

# **OFERP – Liquidation Extension 06/26/2024**

**June 26, 2024 – 10:00am  
Federal Emergency Relief Programs (FERP)**

# OFERP Introductions

Please take a moment to share your name, title, email address, and school community in the chat.

- Shelly Chasse-Johndro, Director
- Karen Kusiak, CARES & CRRSA Coordinator
- Kevin Harrington, GEER/EANS Coordinator
- Maisha Asha, Federal Fiscal Coordinator
- Deanna Roberge, Management Analyst
- Terri Beal, Management Analyst
- Natalie Owens, Procurement Analyst

# Special Office Hour ...

To gain a better understanding of **Liquidation Extension**, we will:

1. Define the term liquidation,
2. Highlight the obligation requirements,
3. Share the application process, and
4. Open it up for questions.

# Liquidation and Obligation Dates

Program	Obligation Deadline	Liquidation Deadline (Statutory 120 days)	Liquidation Extension Deadline (Up to 14-months)
ARP ESSER 3	September 30, 2024	January 28, 2025	March 28, 2026

ED Liquidation Extension Resources can be found at <https://oese.ed.gov/offices/american-rescue-plan/resources/>

## ARP Act Liquidation Extension Process

- [ARP Act Liquidation Extension Letter](#)
- [ARP Act Liquidation Extension Template](#)
- [Updated Liquidation Extension Technical FAQs](#)

# Obligation Requirements

Code of Federal Regulations (CFR) regulates when an obligation is made by the State (Maine DOE) or subgrantee (ie. SAU).

**§ 76.707 When obligations are made** - The table shows when a State or a subgrantee makes obligations for various kinds of property and services.

The period for delivery of goods and services and exchange of funds can extend to the end of the liquidation period, if a **timely and valid obligation** has been made.

If the obligation is for—	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 Means...

Drawing down (ie. SAU reimbursement request) and expenditure of funds (ie. SAU payment) by the Maine DOE for obligations incurred during the grant's legal obligation period.

A liquidation deadline does not extend the timeline for obligating ARP ESSER funding.

# The Liquidation Requirements

§ 200.344 Closeout - The Federal awarding agency or pass-through entity will close out the Federal award when it determines that all application administrative actions and all required work of the Federal award have been completed by the non-Federal entity.

(b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity **must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance** as specified in the terms and conditions of the Federal award.

# Liquidation Extension

The U.S. Department of Education (ED) has the authority to approve liquidation extension requests for **properly and timely obligated funds** upon review of **written requests** made by the grantee on behalf of itself and its subrecipients **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\(b\)](#).

- Please note these take aways:
  - The grantee (Maine DOE) must submit a written request on behalf of its subrecipients (SAUs); however, the SAU must complete an application
  - ED is the reviewing agency that will approve or deny liquidation extension



# ED's Extension Request Process

The grantee (Maine DOE) must complete this request process on behalf of the subgrantees (SAUs) to represent an extension request.

- Title Page – Informational Only
- Table of Contents and Instructions – Informational Only
- Grantee Request Overview – To be Completed/Submitted by Grantee
- Grantee Attestation - To be Completed/Submitted by Grantee
- Grantee Information - To be Completed/Submitted by Grantee
- Subrecipient Information - To be Completed/Submitted by Grantee
- Definitions and Additional Resources – Informational Only

U.S. Department of Education has suggested submission prior to December 31, 2024 as requests submitted after that date may experience a lapse in G6 access but will still be reviewed.

# Within ED's Extension Request

The U.S. Department of Education has stated that grantees:

- maintain autonomy for subrecipient process, documentation, and oversight
- must confirm that only subrecipients in need of a liquidation extension should be included in the application process
- should use both discretion and oversight when including a subrecipient within the request
- collect sufficient documentation to support the liquidation extensions of the subrecipients included in the request
  - Because provision of this documentation will be requested for monitoring or auditing purposes
- Request data verification of September 30 obligations and January 28 liquidations will be required
- May adjust the subrecipient extension date for administrative purposes at the grantee level, as extension dates for the grantee and subrecipient cannot exceed 04/01/2025

# Maine DOE's Extension Request

If your SAU would like to submit a liquidation extension request for one or more of its ARP ESSER funded projects, a formal request must be made through the request process by **November 1, 2024**.

- The request form can be found at **<https://forms.office.com/g/LvgQ94ZWry>**

**Please note:** Needing more time to expend funds is NOT an adequate justification for a liquidation extension request. Examples might include delays related to supply or labor shortages.

# Maine DOE's Extension Request

The liquidation extension request form from the SAU will require the following information:

- A list of each project for which the SAU is requesting liquidation extension, a detailed description of each project, and the amount of funds per project for which the SAU is requesting liquidation extension.
- For each project, a detailed justification and explanation for funds that may not be liquidated by the end of the statutory liquidation period (12/30/2024-subgrantee, 01/28/2025-grantee).
- Evidence to demonstrate that the funds for which the SAU is requesting liquidation extension have been properly and timely obligated prior to the ARP ESSER obligation deadline of September 30, 2024.

# Maine DOE's Extension Request

1. Name of School Administrative Unit
2. Person completing the form
3. Contact information:
4. Provide the name, title, email address, and telephone number of the
  1. SAU superintendent, ESSER Applicant Coordinator and Business Manager.
5. UEI for the SAU
6. Total of ARP Allocation

*\*This is the full amount that is listed on the grant award notification*
7. Amount Obligated as of 9/30/2024

*\*This amount is not required to be equal to the allocation amount*
8. Amount Reimbursed as of 9/30/24

*\*This amount should align to the federal grant reimbursement system*
9. Amount of ARP Funds that will be liquidated by 12/30/2024

# Maine DOE's Extension Request

## 9. Amount of Obligated Funds Needing Extension

*\* This should represent the amount of funds that are included in a binding written commitment for services, work, or products that will not be liquidated before 12/30/2024. The liquidation request amount must be aligned to specific projects or contracts and based on obligations completed by 9/30/2024.*

## 10. Use of Funds

*\* Examples might include: construction contract(s), HVAC contract(s), instructional services contracts(s), extended delays of materials/supplies, or for other allowable uses.*

## 11. Justification

*\* Provide explanation, including the extension date, for funds that may not be liquidated by the end of the statutory liquidation period based on the uses of funds listed in question 10. The justification to substantiate an independent request will be reviewed consistent with State and Federal oversight practices.*

***\* Needing more time to expend funds is not an adequate reason or justification for a liquidation extension request. An example might include delays related to supply or labor shortages.***

# Maine DOE's Extension Request

## 12. Additional Information (optional)

This column is available for any additional information you may want to include regarding this request for an extension to late liquidation.

## 13. Subrecipient Attestation:

- I attest that to the best of my knowledge and belief, all the information and data contained within this request is complete and accurate.
- I attest that the activities and services included within the liquidation extension are allowable and have been properly obligated by September 30, 2024, according to the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act).
- I attest that all procurement will be completed by the late liquidation date requested date, which shall not be later than the late liquidation deadline of March 26, 2026.
- I attest that all certifications and assurances detailed within the grant Certification and Agreement document remain in effect for the duration of the grant including throughout the entirety of the liquidation period for the grantee and any subgrantees included within this request.
- I attest that data verification of updated obligation and liquidation figures will be provided upon request as additional data verification may be necessary.

*By entering your name and title, you are indicating that you are an authorizing official of the SAU and have read and understand the above attestation.*

# Maine DOE's Review Process

- The Federal Emergency Relief Program staff will receive submissions of Liquidation Extension Request **no later than November 1, 2024**.
- OFERP will review the request assessing the following:
  - SAU's risk assessment
  - Whether or not the SAU has been obligated for allowable uses prior to 9/30/2024
  - Whether or not the SAU has provided an adequate justification for a liquidation extension request
  - Whether or not the SAU has provided documentation that successfully demonstrates that at the time of original obligation, it was anticipated the work would be completed within the period of performance. Failure to provide this documentation will deem the request ineligible for liquidation extension
- FERP may request additional supporting evidence



# Maine DOE's Risk Assessment

A Risk Assessment is mandated by the Federal Government and completed annually using procedures established by the Office of the State Controller (OSC). All subrecipients are assigned a fiscal risk assessment based on the following criteria:

- Size of the award
- Automation of the accounting system
- Program complexity
- Internal entity risk
- Includes review of school administrative unit audits
- Past performance

# Maine DOE's Risk Assessment

More specifically, the FERP team evaluates every SAU with these indicators:

RISK INDICATORS		
1-Award Amount	2-Account System	3-Program Complexity
4a - Is the entity receiving an award for the first time?	4b-Did the entity adhere to all terms and conditions of prior grant award?	4c - Does the entity have prior experience with similar programs?
4d - Does the entity have an accounting system that will allow them to completely and accurately track the receipt and disbursement of funds related to the award?	4e- Does entity have a system in place that will account for 100% of each employee's time?	4f - Did the entity have one or more audit findings in their last single audit regarding the program non-compliance?
4g - Did the entity have one or more audit findings in their last single audit regarding significant internal control deficiency?	4h - Other Issues that may indicate high risk of non-compliance?  •Returned Funds	5a - Were financial reports submitted timely for prior grant awards? (award application, year end and monthly reimbursement reports) <i>*Note: Timely invoice submission is at least quarterly</i>
5b - Were financial reports accurate for prior grant awards? (award application, year end and monthly reimbursement reports)	5c- Did entity stay on budget within each project?  <i>*Note: OFERP allows for a 10% overage variance. No, would be denoted if any invoice was reopened because the variance exceeded 10%.</i>	6a - Other Issues that may indicate high risk of non-compliance? •More than 40% carryover at the 15-month mark (per emergency bill, for any emergency bill) •Single project over \$500,000 •Construction project and/or SRRF & ESSER for renovations •Reopening Application more than 3 times (per emergency bill, for any emergency bill) in one fiscal year •Change in leadership (Superintendent, Applicant Coordinator, Business Manager) •Compliance with stakeholder input on plan, posting of plan on website in a manner that is accessible to community.
6b - Were performance reports submitted timely for prior grant awards?	6c - Was reasonable progress made toward performance goals for prior grant award?	

# Maine DOE's Review Process

- Based on the review, FERP staff will determine the following:
  - SAU's capacity to liquidate within the extension period of 12/30/24 - 03/26/26 or more appropriate applicable date)
  - Whether or not the SAU's projects meet the requirements for a liquidation extension request
- FERP staff will provide a response to the SAU Superintendent, ESSER Applicant Coordinator, and Business Manager as to whether the liquidation extension request meets all requirements and will be included in the state's ARP ESSER Liquidation Extension Request to the U.S. Department of Education.
- The FY25 risk assessment for other federal funding may include a liquidation extension variable to incorporate the increased risk associated with late liquidation of federal funds.

# US ED General and Technical FAQs

<https://oese.ed.gov/files/2024/01/Updated-Technical-FAQs-for-Liquidation-Extensions-1.9.24-v-2-for-posting.pdf>

Q. 8: What are a State's responsibilities if an extension is granted? (Updated January 9, 2024)

A: A State (SEA or Governor), as the grantee, must retain full responsibility and oversight over the grant, consistent with the attestations included in the liquidation extension request. These continued oversight responsibilities will extend throughout the liquidation period. Related to the initial request, the State must confirm the allowability and proper and timely obligation of the funds, consistent with 34 CFR 76.707 and collect, review, and maintain all documentation to support the State and subrecipient liquidation extension request in a manner consistent with grant requirements and as noted in Q. 7, above. Approved liquidation extensions will be monitored in a manner consistent with the Department's oversight of its grantees and will include evidence of the grantee's oversight of the extension process and its monitoring of subrecipient expenses for timeliness and allowability. Additional information related to program monitoring is available in the ESSER, GEER, and EANS monitoring protocols.

# Contact Information

Emergency Relief Funds	CARES and CRRSA ESSER, CRF	Federal Fiscal Coordinator
Shelly Chasse-Johndro	Karen Kusiak	Maisha Asha
Shelly.Chassejohndro @maine.gov	Karen.Kusiak @maine.gov	Maisha.Asha @maine.gov

# Q & A

Please unmute yourself or use the chat to ask questions!

