



# ESSER Updates

# TASBO

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**Federal Programs and Oversight**

*November 2024*





# Agenda

- Reporting and Recording Federal Interest
  - Definitions
  - LEA Responsibilities
  - ePlan Data and Information Tool
  - FAQ
- ARP ESSER (ESSER 3.0) Liquidation Extension Requests
  - Obligation and Liquidation
  - Final Liquidation in December 2024
  - Liquidation Extension Examples
  - Factors and Risk to Consider
  - ePlan Data and Information Tool
- Resources and Closing



# Reporting and Recording Federal Interest

# Reporting & Recording Federal Interest

- Federally required
  - Regulations require LEAs with ESSER-funded construction projects, regardless of amount, to file an annual status report on each real property in which ED has an interest.
  - Additionally, projects funded by ESSER in the amount of *1 million dollars or more* must record a Notice of Federal Interest (NFI) in the official real property records for the jurisdiction in which the facility is located.



Source: [US Dept. of Education-Office of Elementary and Secondary Education](#)

# What is federal interest?

- Essentially, federal interest refers to the portion of the property's value that is attributable to federal funding.
  - **Percentage of Federal Participation:** This is the ratio of federal funds used in the total cost of the property or improvement.
  - **Current Fair Market Value:** This is the present value of the property, considering any improvements made.
  - [2CFR § 200.330](#)
- Real Property:
  - land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment. ([2 CFR § 200.1](#))
    - Moveable equipment could include HVAC equipment, mobile classrooms, building furniture, and other similar items.

# Reporting: What does this mean for your LEA?

- Did the LEA use ESSER funds on a renovation, major remodeling, construction, or real property project?
  - **Yes!**
    - The LEA must file an annual report on the status of each real property in which ED retains an interest (i.e., each property on which ESSER-funded construction is in process or has been completed). ([2 CFR § 200.330](#))
  - **No.**
    - Reporting and recording federal interest is not required.
    - **HOWEVER: Every** LEA is required to complete the attestations in the ePlan Data and Information instrument.
- Were these federal funds combined with another funding source?
  - **Yes!**
    - If federal funds, *regardless of amount*, were used for any part, the reporting requirement still applies.



# Recording: What does this mean for your LEA?

- Did the individual project(s) cost total \$1 million or more?
  - **Yes!**
    - The LEA must record the notice of Federal interest (NFI) in the official real property records for the jurisdiction in which the improved or purchased property is located.
  - **No.**
    - Recording is likely not required, *unless*:
      - ESSER funds represent “the vast majority” of the total value (such as a building with a total value of \$1.5 million that used \$900,000 in Federal funds),
      - ED determines that an LEA is in high-risk status, they may require an NFI to be recorded (to protect the Federal interest from other liens that could prevent the building from being used for its educational purpose), or
      - the Federal interest in the project is insignificant but the project is (even slightly) above \$1 million (such as a building with a total value of \$100 million that used \$1,000,005 in ESSER funds).



# Recording and Reporting: How To

- How to *record* an NFI

- There is no specific form provided to record an NFI. Since NFIs must be filed in the jurisdiction in which the facility is located, LEAs should contact their local register of deeds or other applicable government office to determine what must be provided to record property interests. \*

- How to *report* federal interest:

- Minimum of 2 reports:

- 1) [A Real Property Status Report \(Cover Page\) \(SF-429\)](#)- **Required \*\***
- 2) [A Real Property Status Report ATTACHMENT A \(General Reporting\) \(SF-429A\)](#)- **Required \*\***
- 3) [A Real Property Status Report Attachment C \(\(Disposition or Encumbrance Request\) \(SF-429C\)](#)
  - a) Only to be used when there is a real property disposition ([2 CFR §§ 200.310-200.313](#))
  - b) LEAs may be required to repay funds based on ED's percentage of participation in the cost of the original purchase.

\* Sample notices of federal interest are linked on the resources page

\*\* When downloading these files there are detailed instructions available as well





# Recording and Reporting: How To

- Where:
  - ePlan > Data & Information > 2025 > **ESSER Recording & Reporting Federal Interest**
- LEAs must attest to the following:
  - The LEA used ESSER funds in part or whole for construction, major remodeling, renovation, or real property.
    - If yes, then
  - The LEA had at least one project totaling \$1 million or more that was funded by ESSER.
    - If yes, then
  - The LEA assures that any projects totaling \$1 million or greater with ESSER funds have been properly recorded with the applicable government office within their jurisdiction.
- When:
  - Opened **Oct. 9, 2024**
  - Due no later than **Dec. 20, 2024**
- How often:
  - LEAs or other subgrantees must annually report on the status of a renovation, major remodeling, construction, or real property project for **at least the first 15 years** after a project is funded and for which a Federal Interest is retained.





# One Location, Multiple Projects

- What if there are multiple projects for one building? For example, a building had three separate projects; no single one was over \$1 million, but all three combined were. Does the LEA record or not?
  - The guidance says “a project” of \$1 million or more. However, the NFI reporting requirements only ask for the award number and property identification. Because ED and the Department of Labor (DOL) have been critical of breaking down projects to avoid the Davis-Bacon Act (DBA), we would apply the same logic here. If it is multiple projects on the same property all paid with one cost (e.g. ESSER), and they total \$1 million or more, we recommend that it be recorded to avoid any potential finding. We would lean towards recording since it is about the total value credited to the federal government.

Source: [KY Dept. of Education](#)



# Separate or Combine?

- An LEA had multiple HVAC projects across the district. Would this be separate reports for each building or one report for the district since they were bid under one contract?
  - Because the NFI guidance is broken down by property, the department takes the position that each property represents a different project and could be considered separately. So, there is flexibility here either way.
  - **However**, combining projects not on the same property may make responding to parts of the required reports more difficult.



# Optional or no?

- Most of the sections on [Real Property Status Report ATTACHMENT A](#) are listed as “optional.” Do LEAs have to complete these sections?
  - Since there are a wide variety of projects that may be reported on, it is likely that every field will not apply to every project. For that reason, many fields are listed as optional. LEAs should complete any optional fields if the information is relevant to the project(s) to provide a comprehensive picture of the real property status.



# Additional Questions

- Our LEA used a combination of ESSER funds and state and local funds for a capital project. Do we still need to report?
  - Yes. The reporting requirement still applies if federal funds, regardless of amount, were used for any part.
- Our LEA has a charter school that used ESSER funds for a capital project. Who is responsible for recording and/or reporting for charter schools?
  - The LEA is responsible for recording and/or reporting any capital projects by charter schools using ESSER funds.



# ARP ESSER Liquidation Extension Requests

# ARP ESSER Period of Performance

| Grant  | Obligation     | Liquidation      |
|--|----------------|------------------|
| ESSER 3.0 (ARP ESSER)                              | Sept. 30, 2024 | Dec. 15, 2024*   |
| ESSER 3.0 (ARP ESSER) with a liquidation extension | Sept. 30, 2024 | March 15, 2026** |

*\*Recommended deadline to ensure funds are reimbursed in ePlan for adequate time for grants to close.*  
*\*\*A final recommended liquidation date will be established at a later time to ensure the Tennessee Department of Education (the department) has adequate time for final grant closure.*





# Obligation of Funds

- The regulations at [34 C.F.R. § 76.707](#) govern when an obligation of Federal funds by a State or subgrantee, such as an LEA, occurs. Specifically, for services or assistance provided through a contract, the obligation is made on the date that the State or subgrantee makes a binding written commitment to obtain the services, work, or products. For rental or lease of real or personal property, the obligation is made when the property is used.
- **Sept. 30, 2024** was the obligation deadline for ESSER 3.0.



# Liquidation of Funds

- The drawing down and expenditure of funds by a grantee for obligations incurred during the grant's legal obligation period.
  - Timely liquidation occurs during the project performance period and through the first 120 days after the final day of that period or an extension of that period authorized by ED, pursuant to [2 C.F.R. § 200.344\(b\)](#).
- To liquidate an obligation, the purchased item or service has occurred, payment has been made to the vendor or provider, and a request has been made to the state for reimbursement, net any discounts, rebates, etc.
- **Dec. 15, 2024**, is the recommended deadline for liquidation of ESSER 3.0 funds for LEAs not requesting a liquidation extension.



# Final Liquidation of Funds – If No Extension Request

- To be fully liquidated the following must happen:
  - Goods and/or services received
  - Invoice received and paid
  - Reimbursement request submitted in ePlan
  - Reimbursement request approved and paid in ePlan
- December 31 is the FINAL date for liquidation
- The department recommends Dec. 15 because:
  - A reimbursement request may have to be returned for corrections, delaying the approval process
  - HOLIDAYS: Personnel are on holiday breaks which limits the availability of those needed to complete the tasks
- Reminder: check your reimbursement requests regularly to ensure your LEA does not need to make any necessary corrections or that there are funds remaining



# ARP ESSER Extension Requests

- **May LEAs request an obligation date extension?**
  - **No**, ED does not have the authority to change the obligation deadline as it was set in the statute. Changes in obligation deadlines require legislative action.
  - The obligation deadline will remain Sept. 30, 2024.
- **May LEAs request a liquidation date extension?**
  - **Yes**, ED has the authority to approve liquidation extension requests for properly obligated funds upon review of written requests made by the grantee (the department) on behalf of itself and its sub-recipients (LEAs).
    - Funds must be obligated by Sept. 30, 2024, to be considered for liquidation extension requests based upon the specific facts and circumstances of a given obligation and written request of a grantee.
  - [ED ARP Liquidation Extension Letter 1.9.24](#)



# Liquidation Extension Facts

- Under a liquidation extension of up to 14 additional months if approved by the department:
  - Subgrantees (LEAs) will have additional time to draw down COVID-relief funds so timely obligated activities can be paid
    - An HVAC project that has been delayed
    - A bus that has not arrived due to supply chain issues; and
  - Subgrantees (LEAs) will have additional time to carry out contracts, or other properly made obligations, for allowable activities when those obligations were made on or before the statutory deadline (September 30, 2024, for ARP funds).
    - A contract with a vendor for tutoring services
    - A contract with a vendor for professional development

# Liquidation Extension Request Examples

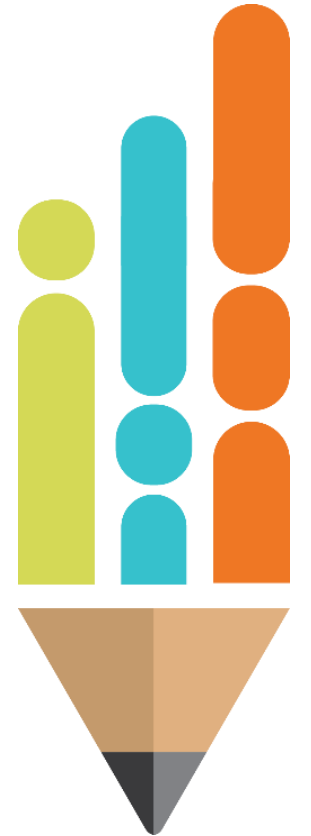
## ELIGIBLE

- Contract for:
  - Ongoing tutoring services
  - Ongoing mental health services
  - A non-employee to administer ESSER programs
  - Ongoing professional development services
- Receipt of goods or services:
  - Bus
  - Final work on a remodel project
  - Installation of HVAC

## INELIGIBLE

- Employee pay and benefits
- Travel
  - Lodging
  - Mileage
  - Per diem

\*Solely needing more time to expend funds is not an adequate justification for late liquidation. Rather, late liquidation requests must be aligned to specific projects, contracts, or other expenses based on properly obligated funds.



# Liquidation Extension Request Examples

| ELIGIBLE FOR EXTENSION   | INELIGIBLE FOR EXTENSION   |
|--|--|
| <p>Capital projects obligated prior to Sept. 30, 2024, that experienced unforeseeable delays/supply shortages where the equipment or supplies could not be delivered during the period of performance.</p>   | <p>Capital projects obligated or amended after Sept. 30, 2024. No changes can be made to a project or contract approved for liquidation extension. If the executed contract cannot be fulfilled, the funds subject to late liquidation must be forfeited.</p>                    |
| <p>Contracts with third-party providers obligated prior to Sept. 30, 2024, that support the continuity of educational support services through the end of the school year, such as contracts for tutoring, mental health support, curriculum materials, professional development, or technology tools.</p> | <p>Staff salaries or benefits incurred after Sept. 30, 2024. Pursuant to 34 CFR § 76.707, services performed by an employee of the state or subgrantee are considered obligated when the services are performed. Therefore, they are not eligible for liquidation extension.</p> |



# Liquidation Extension Request Risk Factors

## Contracted Services:

- Contract terms may not change after Sept. 30, 2024.
  - If the executed contract cannot be fulfilled, the funds subject to late liquidation must be forfeited
- For individual services, determine if the individual is an employee or independent contractor per [Final Rule: Employee or Independent Contractor Classification Under the Fair Labor Standards Act](#)
- LEAs must adhere to federal, state, and local policies for all contracts.
  - Procurement Standards [2 C.F.R. §§ 200.317-327](#)
  - Multi-year contracts are allowable with a late liquidation extension, however, local policies vary for such contracts





# Liquidation Extension Request Factors to Consider

- Activities must meet the purpose of the grant, “to prepare for, respond to, or prevent COVID-19.”
- Activities must meet the intent of the grant in relation to the scope of the pandemic.
  - Social distancing is no longer being practiced
  - Large quantities of PPE equipment are no longer needed
- Davis-Bacon requirements must be followed with any applicable projects.
- LEAs must participate in results-based monitoring and annual data reporting until all funds have been liquidated.







# Liquidation Extension Request Tool

- ePlan > Data and Information > 2025 > ARP ESSER Liquidation Extension Request
- **Opened:** Oct. 15, 2024
- **Due:** Requests must be submitted by Dec. 15, 2024
- The department must make one request to ED for all extension requests. **This will be submitted after Dec. 15, 2024.**

## Sections:

| Description ( <a href="#">View Sections Only</a> <a href="#">View All Pages</a> )  |  |
|--|--|
| All  |  |
|  History Log                                    |  |
|  | <a href="#">History Log</a>              |
|  | <a href="#">Create Comment</a>           |
|  <b>ARP ESSER Liquidation Extension Request</b> |  |
|  | <a href="#">Cover Page</a>               |
|  | <a href="#">Overview and Attestation</a> |
|  | <a href="#">Funding</a>                  |
|  | <a href="#">Related Documents</a>        |
|  | <a href="#">Checklist</a>                |
| All  |  |



# Liquidation Extension Request Tool

## Funding Page

- Summary of funding
  - ARP ESSER (ESSER 3.0) allocation total
  - Amount obligated by Sept. 30, 2024 – Hint: *should* equal the allocation total
  - Amount liquidated by Sept. 30, 2024
  - Balance remaining to be liquidated
- Funds necessitating extension
  - Item name
  - Amount necessitating extension
  - Account number and line item – must match ESSER 3.0 budget
  - Budget narrative – must match ESSER 3.0 budget
  - **Liquidation extension justification**
  - Number of students supported by the activity



# Liquidation Extension Request Tool

## Funding Summary Page

| ARP ESSER Funding |                  |                                   |                                 |                                    |                            |
|-------------------|------------------|-----------------------------------|---------------------------------|------------------------------------|----------------------------|
| UEI               | Allocation Total | Amount Obligated as of 09/30/2024 | Amount Liquidated as of 9/30/24 | Balance Remaining as of 09/30/2024 | % Liquidated as of 9/30/24 |
| YELSNDUL9E89      | \$6,592,510.24   | * \$ <input type="text"/>         | * \$ <input type="text"/>       | \$ 6,592,510.24                    | <input type="text"/> .00 % |

| Funds Necessitating Extension   |   |  |                               |                                     |   |                                   |  |  |
|---|---|--|-------------------------------|-------------------------------------|---|-----------------------------------|--|--|
| Item Name - Use the same item name for this row and in the file name of all uploaded documentation. | Amount of Obligated Funds Necessitating Extension | Account Number and Line Item - (e.g., 71100-189) | Use of Funds/Budget Narrative | Liquidation Extension Justification | Number of Students Supported by this Activity | Supporting Documentation Uploaded | TDOE Review/ Submission Status - TDOE USE ONLY |  |
| * <input type="text"/>  | * \$ <input type="text"/>                         | * <input type="text"/>                           | * <input type="text"/>        | * <input type="text"/>              | * <input type="text"/>                        | * <input type="checkbox"/>        |  |  |
|   |   | \$ <input type="text"/> 0.00 Total               |                               |                                     | <input type="text"/> 0                        |                                   |  |  |

| Supporting Documentation   |           |               |
|--|-----------|---------------|
| Type   | Documents | Document/Link |
| (ARP ESSER Liquidation) Supporting Documentation [Upload at least 1 document(s)] | N/A       |               |

| Resources                                  |
|--|
| <a href="#">ARP ESSER Extension Letter</a> |
| <a href="#">ESSER FAQ</a>                  |

# Liquidation Extension Request Tool

## Liquidation Extension Justification

- A brief description justifying the need for the liquidation extension
  - Unanticipated delay of goods and services
  - Need to extend services to ensure the acceleration of academic success for students
- A brief narrative description of how the request for liquidation extension , “contributes to the acceleration of academic success for students, including those furthest from opportunity and of greatest need.”



# Liquidation Extension Request Tool

- Examples of extension request justification show an LEA could:
  - Describe projects (e.g., parent communications initiatives, adoption of early warning intervention systems, home visiting programs, and interagency data-sharing investments) that promote regular student attendance and reduce chronic absenteeism.
  - Indicate the liquidation extension request is to support contracted evidence-based tutoring services throughout the 2024-25 school year, or
  - Identify uses of funds to provide summer learning opportunities and to provide after-school and extended learning time during the regular school year
  - Describe providing counseling services to address mental health needs;
  - Offer professional development and coaching to educators to build math and literacy instructional capacity; or
  - Explain making targeted improvements to school infrastructure, including HVAC investments, to enhance indoor air quality and environmental safety that keep students healthy in school

[ARP Liquidation Extension Letter](#)



# Liquidation Extension Request Tool

## Related Documents

- The verification of properly obligated funds is a standard expectation of late liquidation requests involving Federal funds.  
[2 C.F.R. §200.334](#)
- Examples of supporting documentation include but are not limited to:
  - Purchase orders
  - Executed contracts for services
    - Include date, price, scope of services, and all federal requirements
  - Order delay communications between the LEA and vendor with date/time stamp verification
  - Labor shortage communications between the LEA and vendor with date/time stamp verification



# Resources and Closing

# Resources

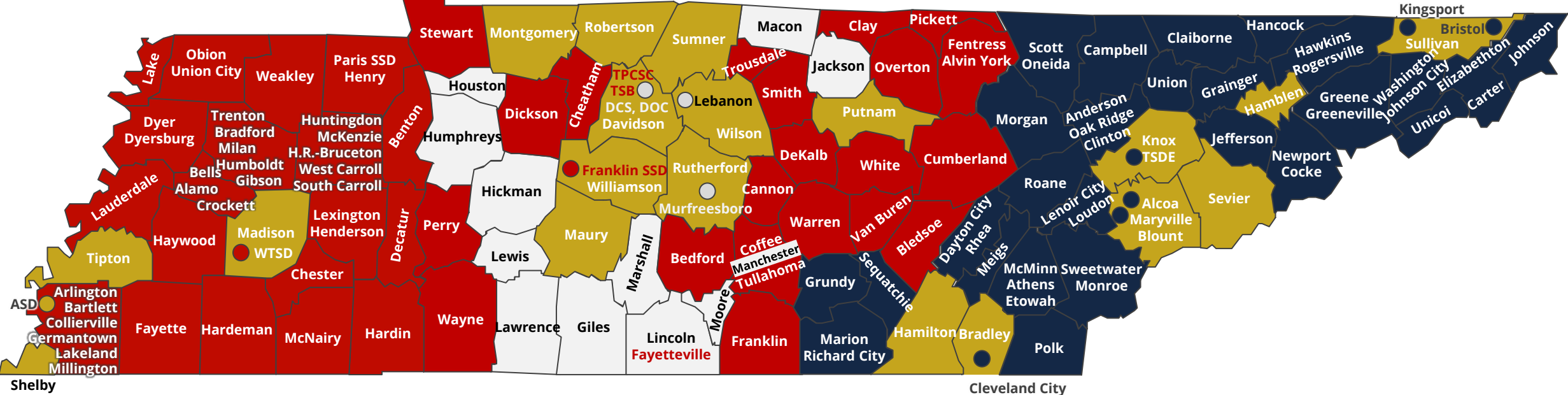
- ePlan > [TDOE Resources](#) > Relief Funding > then choose either ESSER Recording and Reporting Federal Interest or ARP ESSER Liquidation Extension Request 2024-10-15
- [ESSER Recording and Reporting Federal Interest Quickguide](#)
- [Recording & Reporting Federal Interest full slide deck from 10.15.24 webinar](#)
- [Oct. 15, 2024 Recording and Reporting Federal Interest webinar](#)
- [ESSER Recording and Reporting Federal Interest FAQ](#) (updated regularly)
- [ED Guidance- Recording and Reporting Federal Interest](#)
- [Post Award Reporting Forms](#)
- [Tennessee Department of Education Equipment & Capital Expenditure Q & A](#)
- [Sample Notice of Federal Interest- Rural Development, USDA](#)
- [Sample Notice of Federal Interest- Bureau of Primary Health Care](#)
- [ARP ESSER Liquidation Extension Letter](#)
- [U.S. Department of Education Liquidation Extension FAQs](#)
- [Liquidation Extension Request full slide deck from 2024 FPI](#)





# FPO Divisional Coordinator Map for ESSER Funds

(effective July 1, 2024)



**West**

Julia Hudson  
[Julia.Hudson@tn.gov](mailto:Julia.Hudson@tn.gov)

**Middle**

Julia Hudson  
[Julia.Hudson@tn.gov](mailto:Julia.Hudson@tn.gov)

Jerri Beth Nave  
[Jerri.Nave@tn.gov](mailto:Jerri.Nave@tn.gov)

**East**

Jerri Beth Nave  
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**20 Districts with Largest Enrollment**

Jerri Beth Nave  
[Jerri.Nave@tn.gov](mailto:Jerri.Nave@tn.gov)



| West<br>Julia Hudson |               |
|----------------------|---------------|
| Alamo                | Arlington     |
| Bartlett             | Bells         |
| Benton               | Bradford      |
| Chester              | Collierville  |
| Crockett             | Decatur       |
| Dyer                 | Dyersburg     |
| Fayette              | Germantown    |
| Gibson               | Hardeman      |
| Hardin               | Haywood       |
| Henderson            | Henry         |
| Hollow Rock          | Humboldt      |
| Huntingdon           | Lake          |
| Lakeland             | Lauderdale    |
| Lexington            | McKenzie      |
| McNairy              | Milan         |
| Millington           | Obion         |
| Paris                | South Carroll |
| Trenton              | Union City    |
| Weakley              | West Carroll  |
| WTSD                 |               |

| Middle<br>Julia Hudson    |              |
|---------------------------|--------------|
| Alvin C. York             | Bedford      |
| Bledsoe                   | Cannon       |
| Cheatham                  | Clay         |
| Coffee                    | Cumberland   |
| DeKalb                    | Dickson      |
| Fayetteville              | Fentress     |
| Franklin                  | Overton      |
| Perry                     | Pickett      |
| Smith                     | Stewart      |
| TN Public Charter         | TSB          |
| Trousdale                 | Tullahoma    |
| Van Buren                 | Warren       |
| Wayne                     | White        |
| Middle<br>Jerri Beth Nave |              |
| Giles                     | Hickman      |
| Houston                   | Humphreys    |
| Jackson                   | Lawrence     |
| Lebanon                   | Lewis        |
| Lincoln                   | Macon        |
| Manchester                | Marshall     |
| Moore                     | Murfreesboro |

| East<br>Jerri Beth Nave |              |
|-------------------------|--------------|
| Alcoa                   | Anderson     |
| Athens                  | Bristol      |
| Campbell                | Carter       |
| Claiborne               | Cleveland    |
| Clinton                 | Cocke        |
| Dayton                  | Elizabethton |
| Etowah                  | Grainger     |
| Greene                  | Greeneville  |
| Grundy                  | Hancock      |
| Hawkins                 | Jefferson    |
| Johnson City            | Johnson      |
| Kingsport               | Lenoir       |
| Loudon                  | Marion       |
| Maryville               | McMinn       |
| Meigs                   | Monroe       |
| Morgan                  | Newport      |
| Oak Ridge               | Oneida       |
| Polk                    | Rhea         |
| Richard                 | Roane        |
| Rogersville             | Scott        |
| Sequatchie              | Sweetwater   |
| TSD                     | Unicoi       |
| Union                   | Washington   |

| Top 20<br>Jerri Beth Nave |            |
|---------------------------|------------|
| ASD                       | Blount     |
| Bradley                   | Davidson   |
| Hamblen                   | Hamilton   |
| Knox                      | Madison    |
| Maury                     | Montgomery |
| Putnam                    | Robertson  |
| Sevier                    | Shelby     |
| Sullivan                  | Sumner     |
| Tipton                    | Williamson |
| Wilson                    |            |





# Thank You!

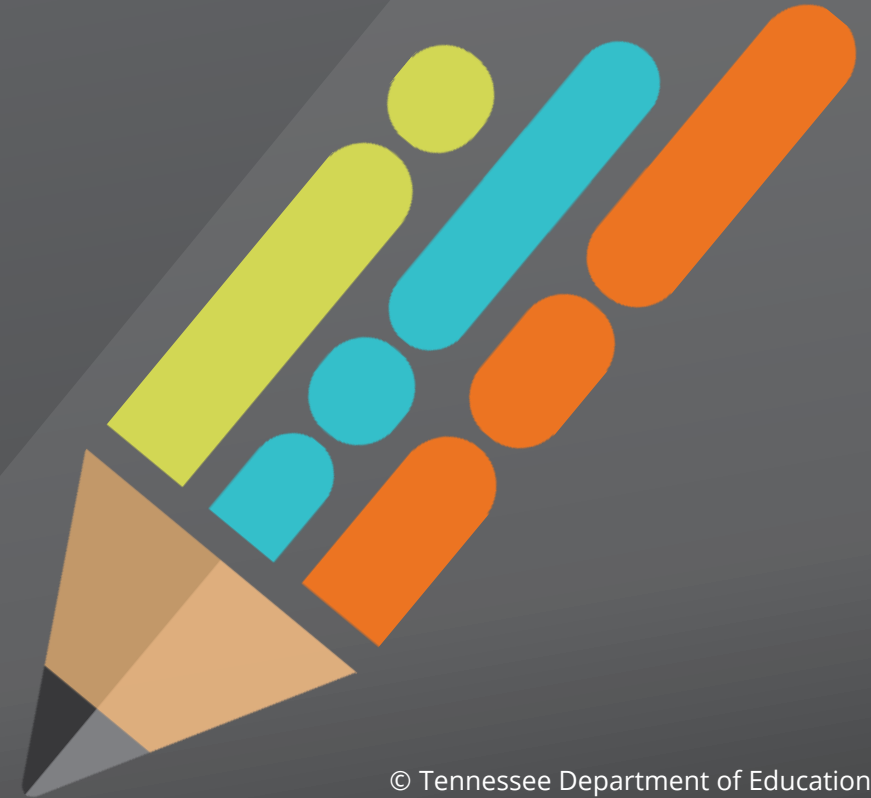
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# Please Share your Feedback:

[https://stateoftennessee.formstack.com/forms/fpo\\_professional\\_development\\_survey](https://stateoftennessee.formstack.com/forms/fpo_professional_development_survey)



# Fraud, Waste or Abuse

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

**1-800-232-5454**

Notifications can also be submitted electronically at:

**<http://www.comptroller.tn.gov/hotline>**