U.S. Department of Education

General and Technical Frequently Asked Questions (FAQs) for American Rescue Plan Homeless Children and Youth program (ARP-HCY) Liquidation Extension Requests

February 23, 2024

84.425W – ARP-HCY Grantees

Q. 1: May an SEA request a liquidation period longer than 14 months for grants awarded under the ARP-HCY through the Liquidation Extension Request template?

A: No. Under this process, an SEA may only request an extension of up to 14 months past the close of the liquidation period (i.e., 14 months beyond the automatic 120-day liquidation period). Thus, requests submitted through this process may extend to, but not exceed, March 28, 2026, for the ARP-HCY funds. If additional time is needed by an SEA or its subgrantees, the grantee should contact the Department by email at HomelessEd@ed.gov. Requests for a longer extension period will require significant documentation and extensive review by the Department and will only be considered in limited circumstances. The Department is only considering liquidation extension requests for up to 14 months through the Liquidation Extension Request template.

Q. 2: May an SEA submit a liquidation extension request for ARP-HCY Act funds using this template?

A: Yes. The Department continues to strongly encourage SEAs and local educational agencies (LEAs) with subgrants to swiftly obligate and liquidate ARP-HCY funds for activities that support students' learning, increase identification of children and youth experiencing homelessness particularly in historically underserved communities, and provide or connect children and youth experiencing homelessness to wraparound and other educationally related support services in collaboration with other State and local agencies and community-based organizations.

Q. 3: When may an SEA submit a liquidation extension request for ARP-HCY funds?

A: An SEA may submit a liquidation extension request for ARP-HCY funds as soon as data are available for submission. The Department recommends submission prior to December 31, 2024, to minimize disruption in accessing funds in the G5/6 grants management platform. Requests received after this date will still be reviewed.

Q. 4: May a State submit an ARP-HCY liquidation extension request on the same document as other liquidation requests (e.g., ARP ESSER or ARP EANS)?

A: No. As these are separate funding sources and may also be administered by different governmental entities at the State level, liquidation extension requests for CARES ESSER,

CARES GEER; CRRSA ESSER, CRRSA GEER, CRRSA EANS; and ARP ESSER and EANS must be submitted separately from the ARP-HCY.

Q. 5: Why must an SEA use the liquidation extension request template to request an extension to liquidate ARP-HCY funding?

A: While the policy for requesting a liquidation extension is not new, the Department determined it would be best to establish a template for ARP-HCY (consistent with the template for CARES Act ESSER and GEER; CRRSA Act ESSER, GEER, and EANS; and ARP ESSER and EANS). Based on consultation with States, subgrantees, and State auditors, the Department developed this streamlined process for liquidation extension requests that will ensure efficient review and notification of approval.

Q. 6: Must an SEA submit the supporting documentation that demonstrates the timely obligation of funds, such as purchase orders or contracts for services in conjunction with its submission?

A: No. The Department is not collecting this documentation at the time of initial submission. However, as the grantee, an SEA must make available upon request supporting documentation to substantiate that the aggregate subrecipient fiscal data included in its submission reflects allowable and timely obligation of funds. While an SEA should not submit supporting documentation to the Department with the liquidation extension request, the SEA is required to attest that all supporting documentation is available and on file with the associated subgrantee(s) consistent with 2 CFR § 200.334.

Q. 7: What are an SEA's responsibilities if an extension is granted?

A: An SEA, 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 SEA 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 SEA and subgrantee liquidation extension request in a manner consistent with grant requirements and as noted in Q.6, 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 subgrantee expenses for timeliness and allowability.

Q. 8: How long will it take to receive a determination in response to an SEA's request?

A: The Department is committed to promptly reviewing liquidation extension requests. Review and approval will be based on a complete request, including both grantee and any associated subgrantee information. An SEA should submit requests to HomelessEd@ed.gov and should anticipate a timely determination.

Q. 9: How will an SEA be notified about the determination status of its liquidation extension request?

A: An SEA will receive an official notification of determination in the form of a letter from the Department, which will be transmitted to the SEA via email from HomelessEd@ed.gov. The SEA should keep this letter on file for documentation and auditing purposes.

Q. 10: Will the Department provide technical assistance regarding a liquidation extension request?

A: Yes. The Department previously provided technical assistance webinars following the release of the CARES Act funding liquidation extension request template in October and November 2022. Associated resources and recordings are available on the <u>ESSER</u> and <u>GEER</u> program websites. Communications to grantees detailing the ARP-HCY liquidation extension process are available on the Department's <u>ARP-HCY</u> webpage under "Fiscal Information."

Q. 11: For SEAs that are ready to close out their ARP-HCY grant, when will information regarding closeout procedures be shared?

A: The closeout processes for ARP-HCY grants will be communicated prior to the close of the grant award's regulatory liquidation period (January 28, 2025) and incorporate the processes outlined in 2 CFR § 200.344.

Q. 12: An SEA is required to assess the risk level of subgrantees receiving liquidation extensions. How is risk level defined?

A: As noted within the request template, an SEA uses the data it has available to determine risk. Such data may include results from internal risk assessments, single audits, or other data sources as selected by the SEA to determine the subgrantee's capacity for liquidating funds within the extended period. The SEA has flexibility in how it conducts this analysis, but, as noted in the grantee attestation, an SEA must attest that it has conducted an analysis prior to including a subgrantee in the liquidation extension request. All subgrantees must be provided with adequate oversight within the extended liquidation period and SEAs may elect to provide additional oversight and support for higher risk subrecipients during the extended period as appropriate.

Q. 13: Why must an SEA verify that funds were obligated by the end of the obligation period as part of its liquidation extension request?

A: Verification of timely obligated funds is a standard expectation of liquidation extension requests involving Federal funds. The extension of a liquidation period is for expenses that have been properly obligated by the end of the grant's obligation period. For the ARP-HCY program, the final obligation date is September 30, 2024. The Department does not have the authority to extend the period of obligation. Therefore, to ensure that the liquidation extension request encompasses only those expenses that have been properly obligated by the statutory obligation date, SEAs and subgrantees must have documentation on file that demonstrates adherence to the obligation requirements. An SEA is not required to submit this documentation to the Department

at the time of the request; however, the SEA and its subgrantees may be required at any time, including during monitoring or audit activities, to demonstrate compliance.

Q. 14: May an SEA request a liquidation extension for subgrantee LEAs still awaiting a Unique Entity Identifier (UEI) assignment from SAM.gov?

A: Yes, an SEA may include liquidation extension requests for LEAs still awaiting a UEI assignment. This field in the template may be completed using the temporary UEI if one has been assigned or left blank if a temporary UEI has not yet been assigned. The SEA should indicate within the optional subgrantee-specific data notes section of the liquidation extension request template that the UEI is temporary.