

## **MEMORANDUM**

TO: ESSER Grantees

FROM: Michael Gum, Director of School Business Services

DATE: December 18, 2025

SUBJECT: Real Property Federal Interest Reporting Requirements

As recipients of the Elementary and Secondary School Emergency Relief (ESSER) grants, it is important for you to be aware of the federal interest reporting requirements associated with these funds.

[Guidance](#) issued in 2024 provides details on these requirements. Per this guidance, when a project involved the improvement or the purchase of real property using ESSER funds, reporting is required annually, for at least 15 years, on the status of the real property in which the federal government has made a monetary investment and therefore has an ongoing interest.

If a project involved the improvement or purchase of real property using any amount of ESSER funds, you must report the federal interest. This includes submitting the Cover Page of the Real Property Status Report (SF-429) for the entity, along with an Attachment A for each project/building. (See steps that follow.) Examples of real property include:

- Land and permanent structures like school facilities, classrooms, and administrative buildings.
- Significant upgrades or renovations to existing buildings, such as new roofs, new HVAC systems, or structural improvements.

Moveable equipment is not subject to these reporting requirements. Moveable equipment could include mobile classrooms, building furniture, and other similar items.

Because your district did not provide a response to our request last year, please complete the steps that follow to ensure your compliance with federal requirements. **SF-429 and any other required forms or documents must be returned to ISBE at [sfr@isbe.net](mailto:sfr@isbe.net) by January 31, 2026**, to comply with reporting requirements set forth by [2 CFR § 200.330](#).

*Note: Noncompliance could result in a reduction in funding or other actions per 2 CFR 200.339 should reporting not occur. This document and the accompanying FAQ are not a substitute for the advice of legal counsel. In reading and applying federal law, ISBE recommends grantees seek and obtain the advice of counsel with questions of application, interpretation, and/or to ensure that use of this information is appropriate to the grantee's situation.*

## Federal Interest Reporting Steps

Forms and instructions are available at [Grants.gov](https://grants.gov). In addition, ISBE is providing an [FAQ document](#) with added details for grantees navigating these requirements.

### All grantees are required to complete step 1 at minimum.

#### Step 1: Cover Page

- Complete *SF-429 Real Property Status Report (Cover Page)* per district or entity.
  - Box 1 – Enter “ISBE.”
  - Box 2 – Enter the name(s) of the grant(s) that funded the project(s) (e.g., ARP ESSER III).
  - Box 3 – Enter the name and information of the district or entity that received the grant(s).
  - Box 4a – Enter the entity’s [sam.gov](https://sam.gov) UEI number.
  - Box 5 – Enter grantee’s RCDT code.
  - Box 7 – Enter 12/31/2024.
  - Box 8 – Select the box next to Attachment A (General Reporting) if the federal funding was used for real property (building, land, or land improvements) including renovation, major remodeling, construction; otherwise, skip Box 8.
  - Box 9 – If Box 8 was skipped, write “No real property” in the blank box. (Box will not allow electronic completion.)
  - Box 11 – Complete all boxes and sign.
- If Box 8 was checked, go to Step 2.
- If Box 9 was completed, no further steps are required. Be sure the form is signed and email the PDF to ISBE at [sfr@isbe.net](mailto:sfr@isbe.net) by January 31, 2026.

#### Step 2: Attachment A

- Complete a separate *SF-429-A Real Property Status Report ATTACHMENT A (General Reporting)* for each real property (project and/or building) being reported.
- Forms will be returned if the following boxes are blank:
  - 13 – Type of project and the date the project was started and ended.
  - 14a – Building name, and what was done for the project.
  - 14b – Address of building where project took place.
  - 14f – Federal money spent on project, non-federal money spent on project, and total of the two together.
- If any Form A lists federal funds of \$1 million or more **or** constituted a significant interest in the portion of the project, continue with Step 3.
  - Per U.S. Department of Education guidance, the federal interest in a project could still be significant even when the project uses less than \$1 million in federal funds if the federal funds represented most of the total value. For example, a project with a cost of \$1.5 million that used \$900,000 in federal funds would be subject to the recording requirement in Step 3.

#### Step 3: Notice of Federal Interest

- A Notice of Federal Interest (NFI) must be created and recorded/filed/received in the official real property records for the county, similar to a deed, in which the improved or purchased property is located. There may be a charge assessed by the county.
- A link to a sample NFI is included in the FAQ.
- County should “stamp” recorded/filed/received and return the copy of NFI.

Send Cover page, Attachment A pages, and a “stamped” recorded/filed/received copy of NFI (if applicable) to [sfr@isbe.net](mailto:sfr@isbe.net).