

LATE LIQUIDATION GUIDE FOR ESSER II

Overview

The 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.
- The liquidation period for federal grants refers to the time after a grant deadline when properly obligated expenditures can be claimed, and the grant is closed out.
- ADE must apply on behalf of an LEA on an expense-by-expense basis.
- LEAs designated as “high risk” based on ADE’s risk assessment will NOT be eligible to request a late liquidation request.
- LEA requests must first be reviewed and approved by ADE before submission to US ED.
- This 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.
- All grant expenses must be **timely and properly obligated** no later than September 30, 2023.

Possible Expenditures Eligible for Late Liquidation Extension

If a district can demonstrate suitable justification for a given expense, and their late liquidation application is approved by ADE and US ED, late-liquidation flexibility could possibly be applied to expenditures such as:

- **Unforeseeable Delays:** Capital projects that experienced unforeseeable delays/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, such as 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.

	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

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:
Unforeseeable Delays (EXAMPLE of 14-mth maximum extension)	September 30, 2023	February 28, 2025	February 28, 2025
Continuity of Educational Services (EXAMPLE of a 6-mth extension to complete school year services)	September 30, 2023	June 30, 2024	Within 30-days of liquidation

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

The submission of a late liquidation extension request does not guarantee approval for an extension. 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. Please note, LEAs designated as “high risk” based on ADE’s risk assessment will **NOT** be eligible to request a late liquidation request.

STEP 1: LEAs must indicate their intention to submit a 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.

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 - Supplement Requirements for LEAs

- 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.
- 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.
- 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 below under "specific conditions."

Late Liquidation Extension Period 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 submitted 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.

Late Liquidation Extension Period – Next steps if an LEA's late liquidation extension request is approved (by ADE and US ED)

- 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.
- 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.
- 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.