

January 2026

# ARPA SLFRF Closeout

## Quick Guide



# Table of Contents

<b>Understanding Closeout .....</b>	<b>2</b>
<b>Initiating &amp; Reporting Closeout .....</b>	<b>2</b>
<b>Instructions for Recipients that Reported Full Obligation and Expenditures.....</b>	<b>3</b>
<b>Revenue Loss Reporting Requirements.....</b>	<b>3</b>
<b>Instructions for SF-425 Updates in Reporting .....</b>	<b>4</b>
<b>Final Report Submission &amp; Treasury Closeout Review .....</b>	<b>4</b>
<b>Financial Closeout.....</b>	<b>5</b>
<b>Closeout Confirmation.....</b>	<b>5</b>
<b>Post-Closeout SLFRF Requirements.....</b>	<b>5</b>
<b>Closeout Resources .....</b>	<b>5</b>

# Understanding Closeout

Closeout<sup>1</sup> is a standard part of the federal grant lifecycle. It typically involves a review by the granting agency to confirm that all funds were used for eligible purposes, all reporting requirements were fulfilled, and no outstanding compliance or audit issues remain.

Closeout generally occurs either when the recipient has expended all its award funds and confirms it is ready for closeout, or at the end of the period of performance, whichever comes first. As of Summer 2025, the U.S. Department of the Treasury (“Treasury”) has begun offering an early closeout process for some American Rescue Plan Act (“ARPA”) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) recipients that have fully obligated and expended their SLFRF awards. **While closeout is not yet open to all recipients**, it will become more widely available as more entities complete their use of funds.<sup>2</sup> During closeout, recipients finalize their documentation, submit their final Project & Expenditure Report, and ensure administrative responsibilities are met.<sup>3</sup> **Completing ARPA SLFRF closeout is required, even when a recipient has only used the Revenue Loss expenditure category.**

SLFRF recipients have until December 31, 2026, to complete spending their SLFRF funds. While closeout may be completed prior to this date if all funding has been spent, there is no obligation to do so.

## Initiating & Reporting Closeout

Recipients that have obligated and expended their entire SLFRF award as of the Project & Expenditure (P&E) report submitted by April 30, 2025, may be able to initiate closeout through the prompt in the “**Compliance Reports**” section in the Treasury Portal. As noted above, as of February 2026 **Treasury has not opened closeout for all recipients that have indicated they are ready for closeout; if you do not see this option, check back at a later date and it may be available.**

**The last P&E Report submitted by a recipient prior to closeout is considered the “Final Report.”** As a final step to initiate award closeout, recipients will need to review and provide a closeout report certification in the “Closeout Reports” section in the Treasury Portal<sup>4</sup>.

---

<sup>1</sup> Post award phase: <https://www.grants.gov/learn-grants/grants-101/post-award-phase>

<sup>2</sup> U.S. Department of the Treasury, *State and Local Fiscal Recovery Funds (SLFRF) Closeout Process Overview Resource: Early Closeout*, September 5, 2025.  
<https://home.treasury.gov/system/files/136/slfrf-award-early-closeout-resource-sept-2025.pdf>

<sup>3</sup> U.S. Department of the Treasury, *State and Local Fiscal Recovery Funds (SLFRF) Closeout Process Overview Resource: Early Closeout*, September 5, 2025.

<sup>4</sup> U.S. Department of the Treasury, *State and Local Fiscal Recovery Funds (SLFRF) Closeout Process Overview Resource: Early Closeout*, September 5, 2025.

## Instructions for Recipients that Reported Full Obligation and Expenditures

Recipients that reported they had obligated and expended their entire SLFRF award in their most recent P&E report may go to the "**Closeout Reports**" section in the Treasury Portal to complete their closeout report certification. To access early closeout at this time, recipients must have previously submitted a P&E report that reflects that all SLFRF funds have been obligated and expended. Recipients that initiate closeout will not be required to file additional quarterly or annual P&E reports unless Treasury determines that additional reporting is required following review of the recipient's closeout materials<sup>5</sup>.

## Revenue Loss Reporting Requirements

As a reminder, recipients using SLFRF funds under the Revenue Loss expenditure category must report the following to Treasury<sup>6</sup>:

1. Revenue Loss Claimed
  - » Indicate whether the recipient is claiming:
    - » The standard allowance (up to \$10 million), or
    - » A calculated amount based on the Final Rule revenue loss formula
2. Project Reporting under Revenue Loss
  - » Provide detailed information for each project funded using Revenue Loss dollars. For each project, recipients must report:
    - » Allocated, obligated, and expended amounts
    - » A clear, specific project description that:
      - » Summarizes the major activities conducted with SLFRF funds
      - » States the goals and intended purpose of the project
      - » Demonstrates how the activities qualify as an eligible government service

Closeout is a requirement, even when an SLFRF recipient utilizes the Revenue Loss expenditure category.

The following are a few key differences when comparing closeout of Revenue Loss against other expenditure categories:

	Revenue Loss Expenditure Category	Other Expenditure Categories
--	-----------------------------------	------------------------------

<sup>5</sup> U.S. Department of the Treasury, *State and Local Fiscal Recovery Funds (SLFRF) Closeout Process Overview Resource: Early Closeout*, September 5, 2025.

<sup>6</sup> U.S. Department of the Treasury, *State and Local Fiscal Recovery Funds (SLFRF) Closeout Process Overview Resource: Early Closeout*, September 5, 2025.

<b>Reporting Focus</b>	Focus is on budget, obligation, and expenditure amounts and a clear description justifying the project as a government service.	Require more extensive reporting on project objectives, outcomes, subrecipients/contractors, and performance indicators.
<b>Subrecipient Use</b>	Does not typically involve subrecipients. The funds are usually used directly by the local government.	Often involve subawards to third parties, triggering additional oversight, risk assessments, and reporting under 2 CFR Part 200.
<b>Treasury Oversight</b>	Generally, it receives less scrutiny as long as the description and spending align with general government services.	May be subject to more detailed reviews to ensure compliance with category-specific eligibility and outcomes.

## Instructions for SF-425 Updates in Reporting

The SF-425, or Federal Financial Report, is a required form used to summarize how federal funds received through a grant, such as SLFRF funds, were received, obligated, and expended during the life of the grant. The SF-425 is pre-populated based off data from the recipient's P&E report. It is important that the recipient reviews the data to ensure it is accurate. If data in SF-425 under the "**Closeout reports**" tab is inaccurate, recipients may reopen the latest P&E Report to make updates. Once revised, the Final Report must be resubmitted. Then, return to the Treasury Portal to reinitiate closeout.

For more information on the SF-425, see [here](#).

## Final Report Submission & Treasury Closeout Review

SLFRF recipients should follow these steps to ensure their final report is updated and submitted:

- » Go to "**Project Overview**" to update obligation and expenditure fields
- » Provide written justification for any changes
- » Certify and submit in the "**Certification**" section

Recipients will be prompted with a "ready for closeout" question and directed to the "Closeout reports" section upon selecting "yes."

Treasury will review the Final Report to identify corrections. If revisions are needed, recipients will be contacted via email through an Information Document Request (IDR). Treasury typically offers an opportunity to resolve compliance issues. **If unresolved, Treasury may recoup SLFRF funds.**

## Financial Closeout

After receiving the Final Report and closeout certification, Treasury will review the submissions and, if necessary, request adjustments. If repayment is needed, whether due to not all funds being spent or due to noncompliance, Treasury will notify the recipient with formal instructions for repayment. Do not return funds until formally instructed to do so.

If Treasury identifies noncompliance with program requirements during this review, consequences may include:<sup>7</sup>

- » Disallowed costs
- » Repayment demands
- » Financial holds affecting grants or loans from other federal programs

## Closeout Confirmation

Treasury will email the recipient confirmation that closeout is complete if they have no questions on what was submitted. No further reporting or actions are required unless otherwise notified. However, recipients should continue to retain relevant documentation and comply with other requirements listed below.

## Post-Closeout SLFRF Requirements

After closeout, recipients must continue to comply with their award's terms and conditions and [2 CFR § 200.345](#).

**Note:** For more information on Post-Closeout responsibilities, please reference MTAP's [SLFRF Closeout and Post-Closeout Responsibilities](#).

## Closeout Resources

Treasury has provided a Closeout How-To Guide and Preparation Checklist, which provide step-by-step information on how to complete closeout in the Treasury Portal.

- » <https://home.treasury.gov/system/files/136/slfrf-award-early-closeout-resource-sept-2025.pdf>
- » <https://home.treasury.gov/system/files/136/closeout-how-to-guide-sept-2025.pdf>

---

<sup>7</sup> U.S. Department of the Treasury, State and Local Fiscal Recovery Funds (SLFRF) Closeout Process Overview Resource: Early Closeout, September 5, 2025.

*This guidance is based on current information from the U.S. Department of the Treasury and is subject to change. It does not constitute legal advice. The State of Maryland and Hagerty Consulting Inc. are not responsible for any compliance decisions made based on this document. As a recipient of federal funds, each unit of government is responsible for the administration and compliance of Fiscal Recovery Funds and other federal funding.*