



STATE OF NEW JERSEY

DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: May 17, 2024
To: Local Educational Agency Leads
Route To: School Business Administrators
From: Secil Onat, Assistant Commissioner
Division of Finance & Business Services
Kathy Ehling, Assistant Commissioner
Division of Student Support Services
Deadline: June 28, 2024

Late Liquidation for American Rescue Plan Elementary and Secondary School Emergency Relief Funds (ARP ESSER)

On March 24, 2021, the New Jersey Department of Education (NJDOE) received \$2,764,587,703 for the Elementary and Secondary School Emergency Relief Fund (ARP ESSER) under the American Rescue Plan (ARP) Act. Of these funds, 90% was awarded to local educational agencies (LEA) 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 ARP ESSER funds under the ARP Act that are properly obligated by the September 30, 2024, deadline. Accordingly, the NJDOE is offering a liquidation extension request process for immediate use by LEAs.

NJDOE will submit all approved late liquidation requests to USED on behalf of LEAs approved to request late liquidation. This 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, school districts 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/or contracts and will not be entertained for entire obligated amounts due to lack of planning or poor fiscal management. It is the expectation of the NJDOE that each LEA is liquidating all obligations prior to the October 18, 2024, due date of the final expenditure report. Each late liquidation request must be tied to an ongoing project and have a strong justification as to why the PO/contract 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. All late liquidation requests will be highly scrutinized and must include all relevant facts, documents, and a strong 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. Late liquidation does not extend the project period of the grant but does allow for extra time to liquidate properly obligated POs/contracts.**

Key Steps/Actions

To request late liquidation, LEAs must contact the [EWEG Help Desk](#) to request access to the ARP ESSER Late Liquidation application. LEAs can complete and submit the Late Liquidation application and provide the required uploads.

The Late Liquidation application in EWEG 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 district 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/contracts and supporting documentation that are applicable to the late liquidation request. Please note individual POs that support the request must be uploaded. Only POs/contracts related to the project needing late liquidation should be uploaded.
- e) Approved late liquidation requests will be monitored as part of the NJDOE's Federal Collaborative Monitoring Process (see Q.8 of USED's [FAQ](#))
- 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 June 28, 2024. Failure to submit by this date will disqualify the district from being included in the late liquidation request made to USED. *The approval for late liquidation by the NJDOE does not guarantee approval from the USED.* The NJDOE will notify districts of the next steps related to late liquidation if the USED approves the late liquidation request. LEAs are not permitted to directly request late liquidation from USED.

ARP ESSER Application Amendments

In order to provide districts the opportunity to amend ARP ESSER plans and budgets in consideration with the late liquidation needs, the system will remain open and districts can submit amendments to their ARP ESSER application and budgets until Friday, June 14, 2024, at 4 p.m.

Note that a liquidation extension request is distinct from prepaying contracts with ESSER funds. USED has suggested that in very limited circumstances an LEA might be able to pay for services before the standard liquidation deadline and have those services delivered after the deadline. In that case, a late liquidation application would not be necessary. As an example, an LEA might pay for the full cost of a software license before the standard liquidation deadline with services that continue for a period of time after the funds have been liquidated. LEAs should be aware that generally accepted practice does not encourage prepayment of services and utilize this option only in accordance with the guidance from USED which is [available here](#).

Office Hours

In order to assist districts, NJDOE will be offering office hours via TEAMS on the following dates and times:

- May 28, 2024 [NJDOE ARP ESSER Late Liquidation Office Hours TEAMS Link](#)
- June 3, 2024 [NJDOE ARP ESSER Late Liquidation Office Hours TEAMS Link](#)
- June 10, 2024 [NJDOE ARP ESSER Late Liquidation Office Hours TEAMS Link](#)
- June 17, 2024 [NJDOE ARP ESSER Late Liquidation Office Hours TEAMS Link](#)
- June 25, 2024 [NJDOE ARP ESSER Late Liquidation Office Hours TEAMS Link](#)

Registration is not required for these office hours.

Resources and Contact Information

USED has released a [Frequently Asked Questions](#) document related to late liquidation. Any questions regarding interpretation of this guidance document should be directed to the district's board attorney.

For information about how these 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 ARP ESSER late liquidation, please contact ESSER3LateLiquidation@doe.nj.gov.

For general ESSER information and resources, please see the [ESSER webpage](#) and for questions, 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