

ESSER 2.0 Close-Out Overview

For LEAs with remaining funds as of July 1, 2023

Updated March 31, 2023

Remaining Funds as of July 1, 2023, after state fiscal year ending:

Any LEA who has funds remaining as of July 1, 2023, that have not been either obligated or liquidated must follow the procedures below:

1. Prioritize the submission of the FY23 ESSER 2.0 final expenditure report (FER).
 - a. FY23 ESSER 2.0 FERs must be submitted on or before July 28, 2023.
 - b. The FER must be submitted and approved by the department in order for carryover funds to become available in the FY24 ESSER funding application.
2. Complete the FY24 ESSER 2.0 funding application as soon as possible after it is available in ePlan.
 - a. FY24 ESSER 2.0 funding applications must be submitted on or before Aug. 15, 2023.
 - b. The funding application must be approved by the department prior to obligating funds.
3. **Obligate all funds by Sept. 30, 2023.**
4. **Ensure all funds are liquidated by Dec. 15, 2023.***

**Recommended deadline to ensure funds are reimbursed in ePlan for adequate time for grants to close. The Tennessee Department of Education (the department) is awaiting guidance from the U.S. Department of Education (ED) on the extension of liquidation for ESSER 2.0 and ESSER 3.0. Extension of liquidation will provide an additional 14 months for LEAs to draw down these funds, which will extend the period of performance for each grant.*

Information regarding obligation and liquidation:

Obligation: ESSER funds are obligated when the LEA commits those funds to specific purposes (e.g., contracts, services, subscriptions, materials) (34 C.F.R. § 76.707). Funds are not obligated until the LEA commits the funds to specific purposes.

Liquidation: To liquidate an obligation, the purchased item or service has occurred, and payment has been made to the vendor or provider. A grantee must liquidate all obligations incurred under the award no later than 120 days after the end of the funding period or as specified in a program regulation (34 C.F.R. § 80.23).

Employee pay: Services provided by an employee are considered obligated when the services are rendered, or the work is performed [34 C.F.R. § 76.707(b)]. Under this same provision, an LEA may not use relief funding to pay the salary of an employee who is administering the program after Sept. 30, 2023, since the obligation of funds for an employee does not occur until the work is performed. Thus, payroll expenses for employees of a State or subgrantee may only be charged to the grant for services provided through the end of the obligation period (Sept. 30, 2024, for ESSER 3.0).

Please contact your [relief team coordinator](#) or [regional fiscal consultant](#) if you have additional questions.