July 13, 2023

TO: BOCES District Superintendents
School District Superintendents
School District Business Officers
Charter School Leaders

FROM: Christina Coughlin, Chief Financial Officer

RE: Late Liquidation Extensions of Federal Elementary and Secondary School Emergency Relief (ESSER) Funds

On May 15, 2023, the United States Department of Education (USDE) updated the Coronavirus Aid, Relief, and Economic Security (CARES) Act liquidation extension template to include two programs that were created under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act: the Elementary and Secondary School Emergency Relief (ESSER II) program and, the Governor’s Emergency Education Relief (GEER II) program. This means that the USDE has developed a framework under which it will approve some requests to liquidate the funds after the deadline.

The New York State Education Department (NYSED) recognizes that some Local Educational Agencies (LEAs) may require flexibility in liquidating their remaining ESSER II and GEER II funds under the CRRSA Act that are properly obligated by the September 30, 2023 deadline (see below for definitions of liquidation and obligation.). The updated process offered by USDE allows States to determine eligibility in a manner that may allow more districts to participate than was the case under the previous federal approach. The new process continues to ensure strong accountability for the use of funds and maintains important safeguards for States and subgrantees.

We note that under 2 CFR § 200.344(b), properly obligated funds must be liquidated within 120 calendar days (or by January 28, 2024, for CRRSA Act funds). Neither USDE nor the NYS Education Department has the authority to extend the period of obligation beyond those dates.

The extension of a liquidation period is for expenses that have been properly obligated by the end of the grant’s obligation period. The end of the obligation period is September 30, 2023, for CRRSA funding. To ensure that the liquidation extension request encompasses only those expenses that have been properly obligated by the statutory obligation date, LEAs must submit documentation that demonstrates adherence to the obligation requirements. NYSED is required to collect and review this supporting documentation for each late liquidation request. Examples of supporting documentation include but are not limited to executed contracts, purchase orders, invoices, and order delay communications. Documentation must clearly demonstrate the need for the liquidation request.

NYSED has developed the CRRSA Late Liquidation Request Survey to facilitate the collection of this supporting documentation. The survey is available to all LEAs that received a CRRSA ESSER II or GEER II allocation in the NYSED Business Portal. Important notes:

- LEAs that want to pursue a late liquidation request must submit the survey and all supporting
documentation no later than the close of business on August 15, 2023.

- Late submissions cannot be accepted.
- Requests must be aligned to particular projects or specific circumstances at the LEA. Examples might include construction contract(s), HVAC contract(s), instructional services contract(s), delayed materials/supplies, or other allowable uses.
- Submission of the survey does not constitute approval for late liquidation. NYSED will submit the LEA’s request to USDE on the LEA’s behalf. USDE must approve your late liquidation request. Final approval from USDE will be based upon the specific facts and circumstances, in accordance with 2 CFR § 200.344(b).
- If approved under this process, grantees and subgrantees may have an extension to the liquidation period of up to 14 months beyond the 120 days already available to liquidate funds. This will extend the due date for the submission of the FS 10F through October 30, 2024. LEAs should refrain from submitting their FS 10F until notice is given related to the late liquidation request.

LEAs should continue to be aware that the obligation deadlines remain unchanged:

- 9/30/2023 for ESSER 2/GEER 2 CRRSA funds; and
- 9/30/2024 for ARP ESSER funds.

What is the difference between “awarding”, “obligating” funds, and “liquidating” funds? A State Educational Agency (SEA) awards funds when it makes a subgrant to an LEA or, in the case of the SEA Reserve when it enters into a subgrant or contract with a sub-recipient. ESSER funds are obligated when the subrecipient commits those funds to specific purposes consistent with 34 C.F.R. § 76.707. If a SEA awards a contract from the SEA reserve, that is an obligation. In contrast, sub-granting funds to an LEA or other sub-recipient is not an obligation; rather, these funds are not obligated until the LEA or other sub-recipient commits the funds to specific purposes. Liquidating funds 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 ED, pursuant to 2 C.F.R. § 200.344(b).

Please direct questions to CARESAct@nysed.gov.

cc: Commissioner Betty A. Rosa  
Sharon Cates-Williams  
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