U.S. DEPARTMENT OF EDUCATION Grant Bulletin

GB 21-01

DATE: April 13, 2021

APPROVED: Phillip Juengst

Deputy Assistant Secretary for Acquisition and Grants Administration

# Title

Implementation of the 120-Calendar Day Liquidation Period Codified in [2 CFR § 200.344](https://www.ecfr.gov/cgi-bin/text-idx?SID=49b2e2150d661d8e5b3adddaf3f7ab66&mc=true&node=se2.1.200_1344&rgn=div8) and Effective on November 12, 2020.

# Purpose

This bulletin implements a revision codified in [2 CFR § 200.344](https://www.ecfr.gov/cgi-bin/text-idx?SID=49b2e2150d661d8e5b3adddaf3f7ab66&mc=true&node=se2.1.200_1344&rgn=div8) of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) that extends the grant closeout liquidation period, i.e., the period immediately following the end date of the period of performance, from 90 calendar days to 120 calendar days for all active grants.

# Background

On August 13, 2020, in its [Guidance for Grants and Grants Agreements](https://www.federalregister.gov/documents/2020/08/13/2020-17468/guidance-for-grants-and-agreements)[1](#_bookmark0) Federal Register Notice, the Office of Management and Budget (OMB) revised [2 CFR § 200.344](https://www.ecfr.gov/cgi-bin/text-idx?SID=49b2e2150d661d8e5b3adddaf3f7ab66&mc=true&node=se2.1.200_1344&rgn=div8) of the Uniform Guidance based on lessons learned from years of implementing the Uniform Guidance, and from the implementation of the Grants Oversight and New Efficiency Act (GONE Act). The purpose for revising [2 CFR § 200.344](https://www.ecfr.gov/cgi-bin/text-idx?SID=49b2e2150d661d8e5b3adddaf3f7ab66&mc=true&node=se2.1.200_1344&rgn=div8) is to support the timely closeout of awards, improve the accuracy of final closeout reporting, and reduce recipient burden. The revision increases the number of days for grantees to submit all final reports and liquidate all financial obligations from 90 days to 120 days, and it was effective November 12, 2020. In consultation with the Office of General Counsel and OMB, the Department of Education implemented the change for all active grants, including those awarded prior to November 12, 2020. For detailed explanation of these changes see Table 1.

1 On February 22, 2021, OMB published an amendment in the Federal Register notice correcting this final guidance, which incorrectly cited sections or laws and inadvertently omitted specific language from the revisions. The February 22, 2021 amendment fixes citations and references and clarifies specific language, and is available at the following link: [Correcting Amendment.](https://www.federalregister.gov/documents/2021/02/22/2021-02969/guidance-for-grants-and-agreements)

Recognizing the need for grantees to receive timely reports from their subrecipients so that grantees may submit their final reports to Federal awarding agencies within 120 calendar days after their period of performance, OMB did not revise the closeout liquidation period for subrecipients. The requirement for subrecipients to submit their final reports to grantees within 90 calendar days after the subrecipients’ periods of performance remains in place.

# Policy

In accordance with [2 CFR § 200.344](https://www.ecfr.gov/cgi-bin/text-idx?SID=49b2e2150d661d8e5b3adddaf3f7ab66&mc=true&node=se2.1.200_1344&rgn=div8):

1. Grantees must submit, no later than 120 calendar days after the end date of their period of performance, all financial, performance, and other reports as required by the terms and conditions of the grant.
2. Subrecipients must submit to the grantee, no later than 90 calendar days (or an earlier date as agreed upon by the grantee and its subrecipients) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award and subaward.
3. The Department of Education (the Department), and its grantees with respect to their subrecipients, may approve extensions when requested and justified. There are specific procedures that apply to State-administered programs set out in ACS Directive 2-110 ([Departmental Records and Information Management Program (ed.gov)](https://connected.ed.gov/Documents/Late_Liquidations_of_State_Administered_Formula_Grants.pdf#search%3Dlate%20liquidation)).
4. Unless the Department, or its grantees with respect to their subrecipients, authorize an extension, grantees and subrecipients must liquidate all financial obligations incurred under the grant or subaward no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the grant or subaward.
5. The grantee or subrecipient must promptly refund any balances of unobligated cash that the Department, or grantees with respect to subrecipients, paid in advance or paid and that are not authorized to be retained by the grantee or subrecipient for use in other projects. See [2 CFR § 200.346](https://www.ecfr.gov/cgi-bin/text-idx?SID=cb923ccef731ab3021d3a0e2a1602b22&mc=true&node=se2.1.200_1346&rgn=div8), [Part D of the General Education Provisions Act,](https://www.govinfo.gov/content/pkg/COMPS-732/pdf/COMPS-732.pdf) and [34](https://www.ecfr.gov/cgi-bin/text-idx?SID=5f5b66be9f8d50273570593ada0c7570&mc=true&node=pt34.1.81&rgn=div5) [CFR part 81,](https://www.ecfr.gov/cgi-bin/text-idx?SID=5f5b66be9f8d50273570593ada0c7570&mc=true&node=pt34.1.81&rgn=div5) for requirements regarding unreturned amounts that become delinquent debts.
6. The Department will complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes or regulations.
7. If grantees do not submit all reports in accordance with [2 CFR § 200.344](https://www.ecfr.gov/cgi-bin/text-idx?SID=49b2e2150d661d8e5b3adddaf3f7ab66&mc=true&node=se2.1.200_1344&rgn=div8) and the terms and conditions of the grant, the Department will proceed to close out with the information available within one year of the period of performance end date.
8. If grantees do not submit all reports in accordance with [2 CFR § 200.344](https://www.ecfr.gov/cgi-bin/text-idx?SID=49b2e2150d661d8e5b3adddaf3f7ab66&mc=true&node=se2.1.200_1344&rgn=div8) within one year of the period of performance end date, the Department will report the grantee’s material failure to comply with the terms and conditions of the award to FAPIIS (see section

[FAPIIS - Application Review](https://share.ed.gov/teams/grants/disc/Pages/FAPIIS%20-%20Application%20Review.aspx)), and may pursue other enforcement actions in accordance with [2 CFR § 200.339](https://www.ecfr.gov/cgi-bin/text-idx?SID=cb923ccef731ab3021d3a0e2a1602b22&mc=true&node=se2.1.200_1339&rgn=div8).

The 120-calendar day liquidation period also applies to grantees operating under a Tydings Period[2](#_bookmark1) accordingly:

1. Grantees with a 24-month or 27-month Tydings Period will have 120-calendar days after the end date of this period to submit all financial, performance, and other reports as required by the terms and condition of the grant. As noted above, requests late liquidation requests under State-Administered program are set out in ACS Directive 2-110. ([Departmental Records and Information Management Program (ed.gov)](https://connected.ed.gov/Documents/Late_Liquidations_of_State_Administered_Formula_Grants.pdf#search%3Dlate%20liquidation)).
2. The additional time resulting from the implementation of the 120-calendar day liquidation period does not change the requirement that all final closeout actions must be completed by the end of the calendar year unless the grant receives an extension from the Department.

# Procedures

When closing out grants, the Department will follow applicable procedures addressed in the Handbook for the Discretionary Grant Process (available at [Discretionary - Closeout](https://share.ed.gov/teams/grants/disc/Pages/Closeout.aspx)), and in the Guide for Managing Formula Grant Programs (available at [Formula – Closeout](https://share.ed.gov/teams/grants/formula/Pages/Closeout.aspx)).

# Other Pertinent Information

The Department has revised Grant Award Notification attachments 2 and 2F (Specific Grant Terms and Conditions for Financial and Performance Reports) to reflect the 120-calendar day liquidation period. Official versions of these attachments are stored in G5. Additionally, the liquidation closeout status in G5 has also been updated accordingly.

# Additional Information

Questions about this bulletin may be addressed to the appropriate Office of Acquisition and Grants Administration, Grant Policy and Training Division (GPTD) liaisons found at [GPTD](https://connected.ed.gov/Pages/OGA-GPTD%20Grant%20Policy%20Liaisons%20to%20POs.aspx) [Liaisons](https://connected.ed.gov/Pages/OGA-GPTD%20Grant%20Policy%20Liaisons%20to%20POs.aspx), or to Ayisa Crowe, GPTD Director at [ayisa.crowe@ed.gov](mailto:ayisa.crowe@ed.gov) or at (202) 245-6154.

2 **Tydings Period**. Under Section 421(b) of the General Education Provisions Act, 20 USC §1225(b), any funds subject to Tydings Period that are not obligated at the end of the federal funding period specified in Block 6 of the Grant Award Notification (GAN) shall remain available for obligation for an additional period of 12 months.

Table 1 – 120 Day Liquidation Extensions Explanation

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Current**  **Award Status** | **Liquidation Date** | **Suspension Date** | **Award Status**  **After Adding 30 Days** | **Explanation** |
| 1 | Open | add 30 days | reduce 30 days | Open | Since these awards are in Open status, 30 days has been added to the Liquidation period, but Suspension has  been reduced by 30 days. |
| 2 | Liquidation | add 30 days | reduce 30 days | Liquidation | Since these awards are in Liquidation status, 30 days has been added to the Liquidation period, but Suspension has  been reduced by 30 days. |
| 3 | Suspension less than 30 days | add 30 days | reduce 30 days | Liquidation | These grants have gone through a 90 day liquidation period but have either not liquidated funds and/or not submitted required reports; therefore, the grants have recently moved (in the first 30 days) to the 6 month suspension period. The grants are still able to access their funds, but only with the approval of the program officer and  reports can still be submitted. |
| 4 | Suspension 30 days or over | No action | No action | Suspension | These grants have gone through a 90 day liquidation period, but have either not liquidated grant funds and/or not submitted required reports; therefore, they were moved to suspension status and have remained for 1 month or more. By being in suspension status for more than 30 days these grants, by default, have had 120 days or more to liquidate funds and/or submit their reports but have not complied. These grants will not be moved back to liquidation, since the grants, by default, have had 120 days or more to comply with the grant closeout requirements of liquidating grant funds and/or submitting reports. These grants should remain in suspension status and proceed  to the next phase, Manual Closeout. |