



STATE OF NEW JERSEY

DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: June 8, 2023
To: Local Educational Agency Leads
Route To: School Business Administrators
From: Amanda Schultz, Acting Assistant Commissioner
Division of Finance & Business Services
Kathy Ehling, Assistant Commissioner
Division of Student Support Services
Deadline: September 30, 2023

Late Liquidation for Elementary and Secondary School Emergency Relief Fund (ESSER II)

On January 6, 2021, the New Jersey Department of Education (NJDOE) received \$1,230,971,757 for the Elementary and Secondary School Emergency Relief Fund (ESSER II) under the federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. Of these funds, 90 percent was awarded to local educational agencies (LEAs) to be used to respond to the COVID-19 pandemic. While both the NJDOE and The United States Department of Education (USED) encourage LEAs to spend and liquidate these funds with urgency, USED acknowledges that some grantees may require flexibility liquidating remaining ESSER II funds under the CRRSA Act that are properly obligated by the September 30, 2023 deadline. Accordingly, the NJDOE is offering a liquidation extension request process for immediate use by LEAs.

The NJDOE is required to submit all approved late liquidation requests to USED on behalf of LEAs approved to request late liquidation. The process, outlined below, ensures strong accountability for the use of funds and important safeguards for both the NJDOE and LEAs. Under 2 CFR § 200.344(b), USED has the authority to approve liquidation extension requests for properly obligated funds upon review of a written request made by the NJDOE. Final approval of the NJDOE's written request will be based upon the specific facts and circumstances, in accordance with 2 CFR § 200.344(b). If approved by the USED under this process, LEAs may have an extension to the liquidation period of up to 14 months.

Late liquidation is based on individual, properly obligated, Purchase Orders (POs) and cannot be entertained for obligated amounts due to poor planning or fiscal management. It is the expectation of the NJDOE that each LEA is liquidating all obligations prior to the October 18, 2023 due date of the final expenditure report in accordance with [this April 5, 2023 broadcast memo](#). Each late liquidation request must be tied to an ongoing project and have a strong justification as to why the PO will not be liquidated prior to the final expenditure report submission. The liquidation extension does not cover all types of costs, i.e., indirect costs, staff salary or travel, due to the federal rules defining when an obligation was made; therefore, these costs cannot be included in a late liquidation request. Examples of a late liquidation request include: New HVAC system project at a school. Funds were obligated and PO issued on February 10, 2022. Due to permitting delays, the HVAC system will not be fully installed until January 10, 2024; therefore, a PO cannot be liquidated for this project.

All late liquidation requests will be thoroughly scrutinized and must include all relevant facts, documents, and a valid justification to be considered for approval. **Also note that requests must be aligned to items and projects that are part of the approved grant application for these funds. No additional budget amendments can be completed at this time.**

Key steps/actions

To request late liquidation, LEAs must access the preliminary application via the NJDOE's [Homeroom](#) webpage in the folder entitled "ESSER II Late Liquidation." Completed preliminary applications must be submitted through Homeroom no later than September 30, 2023. NJDOE's County Education Offices will review preliminary applications. Approved applications will be granted access to the full late liquidation application in the Electronic Web-Enabled Grant ([EWEG](#)) system. Those applications that meet preliminary review criteria, will need to complete and be approved for the EWEG application which includes:

- a. A risk assessment to be completed by the LEA. This will be a tab within the EWEG application. USED requires NJDOE to assess the risk of any school LEA requesting late liquidation.
- b. Detailed information on how much of the obligations that remain are being requested for late liquidation.
- c. A justification as to why these obligations were not able to be liquidated within the established timeframe.
- d. An upload of all POs and supporting documentation that are applicable to the late liquidation request. Please note individual POs that support the request must be uploaded. Only POs related to the project needing late liquidation should be uploaded.
- e. LEAs that receive late liquidation must agree to undergo additional monitoring by the NJDOE or its contractor for the duration of the late liquidation period. There is a tab within the EWEG application to acknowledge the LEA agrees to this additional monitoring.
- f. LEAs are required to upload a board resolution approving the request for late liquidation.

All EWEG applications must be submitted to NJDOE no later than October 2, 2023. Failure to submit by this date will disqualify the LEA from being included in the late liquidation request made from NJDOE to USED. NJDOE will notify LEAs with future action related to late liquidation once USED approves the late liquidation request. LEAs are not permitted to directly request late liquidation from USED.

Resources and contact information

For information about how emergency Federal funds may be used to meet student needs and how LEAs can pair it with more sustainable Federal funding streams, see the NJDOE [Maximizing Federal Funds website](#).

For questions related to CRRSA ESSER late liquidation, please contact ESSER2LateLiquidation@doe.nj.gov.

For general ESSER information and resources, please see the [ESSER webpage](#), and for questions please contact esser@doe.nj.gov.

- c: Members, State Board of Education
NJDOE Staff
Statewide Parent Advocacy Network
Garden State Coalition of Schools
NJ LEE Group