



# Liquidation Extension Requests for ARP ESSER (ESSER III)

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## Topics

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## **ARP ESSER (ESSER III) Background**



## ARP ESSER (ESSER III) Background

The American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) fund under the American Rescue Plan Act of 2021, signed into law on March 11, 2021, provided a total of nearly \$122 billion to states and school districts.

Funds were allocated to states based on the proportion of funds that each state received under Part A of Title I of the Elementary and Secondary Education Act of 1965 in FY 2020. Illinois received approximately \$5 billion of this ESSER III total.

The U.S. Department of Education awarded these grants to State Education Agencies (SEAs) for the purpose of providing Local Education Agencies (LEAs) and other subrecipients emergency relief funds to address the impact of the COVID-19 pandemic on elementary and secondary schools across the nation.



# State Allocation of ARP ESSER Funds

SEAs were required to distribute 90% of funds directly to school districts (LEAs) by formula based on Federal FY 2020 Title I, Part A allocations.

The ARP ESSER fund also included three state-level reservations for activities and interventions that responded to students' academic, social, and emotional needs and addressed the disproportionate impact of COVID-19 on underrepresented student subgroups.

- Five percent of the total ARP ESSER allocation was for the implementation of evidence-based interventions aimed specifically at addressing learning loss.
- One percent of the total ARP ESSER allocation was for evidence-based summer enrichment programs.
- One percent of the total ARP ESSER allocation was for evidence-based comprehensive after-school programs.



## **Liquidation Extension Process Overview**



## Key Information

- All ARP ESSER funds must be properly obligated by Sept. 30, 2024.
- The deadline to liquidate funds and submit a final expenditure report is Jan. 14, 2025.
- For any funds that are properly obligated by Sept. 30 but will not be liquidated by Jan. 14, 2025, districts should submit a liquidation extension request.
- Staff salaries and benefits for work performed after Sept. 30, 2024, are NOT eligible for liquidation extension.



## Process Overview

- To request a liquidation extension:
  - Complete the [ARP ESSER Liquidation Extension Request Form](#) by Dec. 2, 2024.
  - Send supporting documentation and a cover letter to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net) with the subject line “Liquidation Extension Request – Supporting Documentation and Cover Letter.”
    - Supporting documentation must indicate that funds were obligated by Sept. 30, 2024; this may include purchase orders, contracts for services, or evidence of other allowable uses.
    - The cover letter must explain how the ARP ESSER liquidation extension request contributes to the acceleration of academic success for students, including those furthest from opportunity and with the greatest need. Please refer to this [letter from the U.S. Department of Education](#) for more information/instructions for the cover letter.
- Note: ISBE does not approve liquidation extension requests. ISBE verifies that funds were properly obligated by Sept. 30, 2024, and submits requests on behalf of grantees to the U.S. Department of Education, which is responsible for approving the requests.





## Liquidation Extension Request Process Overview



The deadline to obligate ESSER III funds is Sept. 30, 2024.



The deadline to liquidate funds is Jan. 28, 2025 (120 days after the Sept. 30, 2024, deadline).



**Should funds be properly and timely obligated by Sept. 30, 2024**, the U.S. Department of Education has the authority to approve liquidation extension requests based upon the specific facts and circumstances of a given obligation and upon written request of a grantee, in accordance with 2 CFR § 200.344(b).



## Liquidation Extension Request Process Overview



On behalf of grantees, ISBE may request an extension of up to 14 months beyond the automatic 120-day liquidation period. This would extend the liquidation period through March 31, 2026.



ISBE released the [Liquidation Extension Request form](#) on April 25, 2024, via email to the administrator of record listed in the Entity Profile System.



Liquidation Extension Request forms are due no later than Dec. 2, 2024. A separate form is required for each applicable grant program.



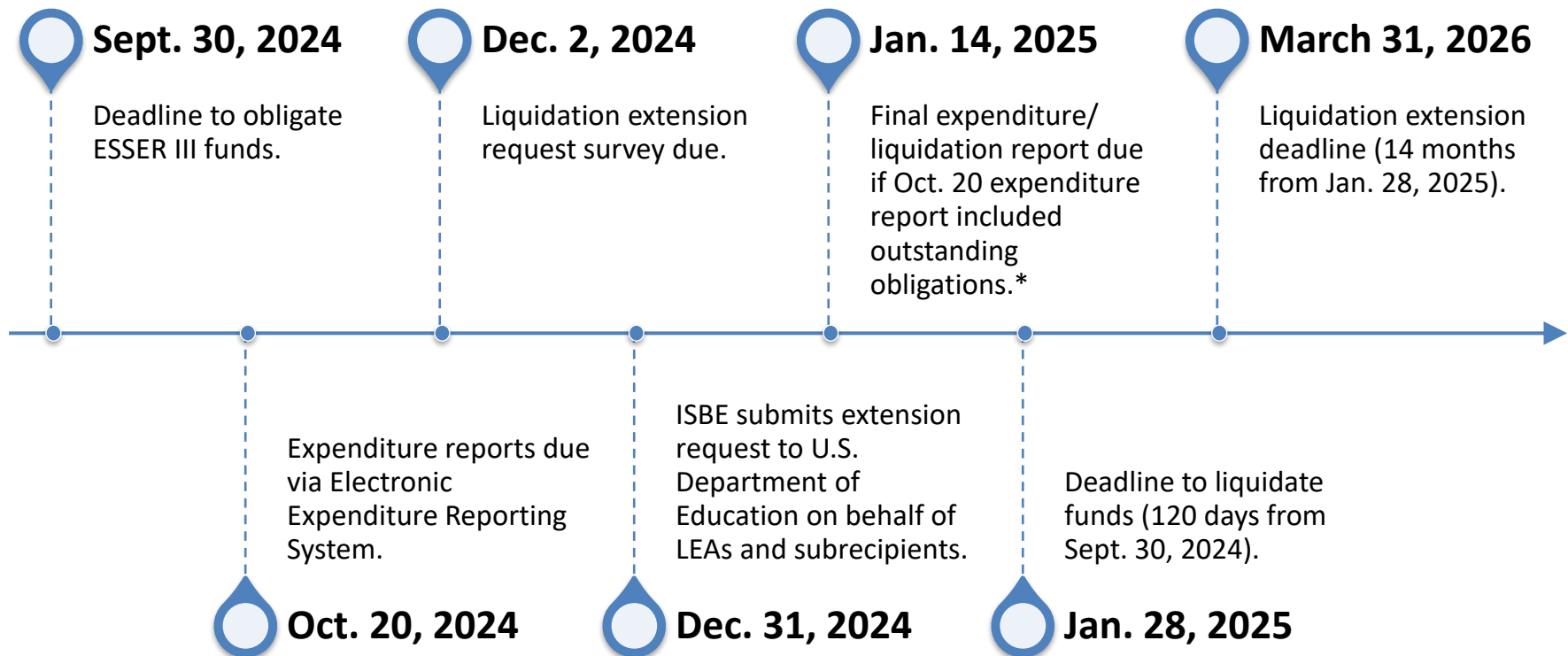
On behalf of grantees, ISBE will submit extension requests to the U.S. Department of Education prior to the Dec. 31, 2024, deadline.



## **Obligation and Liquidation Timeline and Requirements**



## Obligation and Liquidation Timeline



\*Please note that this date is prior to the 120-day liquidation period. ISBE requests final expenditure/liquidation reports submitted by this date in order to avoid any unforeseen circumstances that might prevent timely processing prior to the Jan. 28, 2025, liquidation deadline.



## Liquidation and Obligation Requirements

- 34 CFR § 76.707 defines when an obligation of federal funds by a state or subgrantee, such as an LEA, occurs. Specifically, **for services or assistance provided through a contract, the obligation is made on the date that the state or 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.
- This [FAQ](#) provides additional guidance.



## Obligation Specifics

If the obligation is for:	Then the obligation is made:
a) Acquisition of real or personal property	On the date on which the state or subgrantee makes a binding written commitment to acquire the property.
b) Personal services by an employee of the state or subgrantee	When the services are performed.
c) 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.
d) 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.
e) Public utility services	When the state or subgrantee receives the services.
f) Travel	When the travel is taken.
g) Rental of real or personal property	When the state or subgrantee uses the property.
h) A pre-agreement cost that was properly approved by the secretary under the cost principles in 2 CFR Part 200, Subpart E - Cost Principles	On the first day of the grant or subgrant performance period.



## Liquidation of Funds

- **Liquidation** is 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 project performance period and through the first 120 days after the final day of that period or an extension of that period authorized by the Department of Education, pursuant to [2 CFR § 200.344\(b\)](#).
- For contracted activities, grantees may carry out grant activities during liquidation.
  - The period of delivery of goods and services and the associated payments for those goods and services can extend to the end of the liquidation period, so long as a timely and valid obligation had been made pursuant to [34 CFR § 76.707](#).



## Examples of Eligible and Ineligible Expenditures

Eligible for Liquidation Extension	Ineligible for Liquidation Extension
Capital projects obligated prior to Sept. 30, 2024, that experienced unforeseeable delays/supply shortages where the equipment or supplies could not be delivered during the period of performance.	Capital projects obligated or amended after Sept. 30, 2024. No changes can be made to a project or contract approved for liquidation extension. If the executed contract cannot be fulfilled, the funds subject to late liquidation must be forfeited.
Contracts with third-party providers obligated prior to Sept. 30, 2024, that 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, or technology tools.	Staff salaries or benefits incurred after Sept. 30, 2024. Pursuant to 34 CFR § 76.707, services performed by an employee of the state or subgrantee are considered obligated when the services are performed. Therefore, they are not eligible for liquidation extension.





## **Guide to the Liquidation Extension Request Form**



## Liquidation Extension Request Form Components

The [Liquidation Extension Request form](#) has eight main components. The numbers below correspond to the questions in the form. The following slides provide additional details about each component and questions.

### **I. Identifying information**

1. Subrecipient or LEA name
2. RCDT Code
3. Grant

### **II. Allocation, liquidation, and obligation totals**

4. Allocation total
5. Amount obligated as of 9/30/2024 or date the form was completed, if sooner
6. Amount liquidated as of 9/30/2024 or date the form was completed, if sooner
7. Amount of obligated funds needing extension

### **III. Description of use of funds and justification for extension request for funds needing extension**

8. Use of funds – amount of obligated funds needing extension
9. Justification for extension request

### **IV. Specific data notes**

10. Other subrecipients – specific data notes

### **V. Function and object codes for requested expenditures**

11. Function and Object Codes and Description of Expenditures
12. Additional Expenditures

### **VI. Supporting documentation and cover letter**

13. Acknowledgement of subrecipient responsibility to provide supporting documentation and cover letter

### **VII. Attestation**

### **VIII. Contact information**



## Liquidation Extension Request Form: Identifying Information

1. Subrecipient/LEA Name \*

Enter your answer

2. Subrecipient/LEA 11-digit RCDT code in the following format: 00-000-0000-00 \*

Enter your answer

3. Which grant are requesting a liquidation extension for? \*

- ☐ ARP - LEA American Rescue Plan - ESSER III (4998-E3)
- ☐ ARP - Coop American Rescue Plan - ESSER III (4998-CO)
- ☐ ARP - Community Partnerships (4998-C3)
- ☐ ARP - McKinney Vento Homeless (4998-HL/HM)
- ☐ Elementary and Secondary Relief - Digital Equity Formula (4998-D3)
- ☐ Elevating Educators - Bilingual Educator Credentials (4998-EB)
- ☐ Elevating Educators - Special Education (4998-ES)



## Liquidation Extension Request Form: Allocation, Liquidation, and Obligation Totals

Questions 4-7 require information about:

- The total ESSER III allocation received by the LEA or subrecipient.
- The amount obligated on or before 9/30/2024 or the date the form was completed, if sooner.
- The amount liquidated as of 9/30/2024 or the date the form was completed, if sooner.
- The amount of funds for which a liquidation extension is being requested. This is the amount obligated but not yet liquidated.

4. Total Allocation \*

Enter your answer

5. Amount Obligated as of September 30, 2024 \*

Enter your answer

6. Amount Liquidated as of September 30, 2024 \*

Enter your answer

7. Amount of Obligated Funds Needing Extension

*This should represent the amount of funding anticipated to need a liquidation extension. The liquidation request amount must be aligned to specific projects or contracts and based on obligations completed by September 30, 2024 but not yet liquidated. \**

Enter your answer



## Liquidation Extension Request Form: Description of Use of Funds and Justification for Extension

Questions 8 and 9 require information about:

- The use of funds for which an extension is being requested. Please explain how the funds referred to in question 6 are being used.
- The justification for the extension request. Please explain the need for liquidation beyond Jan. 28, 2025.

### 8. Use of Funds - Amount of Obligated Funds Needing Extension

*Please state the use of funds for the amount anticipated to need a liquidation extension (e.g., the delivery of goods and services, construction contract(s), HVAC contract(s), instructional services contract(s), delayed materials/supplies, or other allowable uses). \**

Enter your answer

### 9. Justification for Extension Request

*Please provide an explanation for funds that may not be liquidated by the end of the liquidation period (January 28, 2025).*

*The justification to substantiate an independent request will be reviewed consistent with State and Federal oversight practices. \**

Enter your answer



## Liquidation Extension Request Form: Specific Data Notes

Question 10 allows for additional information regarding amount not liquidated by Sept. 30, 2024.

### 10. Other Subrecipients - Specific Data Notes

*Provide any additional information the grantee or subrecipient may want to include regarding data outliers or other associated/applicable information.*

*The approval of the State's request is not dependent upon the addition of notes for every subrecipient/LEA during the request and approval process. \**

Enter your answer



## Liquidation Extension Request Form: Function and Object Codes and Description of Expenditure

Question 11 requires the subrecipient to provide the function and object codes related to the funds for which an extension is being requested. **Re-enter the description of expenditures exactly as it appears on the budget detail page of the approved grant application.**

**Enter information for only one budget line item at a time.** Other expenditures, if applicable, can be entered by marking Yes to question 12.

### 11. Function and Object Codes and Description of Expenditure

Please provide the function and object codes related to the funds for which an extension is being requested. **Re-enter the description of expenditures exactly as it appears on the budget detail page of the approved grant application.**

Please only enter information for **one** expenditure. Other expenditures, if applicable, can be entered in the following questions.

**Example:** 2530, 500: Remodeling science classrooms. \*

Enter your answer



## Liquidation Extension Request Form: Additional Expenditures

Question 12 of the form has a skip pattern. If a liquidation extension is being sought for only one expenditure, mark No on Question 12 and begin to answer Question 13.

If a liquidation extension is being sought for more than one expenditure, mark Yes on Question 12. Complete Questions 13 and 14 as you did Questions 11 and 12 until all expenditures potentially needing a liquidation extension are entered.

See the next slide for an example of the skip pattern for this question.

12. Are there additional expenditures related to this liquidation extension request?

☐ Yes

☐ No





## Liquidation Extension Request Form: Additional Expenditures Skip Pattern Example

### If answering No to Question 12

12. Are there additional expenditures related to this liquidation extension request?

☐ Yes

☒ No

13. Supporting Documentation and Cover Letter

*The U.S. Department of Education requires supporting documentation indicating that funds were obligated by September 30, 2024, even if delivery of goods and services may extend through the liquidation extension period. This may include purchase orders, contracts for services, or evidence of other allowable uses.*

*The U.S. Department of Education also requires grantees to provide a cover letter that explains how the ARP ESSER liquidation extension request contributes to the acceleration of academic success for students, including those furthest from opportunity and with the greatest need.*

See USED's ARP Liquidation Extension Announcement for more information about the required cover letter: <https://oese.ed.gov/files/2024/01/ARP-Liquidation-Extension-Letter-1.9.24-final-for-signature-v3.pdf>

**Please attach and email the supporting documents and cover letter to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net) and include the subject line "Liquidation Extension Request - Supporting Documentation and Cover Letter."** Attach separate documents for the cover letter and each extension request subject for review and approval (i.e., do not attach a single file that compiles all supporting documents for all expenditures subject to an extension request). Clearly label each file describing the contents of the attachment (e.g., construction contract, instructional service contract, etc.). \*

☐ I understand that I must email supporting documentation and the cover letter to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net).

### If answering Yes to Question 12

12. Are there additional expenditures related to this liquidation extension request?

☒ Yes

☐ No

13. Function and Object Codes and Description of Expenditure

Please provide the function and object codes related to the funds for which an extension is being requested. **Re-enter the description of expenditures exactly as it appears on the budget detail page of the approved grant application.**

Please only enter information for **one** expenditure. Other expenditures, if applicable, can be entered in the following questions.

**Example:** 2530, 500: Remodeling science classrooms.

Enter your answer

14. Are there additional expenditures related to this liquidation extension request?

☐ Yes

☐ No



## Liquidation Extension Request Form: Supporting Documentation

Question 13\* notifies the subrecipient of the requirement to provide documentation supporting the liquidation extension request and the required cover letter.

- Please email these documents as attachments to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net) per the instructions included in the request form.
- If the amount for which an extension is being requested corresponds to multiple expenditures, attach separate documents related to each expenditure.
- Examples of documentation might include specific purchase orders, communications from vendors regarding delays, and change orders.

### 13. Supporting Documentation and Cover Letter

*The U.S. Department of Education requires supporting documentation indicating that funds were obligated by September 30, 2024, even if delivery of goods and services may extend through the liquidation extension period. This may include purchase orders, contracts for services, or evidence of other allowable uses.*

*The U.S. Department of Education also requires grantees to provide a cover letter that explains how the ARP ESSER liquidation extension request contributes to the acceleration of academic success for students, including those furthest from opportunity and with the greatest need.*

*See USED's ARP Liquidation Extension Announcement for more information about the required cover letter: <https://oese.ed.gov/files/2024/01/ARP-Liquidation-Extension-Letter-1.9.24-final-for-signature-v3.pdf>*

***Please attach and email the supporting documents and cover letter to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net) and include the subject line "Liquidation Extension Request - Supporting Documentation and Cover Letter." Attach separate documents for the cover letter and each extension request subject for review and approval (i.e., do not attach a single file that compiles all supporting documents for all expenditures subject to an extension request). Clearly label each file describing the contents of the attachment (e.g., construction contract, instructional service contract, etc.). \****

☐ I understand that I must email supporting documentation and the cover letter to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net).

\*Note: the question numbers will vary from Question 13 onwards if the subrecipient is requesting a liquidation extension for more than one expenditure.



## Liquidation Extension Request Form: Attestation

Question 14 is a required attestation wherein the LEA or subrecipient certifies that:

- The extension request is complete,
- All obligations were proper and made by 9/30/2024,
- Sufficient supporting documentation will be emailed to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net),
- The LEA or subrecipient will continue to monitor the work of contractors or other subrecipients, and
- All data and responses included in the Liquidation Extension Request form are true and accurate.

14. *I certify that:*

- *This extension request is complete*
- *Obligations were proper and timely*
- *A cover letter and sufficient documentation indicating timely obligation for allowable uses will be emailed to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net)*
- *Continued monitoring and oversight of contractors or other subrecipients will occur throughout the liquidation extension period*
- *All data and responses contained in this request are true and accurate to my knowledge \**

☐ Yes



## Liquidation Extension Request Form: Date and Contact Information

Question 15 requires the date the form is submitted.

Questions 16-19 require the respondent's contact information.

Once completed, click "Submit" and email supporting documentation and a cover letter to [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net) (refer to slide 8 for more information).

15. Certification Date \*

Please input date (M/d/yyyy)



16. Contact Name \*

Enter your answer

17. Contact Title \*

Enter your answer

18. Contact Telephone Number (###-###-####) \*

Enter your answer

19. Contact Email Address \*

Enter your answer

Submit



## Questions?

Contact [ESSERLiqExt@isbe.net](mailto:ESSERLiqExt@isbe.net)  
with questions or to schedule a meeting.