

## Reference Guide for Late Liquidation of ARP ESSER III Funds

The purpose of this guide is to provide information on the New Hampshire Department of Education (NHED) late liquidation request review process for American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief Funds (ESSER) including what activities qualify and required documentation.

NHED recommends LEAs plan to spend all ARP ESSER III funds by September 30, 2024. Any expenses incurred after September 30, 2024, without late liquidation approval is the responsibility of the LEA.

NHED will be required to submit late liquidation requests to the U.S. Department of Education (USED) on behalf of the Local Education Agency (LEA) for review and approval. Please note that submission for late liquidation does not guarantee approval of the late liquidation request.

NHED will begin accepting requests for late liquidation starting **July 1, 2024, through October 15, 2024**. This is to ensure ample time for NHED to review requests, ensure all documentation is complete, and that the request meets allowability requirements.

For the request to be considered, the request form and required documentation must be complete. The request form and information are available at: [Late Liquidation Requests](#)

### Important Dates

Activities due in the Grants Management System (GMS)	September 13, 2024
Obligation of Funds deadline	September 30, 2024
Late Liquidation Request Form due	Beginning July 1, 2024, through October 15, 2024
Liquidating Funds/Final Monthly Report due in GMS	December 31, 2024

**Any questions, please contact [esser@doe.nh.gov](mailto:esser@doe.nh.gov). For general ESSER information and resources, please see the [NHED ESSER webpage](#).**

### Late Liquidation Request Form

**NHED will accept late liquidation request forms starting July 1, 2024, through October 15, 2024.** The request form and detailed information are available at: [Late Liquidation Requests](#)



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# Department of Education

*Any request forms submitted prior to September 30, 2024, can exclude the dollar amounts located on “Subrecipient Information” D-H and “Request Breakdown” B. LEAs should confirm the final amount on September 30, 2024, to NHED at [esser@doe.nh.gov](mailto:esser@doe.nh.gov).*

NHED will provide a response to the LEA as to whether the late liquidation request meets all requirements and will be included in the state’s ARP ESSER III late liquidation request to the U.S. Department of Education.

If included, NHED will notify LEAs if the late liquidation request is approved by USED. At that time, additional information regarding next steps will be provided. Direct requests submitted to USED by LEAs will not be accepted. If a late liquidation request is approved by NHED and USED, 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. NHED will continue monitoring and oversight of LEAs who are granted late liquidation.

## Required Documentation

All required documentation is detailed in the late liquidation request form. NHED is required to verify and attest that all supporting documentation is available and on file with the associated subrecipient(s) consistent with 2 C.F.R. § 200.334. Therefore, NHED will collect and review the supporting documentation for each request. Verification of properly obligated funds is a standard expectation of late liquidation requests involving Federal funds.

Examples of supporting documentation include but are not limited to:

- Executed contracts (including date, price, scope of services and all federal requirements)
- Purchase orders
- Invoices
- Order delay communications between the LEA and vendor with date/time stamp verification
- Labor shortage communications between the LEA and vendor with date/time stamp verification

Documentation must clearly demonstrate the need for the liquidation request. Failure to provide this documentation will deem the request ineligible for late liquidation. Needing more time to expend funds is not considered an adequate justification for late liquidation requests.

Please note that documentation provided must demonstrate that at the time of original obligation, it was anticipated the work would be completed within the period of performance of September 30, 2024. If the amount for which late liquidation is being requested corresponds to multiple expenditures, attach separate documents related to each expenditure.



## Obligation Defined

Pursuant to USED guidance and federal regulations at 34 C.F.R. § 76.707 funds are considered obligated as follows: *“Specifically, for services or assistance provided through a contract, the obligation is made on the date when the State or the subgrantee makes a binding written commitment to obtain the services, work, or products. For rental or lease of real or personal property, the obligation is made when the property is used.”*

If the obligation is for:	The obligation is made:
Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
Personal services by an employee of the State or subgrantee	When the services are performed.
Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
Public utility services	When the State or subgrantee receives the services.
Travel	When the travel is taken.
Rental of real or personal property	When the State or subgrantee uses the property.

*What types of expenses fall under “performance of work other than personal services?”*

Examples include: the purchases of goods (equipment, supplies, etc.) and anything beyond personal services.

All ARP ESSER III funds must be obligated by **September 30, 2024**. If previously committed funds to an allowable activity are no longer needed for that purpose, the LEA may revise and submit new or modified ARP ESSER III activities for review and approval in GMS no later than September 13, 2024, to allow time for any necessary revisions.



## Liquidation

Pursuant to USED guidance and federal regulations at 2 C.F.R. § 200.343-344 funds are considered liquidated as follows: *“The drawing down and expenditure of funds by a grantee for obligations incurred during the grant’s legal obligation period. Timely liquidation occurs during the legal obligation period and through the first 120 days after the final day of that period or an extension of that period authorized by ED, pursuant to 2 C.F.R. § 200.344(b).”*

The liquidation period refers to the time after the grant deadline of September 30, 2024, when properly obligated expenditures can be reimbursed, and the grant closed out. An obligation is considered liquidated when the goods or services have been received and payment has been completed.

All properly obligated ARP ESSER III funds must be liquidated, and the monthly report submitted into GMS by **December 31, 2024**.

If the LEA has been approved for late liquidation, those specific approved funds may be liquidated past December 31, 2024. Please see below for more information regarding late liquidation deadlines.

## Late Liquidation

LEAs may request liquidation extensions for any allowable cost of the ARP ESSER III program, provided such costs are properly obligated by September 30, 2024. Timely and properly obligated funds *may be* eligible for a liquidation extension under 2 C.F.R. § 200.344(b).

Due to the federal rules defining when an obligation was made, the liquidation extension does not include:

- Indirect costs
- Personal services of employee of subgrantee (LEA) such as staff salary/benefits
- Personal services by a contractor
- Travel
- Rental of real or personal property

Late liquidation allows for more time due to unexpected delays and will require supporting documentation. Please note that documentation provided must demonstrate that at the time of original obligation, it was anticipated the work would be completed within the period of performance ending September 30, 2024.

Solely needing more time to expend funds is not an adequate justification for liquidation extension. Please note that requests must be aligned to items and projects that are part of the approved grant in GMS. Additional activities, or modifications to activities, will not be approved after September 13, 2024.



Examples of Eligible & Ineligible Expenditures	
Eligible for Liquidation Extension	Ineligible for Liquidation Extension
<p><b>Construction Project:</b></p> <ul style="list-style-type: none"> <li>• The project had final approval from NHED before starting construction.</li> <li>• The executed contract with the vendor states it was anticipated that the project would be completed prior to 9/30/24.</li> <li>• The funds were properly obligated and approved in GMS prior to 9/30/24.</li> <li>• Due to unforeseeable delays/supply shortages, the project will not be completed until after 12/31/24.</li> <li>• The NHED late liquidation request was fully completed and submitted prior to 10/15/24, including supporting date/time stamped documentation noting the delay.</li> </ul>	<p><b>Construction Project:</b></p> <ul style="list-style-type: none"> <li>• The contract with the vendor states it was anticipated that the project would be completed in the Fall of 2024 or the project completion date for the scope of services paid for with the ARP ESSER III grant funds is not explicitly stated.</li> <li>• Due to additional construction work needed or change in scope of services, the contract was amended after 9/30/24.</li> <li>• The NHED late liquidation request was missing information, submitted after 10/15/24, or there was no supporting documentation provided.</li> </ul>
<p><b>Materials:</b></p> <ul style="list-style-type: none"> <li>• The funds were properly obligated and approved in GMS prior to 9/30/24.</li> <li>• The materials were ordered by 9/30/24.</li> <li>• Due to unforeseeable delays/supply shortages, the materials will not arrive until after 12/31/24.</li> <li>• The NHED late liquidation request was fully completed and submitted prior to 10/15/24, including supporting date/time stamped documentation proving the delay.</li> </ul>	<p><b>Materials:</b></p> <ul style="list-style-type: none"> <li>• The activity was not submitted in GMS for review by 9/13/24.</li> <li>• The materials were ordered after 9/30/24.</li> <li>• The NHED late liquidation request was missing information, submitted after 10/15/24, or there was no supporting documentation provided.</li> </ul>

USED has the authority to approve late liquidation requests for up to 18 months beyond the end of the obligation period to liquidate funds or 14 months beyond the 120-day liquidation period. Approved late liquidation requests by USED *could* allow for funds to be liquidated until March 28, 2026. **NHED will require all monthly reports be submitted to GMS no later than December 31, 2025.** This is due to the time needed to complete administrative review and processing at the state level to ensure all documentation is complete to USED prior to March 28, 2026.

All requests approved by USED for late liquidation will be provided to the LEA by NHED as soon as it is received. If the request is not approved, the LEA would be responsible for any expenses incurred after 9/30/2024.



## Process for NHED Review

1. NHED receives submissions of Late Liquidation Request Forms and supporting evidence through [ESSER@doe.nh.gov](mailto:ESSER@doe.nh.gov) no later than October 15, 2024.
2. NHED reviews late liquidation requests to assess the following:
  - a. The LEA risk assessment status as determined by FY23 and FY24 Covid-19 relief fund programs risk assessment (ESSER I and ESSER II). LEAs with outstanding corrective action items or designated as high risk may be ineligible for late liquidation.
  - b. Whether the funds have been obligated for allowable uses prior to September 30, 2024.
  - c. Adequate and allowable justification for late liquidation including sufficient documentation demonstrating work was anticipated to be completed by September 30, 2024.
  - d. The LEA capacity for liquidating funds between January 1, 2025, and December 31, 2025.
  - e. Whether the project meets the requirements for late liquidation request.
3. NHED will provide a response to the LEA as to whether the request meets requirements, needs additional documentation, or does not meet requirements.
4. NHED will submit all approved requests to USED.
5. NHED will communicate USED determinations to LEAs.
6. The FY25 ESSER III risk assessment will include a late liquidation variable to incorporate the increased risk associated with the late liquidation of funds and all approved late liquidation requests will be identified for fiscal and programmatic monitoring.