**Late Liquidation of Certain ARP EANS (EANS-II)**

**Grant Expenditures – Quick Reference Guide**

**Best Practice: Obligate and liquidate all ARP EANS grant expenditures by September 30, 2024.**

**Standard Liquidation Period for Federal Grants**

The liquidation period for federal grants refers to the time after a grant deadline when properly obligated expenditures can be claimed and the grant closed out. In almost all cases, the liquidation period for federal grant awards and expenses is 120 days after the grant expires (90 days for grant subrecipients (non-public schools) to claim funds and an additional 30 days for the recipient (the state) to close out the grant), as described in DESE’s [*ARP EANS (EANS-II) Program Resource Guide.*](https://drive.google.com/file/d/16AZuPK3kTrvwVIxWUbUJZIu7rNXkaxY7/view?usp=drive_link)

**A Liquidation Extension is available for ARP EANS in Some Cases**

The United States Department of Education (USED) announced that states can request, on an expense-by-expense basis, an extension of the standard liquidation period of *up to* an additional 14 months to liquidate ARP EANS funds that were properly obligated by September 30, 2024 *(see U.S. Department of Education General and Technical* [*Frequently Asked Questions (FAQs)*](https://oese.ed.gov/files/2024/01/Updated-Technical-FAQs-for-Liquidation-Extensions-1.9.24-v-2-for-posting.pdf) *for Liquidation Extension Requests, January 9, 2024)*. Importantly, the federal government is not offering a blanket extension of the liquidation period and is requiring a justification for any extension. USED has stated that solely needing more time to spend funds is not a sufficient justification. Expense-by-expense late liquidation requests are subject to both DESE and USED approval and DESE must apply to USED for late liquidation flexibility for any expenses for goods or services to nonpublic schools. The obligation deadline for ARP EANS remains unchanged; all grant expenses must be properly obligated by DESE for good and services received in a timely fashion and no later than September 30, 2024.

**Expenditures Eligible for Late Liquidation**

Generally, a federal grant’s liquidation period is used to claim final expenditures and to accomplish final closeout tasks for states. Because contracts for goods and certain services are deemed obligated when the contract is signed (even though services are often provided shortly thereafter), the standard liquidation window allows non-public schools a short window of additional time (60 days) to receive these contractual benefits after the grant deadline and before the final claims against the grant must be made.

To provide some additional time to use these funds, USED, which cannot extend the 9/30/2024 grant deadline, is using its authority to extend the liquidation period for federal grants. An extension of the liquidation period may allow non-public schools to both receive certain goods and services through validly obligated contracts (i.e., contracts executed by 9/30/2024) and have DESE pay for those goods and services during an extended period of time for ARP EANS.

Graphic depicting deadlines across the 27 month period of availability for federal grants, which begin on July 1:

1. Obligation must occur by September 30th in Year 3.
2. Performance of a Validly Obligated Contract must happen by December 28 of year 3 of the grant.
3. District liquidation/drawdown of validly obligated contract and closeout of grant must be completed by February 8th of year 3 of the grant.
4. DESE liquidation of federal grant must occur by January 28th of year 3 of the grant.
**Figure 1: Standard Obligation and Liquidation Timelines of the EANS Federal Grants**

If a non-public school can demonstrate suitable justification for extending the performance and claiming period for a given expense, and their late liquidation application is approved by DESE and USED, late-liquidation flexibility can be applied to such expenditures that experienced unforeseeable delays/supply shortages where the equipment or supplies cannot be delivered by November 29, 2024, the standard window available for post-deadline performance of validly obligated contracts. Another possible circumstance justifying late liquidation could be for 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.

As stated above, solely needing more time to expend funds is not an adequate justification for late liquidation. Rather, late liquidation requests must be aligned to specific projects, contracts, or other expenses based on properly obligated funds. The table below outlines some possible justifications for late liquidation and corresponding timelines.

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| --- | --- | --- | --- | --- | --- |
| **ARP EANS Obligation, Liquidation, Performance (Certain Contracts), and Grant Closeout** | | | | | |
| *Reminder: Best Practice is to obligate, liquidate, and closeout a grant by end of the Period of Availability (i.e., by the obligation deadline)* | | **Obligation Must Occur By:** | **Performance of Validly Obligated Contract Must be Completed By:** | **Non-public school Liquidation/Drawdown of Grant Expenditures by DESE By:** | **DESE Liquidation of Federal Grant By:** |
| **Standard ARP EANS Deadlines** | | September 30, 2024 | November 29, 2024 | December 29, 2024 | January 28, 2025 |
| **ARP EANS Deadlines with**  **Late Liquidation Flexibility**  *(if approved by DESE and USED)* | Continuity of services through end of school year | September 30, 2024 | June 30, 2025  (example of a 7-month extension) | July 30, 2025  (example of a 7-month extension) | August 29, 2025  (example of a 7-month extension) |
| Unforeseeable delays  (e.g., supply chain issues or delivery delays) | September 30, 2024 | January 31, 2026 (example of a 14-month maximum extension) | February 28, 2026 (example of a 14-month maximum extension) | March 28, 2026  (example of a 14-month maximum extension) |

**Requesting an Extension of the Liquidation Period for ARP EANS**

Non-public schools that are interested in applying for receipt of goods and services through late liquidation for one or more expenses for ARP EANS funds should **submit a request using the** [**ARP EANS (EANS-II) Late Liquidation Request Form**](https://survey.alchemer.com/s3/7841179/EANS-II-ARP-EANS-Late-Liquidation-Request) **and provide the required information outlined below by September 30, 2024**. Approval of a non-public school’s request will be based upon the specific facts and circumstances, in accordance with 2 CFR §200.344(b). Both DESE, and then USED, will review submissions on a rolling, first-come-first-served basis. If approved under this process, non-public schools will be notified by DESE as soon as USED makes a final determination. Further, if a late liquidation request is approved by DESE and USED, no changes can be made to the specific project or contract by which goods and services are provided. If the executed contract cannot be fulfilled, the funds subject to late liquidation must be forfeited.

Please note that submission of a request does not guarantee approval for a liquidation extension, as DESE has the ability to deny requests based on the information it receives from non-public schools. If a school’s late liquidation request is not approved, the school will still have the standard 2-month window to take performance of a properly obligated contract as well as the standard 3-month window to submit requests for direct payment of invoices from an approved vendor in ClassWallet. ARP EANS recipients should plan for an alternative source of funds for any contractual performance extending beyond November 29, 2024 should an extension request not receive approval.

**Required Information to Request an Extension of the Liquidation Period for ARP EANS:**

1. **Description of the Expense** – A brief, simple description of the ARP EANS expense for which you’re seeking an extension to receive and submit appropriate paperwork. Examples might include an extension for instructional services contract(s), materials/supplies, or other allowable uses.
2. **Link to COVID-19** – Provide a brief description of how the request addresses educational disruptions caused by the COVID-19 emergency. All purchases made under the EANS Programs must be tied to an initiative to prevent, prepare for, and respond to the pandemic, which includes pre-existing circumstances that were exacerbated by the pandemic.
3. **Type of Service or Assistance** – Select the appropriate category of the ARP EANS expense for which you’re seeking an extension.
4. **Justification for Request** – Please provide an explanation for each expenditure as to why it cannot be completed by the end of the 90-day liquidation period already provided. Needing more time to order goods and services is not, by itself, an adequate justification for extension. Examples might include delays related to supply or labor shortages. The justification for each request will be reviewed consistent with state and federal oversight practices.
5. **Amount of Time Requested** – Provide the amount of time, in months, needed for each expense beyond the 3-month window already provided. Remember that 14 additional months is the maximum extension.
6. **Justification for Amount of Time** – Provide an explanation for why you requested this amount of additional time.
7. **Amount of Obligated Funds** – The amount of money for any goods or services for which an extension is requested.
8. **Supporting Documentation** – Upload supporting documentation that demonstrates the timely obligation of funds, such as purchase orders or contracts for services from a DESE contract, as well as any documentation supporting a delay in receiving services, if applicable.

**Timing of Submissions and Potential Approvals**

**For non-public schools that are seeking potential approval for an extension from DESE and the US Department of Education prior to the September 30, 2024 obligation deadline**, non-public schools may start submitting requests to DESE on June 17, 2024 and may submit requests to DESE through August 31, 2024.

**For non-public schools that do not require approval from the US Department of Education prior to the September 30, 2024 obligation deadline,** DESE will submit completed and approvable ARP EANS late liquidation requests to the US Department of Education received between September 1, 2024 and September 30, 2024. Approval of these requests, pending USED review, would come after the September 30, 2024 obligation deadline.

*ARP EANS Late Liquidation Request Form:*

[*https://survey.alchemer.com/s3/7841179/EANS-II-ARP-EANS-Late-Liquidation-Request*](https://survey.alchemer.com/s3/7841179/EANS-II-ARP-EANS-Late-Liquidation-Request)