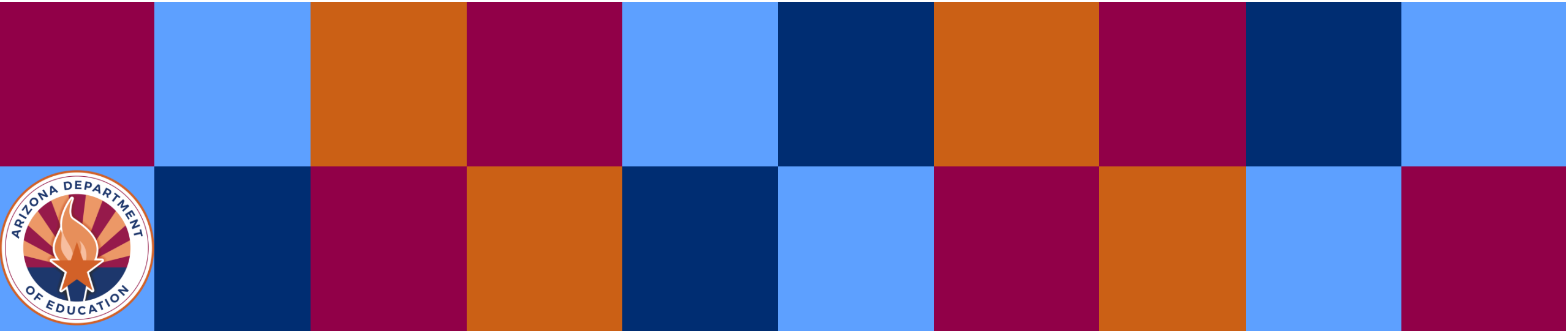
GAINING RESOURCES AND NECESSARY TECHNICAL SUPPORT

# ESSER II Late Liquidation Request Process



# OVERVIEW:

- Obligation vs Liquidation
- US ED's late liquidation guidelines and process
- Eligibility and timeline
- ADE request process
- Requirements



# Let's first review obligation vs. liquidation!



# DEFINITIONS

## Obligation:

- To obligate funds means to commit funds to an activity in accordance with programmatic requirements for a grant.
  - An obligation occurs when funds are encumbered on or after the project start date and up to the last day of the project period in the award.
  - For federal grants, the substantial approval date is the first day you may obligate funds.

## Liquidation:

- To liquidate an obligation the item must have already been purchased, the service must have already occurred, and those payments must already have been made.
  - Federal obligations incurred within the project period must be liquidated no later than 90 days after the end of the project period.
  - Some state grants require liquidation *before* the project period ends.

## Project Period/Period of Availability:

- Period established in the grant award for the start and end of the project.

# EXAMPLE

## ESEA Consolidated Grant

Project Start Date: July 1, 2023

Project End Date: September 30, 2024

Obligation Starts	Obligation Ends	Liquidation	Close-out
Once substantially approved on or after the project start date of July 1, 2023	September 30, 2024	No later than 90 days after the end of the project December 29, 2024	A completion report to close out the grant is due to ADE within 90 days after the grant project ends, December 29, 2024



# Obligation Period

- All grant expenses must be obligated by the end of the project period.
- Any funds not properly obligated within the project period will lapse and revert to the awarding agency.

# Liquidation Period

- The liquidation period refers to the time after a grant deadline, when properly obligated expenditures can be claimed, and the grant is closed out.
- Federal funds which have been properly obligated by the end of the grant project period will have 90 calendar days in which to be liquidated (expended). 2 CFR 200.344 (a)
  - Some state grants require liquidation *before* the project period ends
- Expiring funds not liquidated by the end of the 90-day period will lapse and revert to the awarding agency.
  - Some grants allow for remaining funds to carryover into the next funding year depending upon program allowances and eligibility.

## ***When obligation occurs depends on the type of expenditure (34 CFR 76.707).***

<b>If the obligation is for—</b>	<b>The obligation is made—</b>
<b>(a) Acquisition of real or personal property</b>	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
<b>(b) Personal services by an employee of the State or subgrantee</b>	When the services are performed.
<b>(c) Personal services by a contractor who is not an employee of the State or subgrantee</b>	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
<b>(d) Performance of work other than personal services</b>	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
<b>(e) Public utility services</b>	When the State or subgrantee receives the services.
<b>(f) Travel</b>	When the travel is taken.
<b>(g) Rental of real or personal property</b>	When the State or subgrantee uses the property.
<b>(h) A pre-agreement cost that was properly approved by the Secretary (of Education)</b>	On the first day of the grant or subgrant performance period.



# ESSER II

# LATE LIQUIDATION

## Overview



# Overview

	Obligation must occur by:	LEA liquidation by:	Final completion report due by:
Standard ESSER II Deadline	September 30, 2023	December 29, 2023	December 29, 2023

- US Department of Education (US ED) announced that states can request an extension of the standard liquidation period of up to **an additional 14 months to liquidate ESSER II funds** which MUST have been **properly obligated by September 30, 2023**.
- US ED is NOT extending the obligation deadline/project end date of September 30, 2023.

# Overview

- ADE must apply on behalf of an LEA on an expense-by-expense basis.
- LEA requests must first be reviewed and approved by ADE before submission to US ED.
- Per US ED, risk must be assessed.
  - LEAs designated as “high risk” based on ADE’s risk assessment will NOT be eligible to request a late liquidation request.
  - Recent audit findings may be evaluated.
- ESSER II Late Liquidation is not a blanket extension of the liquidation period and US ED is requiring a justification for any extension.
  - US ED has stated that needing more time to spend funds is not a sufficient justification.
  - LEAs must demonstrate that all grant expenses were timely and properly obligated no later than September 30, 2023.

# Possible Expenditures Eligible for ESSER II Late Liquidation Extension

## Delivery Delays & Contracted Services

- **Unforeseeable Delays:** Capital projects that experienced unforeseeable delays or supply shortages where the equipment or supplies cannot be delivered by December 29, 2023.
- **Continuity of Educational Services:** Contracts with third-party providers to support the continuity of educational support services through the end of the school year
  - Examples: 3<sup>rd</sup> party provider contracts for tutoring, mental health support, curriculum materials, professional development, technology tools, and substitute teachers.

Late liquidation requests must be aligned to specific projects, contracts, or other expenses already approved in your ESSER II grant budget and based on timely and properly obligated funds.

**EXAMPLE:**  
**ESSER II Deadlines with Late Liquidation Flexibility (if approved by ADE and US ED)**

Possible Justification for Late Liquidation	Obligation must occur by:	LEA liquidation by:	Final completion report due by:
<b>Unforeseeable Delays</b> <i>(EXAMPLE of 14-mth maximum extension)</i>	September 30, 2023	February 28, 2025	February 28, 2025
<b>Continuity of Educational Services</b> <i>(EXAMPLE of a 6-mth extension to complete school year services)</i>	September 30, 2023	June 30, 2024	Within 30-days of liquidation



# Key Points

- ADE must apply on behalf of an LEA on an expense-by-expense basis.
- Late liquidation extension does NOT extend the obligation deadline/project end date of September 30, 2023.
- Possible eligible expenses
  - Delivery delays and contracted services
    - *Unforeseeable Delays*
    - *Continuity of Educational Services*
  - Needing more time to spend funds is not a sufficient justification



# **ESSER II**

# **LATE LIQUIDATION**

# **Request Process**



# Request Timeline

- October 1, 2023
  - ESSER II Late Liquidation Request supplement available.
- November 1, 2023
  - Deadline for LEAs to submit ESSER II Late Liquidation Request supplement in GME.
    - Requests submitted after the deadline will not be considered.
- December 31, 2023
  - Deadline for ADE to submit any state approved requests to US ED for consideration

# Request Process

**STEP 1:** LEAs must indicate their intention to submit an ESSER II Late Liquidation Extension Request in the history log of their ESSER II application.

**STEP 2:** LEA must submit a Help Desk ticket to request the ESSER II Late Liquidation Request supplement in GME.

**STEP 3:** LEA completes the supplement in GME and provides all required documentation by November 1, 2023.

- Requests submitted after the deadline will not be considered.

**STEP 4:** ADE Grants Management and ESSER Program Area will review the LEA's late liquidation extension request. If approved, ADE will submit to US ED for review.



# Request Considerations

- Submission of an ESSER II Late Liquidation Extension Request does not guarantee approval for an extension.
- LEAs designated as “high risk” based on ADE’s risk assessment will NOT be eligible to request a late liquidation request.
- ADE has the authority to deny requests based on the information it receives from LEAs as well as on other factors related to an LEA’s recent history of financial management practices.

# ESSER II Close-out Requirements

- LEAs will still be required to submit a completion report for their ESSER II grant by December 29, 2023.
- Should a late liquidation extension request not receive approval, LEAs should plan for an alternative source of funds for any ESSER II contractual performance extending beyond December 29, 2023.



# **ESSER II**

# **LATE LIQUIDATION**

# **Request Requirements**

# Request Requirements

- A. Amount obligated as of September 30, 2023
- B. Amount of obligated funds necessitating extension
  - The amount of money for which a liquidation extension is requested.
  - This expense should already be included in the LEA's approved ESSER II grant budget.
- C. Description of the Expense
  - A brief, simple description of the **specific expense** for which the LEA is seeking an extension of the liquidation period.
    - Examples might include construction contract, HVAC contract, instructional services third party contract, materials/supplies, etc.
- D. Justification of the Expense
  - Provide an explanation for each expenditure that will not be liquidated by the end of the standard 90-day liquidation period already provided through December 29, 2023.
    - Please note, needing more time to expend funds is not an adequate justification for a liquidation extension.



# Request Requirements

## E. Amount of Time Requested

- Provide the amount of time, in months, needed to liquidate funds for each expense beyond the 90-day window already provided through December 29, 2023.
- Remember, 14 additional months is the maximum extension.
- Requests should be made for the specific time required to complete the activity.

## F. Justification for Amount of Time

- Provide an explanation for why the LEA is requesting this amount of additional time.

## G. Supporting Documentation

- Upload signed governing board approval of the LEA's late liquidation extension request .
- Upload supporting documentation that demonstrates the timely obligation of funds.
  - Expenditure detail report
  - Additional documents such as purchase orders or contracts for services, as well as any documentation/communication supporting a delay in receiving services, if applicable.



# Request Requirements

## H. Assurances by the LEA to Include

- Information provide in the request is complete and accurate
- Activities/services included in the liquidation extension are allowable and have been properly obligated by September 30, 2023.
- Additional documentation will be provided upon request by ADE or US ED to support the obligation and liquidation figures.
- Agree to comply with continued monitoring and oversight by ADE as outlined under “**specific conditions.**”



# **ESSER II**

# **LATE LIQUIDATION**

# **Approved Requests**



# Next Steps If Approved by US ED

1. ADE Grants Management will reopen the ESSER II completion report for the LEA to revise to carryover ONLY the portion approved in the late liquidation request.
2. ADE Grants Management will open an FY24 ESSER II Late Liquidation Extension Application to include on the amount and specific expense(s) approved in the request.
3. No changes can be made to the specific project or contract. If the executed contract cannot be fulfilled, the funds subject to late liquidation must be forfeited.



# Specific Conditions (2 CFR 200.208)

- A. Required monthly check-in meeting with ADE Grants Management late liquidation coordinator.
- B. LEAs must submit reimbursement requests within 30 days of receipt of invoices for services or receipt of goods approved in the late liquidation request.
  - A detailed expenditure report and invoices will be required for all reimbursement requests.
- C. LEAs approved for a late liquidation extension will be subject to an ADE fiscal monitoring audit of the completed ESSER II grant activities expenses provided in the LEAs initial completion report submitted by December 29, 2023.
- D. A final ESSER II Late Liquidation Extension completion report must be submitted by the LEA within 30 days of final liquidation of the specific expense(s) approved in the late liquidation request.
- E. LEAs approved for a late liquidation extension will be subject to a final ADE fiscal monitoring audit of the activities and expenses included in the extension once the final ESSER II Late Liquidation Extension completion report is submitted.



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