

MEMORANDUM

TO: ESSER Grantees

FROM: Michael Gum, Director of School Business Services

DATE: February 24, 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 the reporting requirements. Per this guidance, when a project involved the improvement or the purchase of real property using ESSER funds, real property status 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), along with the applicable attachments. (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 HVAC equipment, mobile classrooms, building furniture, and other similar items.

Because your organization has been identified as possibly using federal funds under the ESSER grant for real property projects, please complete the steps that follow. **SF-429 and any other required forms or documents must be returned to ISBE at sfr@isbe.net by March 31, 2025** to comply with reporting requirements set for 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 is 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.

Step 1: **All grantees are required to complete this step.**

- Complete the *SF-429 Real Property Status Report (Cover Page)*.
 - Notes for frequently questioned boxes:
 - Box 1 – Enter “ISBE.”
 - Box 2 – Enter the name of the grant that funded the project (e.g., ARP ESSER III).
 - Box 4a – sams.gov UEI number.
 - Box 5 – Enter grantee’s RCDT code.
 - Box 7 – Enter 12/31/2024.
 - Box 8 –
 - If no federal funding was used on a renovation, major remodeling, construction, or real property (building, land, or land improvements), skip Box 8.
 - If federal funding was used on a renovation, major remodeling, construction, or real property (building, land, or land improvements), select the box next to Attachment A (General Reporting).
 - Box 9 – If Box 8 was skipped, write “no real property.”
- Go to Step 2 if you checked the box for Attachment A in Box 8.
- If no federal funding was used on a renovation, major remodeling, construction, or real property (building, land, or land improvements):
 - Scan and submit the form to ISBE by **March 31, 2025**, to sfr@isbe.net.
 - This completes your requirement for reporting. No additional steps needed.

Step 2: Reporting Requirements

- Fill out a separate *SF-429-A Real Property Status Report ATTACHMENT A (General Reporting)* for each real property being reported.
- Scan and submit each Form A with your Cover Page by **March 31, 2025**, to sfr@isbe.net.
- You are required to complete a separate *SF-429-A* form every year for each real property being reported and note any changes in the status of property annually for at least 15 years, or until federal interest ends.
 - Note: *SF-429-C Real Property Status Report ATTACHMENT C (Disposition or Encumbrance Request)* should only be used when there is a real property disposition.
- If reporting real property on Form A in which federal funds provided \$1 million or more or constituted a significant interest in the portion of the project, follow the additional requirement in 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: Recording Requirements

- A Notice of Federal Interest (NFI) must be recorded in the official real property records for the jurisdiction in which the improved or purchased property is located.
 - A link to a sample NFI is included in the FAQ.
- Once recorded, send documentation to sfr@isbe.net.
 - Note: This is a one-time reporting requirement in addition to the annual reporting requirements on the 429 Forms in Steps 1-3.