

# SLFRF Closeout and Post-Closeout Responsibilities for NEUs

This document is an essential resource for American Rescue Plan Act (“ARPA”) State and Local Fiscal Recovery Funds (“SLFRF”) recipients that have obligated and expended their entire SLFRF award. The U.S. Department of the Treasury (“Treasury”) has made an early closeout process available for some recipients, specifically those who have fully spent their funds and have indicated they are ready to undergo closeout. However, Treasury is rolling out this process in phases, and eligibility does not guarantee immediate closure. Recipients should be prepared for a delay between requesting closeout and receiving confirmation of completion.

Closeout may become available for additional recipients who noted in their most recent Project & Expenditure (P&E) Report that they are ready, but Treasury has not yet provided a timeline for when those recipients will be eligible.

It is acceptable for a jurisdiction to plan to continue using SLFRF funds through the end of the period of performance (December 31, 2026). It is also acceptable for a jurisdiction to choose not to spend all awarded SLFRF funds. In these circumstances, closeout would occur at the end of the performance period or shortly thereafter. If any SLFRF funds remain unspent at the end of the period of performance, those funds will need to be returned to Treasury.

Until an SLFRF award is officially closed out, recipients must continue to submit reports to Treasury on their existing quarterly or annual schedule, based on their reporting tier.

This tool is based on the [Treasury’s Closeout Checklist](#) and [the Treasury’s Closeout How To Guide](#), and is intended to help NEUs confirm compliance, avoid common issues, and prepare for closeout. Ongoing guidance from the Treasury should be monitored by SLFRF recipients as it becomes available, as the current closeout guidance is subject to change.

## Closeout Responsibilities

If requesting early closeout, SLFRF recipients should confirm that the full SLFRF allocation has been obligated and expended in the Treasury Portal, verifying the allocation matches internal records, ensuring the latest P&E Report reflects 100% obligation and expenditure, and confirming all reports are marked as “Submitted.” If SLFRF funds are to be returned to Treasury, take the above steps while ensuring that the amount to be returned is correct.

In the case that a recipient’s closeout process is made available during a current recurring reporting period, it is important that the recipient files the appropriate report as well as their closeout documentation. In cases where funds remain at the start of closeout, recipients must follow the designated instructions for returning those funds.

## 1. Complete All Reporting Requirements

- » Confirm that the most recent P&E Report has been submitted in the Treasury Portal.
- » Check the “Compliance Reports” tab to ensure reports show a “Submitted” status.
- » If reports are not viewable, check user roles and permissions.
- » Refer to the SLFRF Compliance and Reporting Guidance and P&E User Guide if assistance is needed.<sup>1</sup>
- » If an NEU worked with subrecipients, the NEU must confirm that all required monitoring has been completed and documented. Be sure to retain evidence of subrecipient closeout, including final performance and financial reporting as applicable.
- » Expenditures made under the Revenue Loss/Revenue Replacement provision are not considered to create subrecipient status for Treasury monitoring purposes. See [Final Rule FAQ 13.14](#) for further details.

**Note:** For more information on reporting requirements, please reference MTAP’s SLFRF Closeout Quick Guide.

## 2. Maintain an Active SAM.gov Registration

- » Ensure [SAM.gov](#) registration is active through the end of federal award responsibilities.
- » Do not create a new account if the municipality already has one; renew the existing registration instead.
- » Use resources provided by the General Services Administration (GSA) to:
  - » Renew or update registration
  - » Assign or update Entity Administrators
  - » Resolve access issues via incident ticket or live chat

**Note:** For more information on registration or renewal of your account, please reference [MTAP’s SAM.gov How To Register Guide](#).

## 3. Update Designated Points of Contact in the Treasury Portal

Maintaining updated contacts is essential even after closeout to ensure a recipient receives important notifications from Treasury, including any follow-up requests, compliance updates,

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<sup>1</sup> Most current guidance from Treasury focuses on closeout procedures within the Portal interface. However, recipients should be aware that additional closeout requirements may be issued in the future. It is recommended that NEUs monitor Treasury communications and maintain flexibility in case further documentation or steps are required beyond those currently outlined.

or audit communications. If the Account Administrator has changed, notify Treasury at [SLFRF@treasury.gov](mailto:SLFRF@treasury.gov) to avoid delays in communication or access issues in the portal.

- » Ensure the following roles are current and registered with Login.gov or ID.me:
  - » Account Administrator
  - » Authorized Representative
  - » Reporting Point of Contact
- » Confirm email addresses and phone numbers are accurate.

#### **Additional Resources:**

- » [SLFRF Award Closeout Preparation](#)
- » [SLFRF Closeout Instructions](#)
- » [SLFRF Closeout Process Overview](#)
- » Treasury Portal Access: <https://portal.treasury.gov>
- » General Inquiries: [SLFRF@treasury.gov](mailto:SLFRF@treasury.gov)
- » For more information, visit [www.treasury.gov/SLFRF](http://www.treasury.gov/SLFRF)

## **Post-Closeout Responsibilities**

Once closeout is complete, recipients must continue to maintain compliance with federal requirements. Failure to meet post-closeout responsibilities may impact eligibility for future federal funding.

### **1. Financial Oversight and Documentation**

#### **Records Retention:**

Maintain all documentation showing compliance with SLFRF regulations for 5 years after all funds have been spent or returned.<sup>2</sup>

- » Create and retain a summary document that identifies who has access to SLFRF records, including staff positions responsible for managing and storing documentation.
- » Share this document with municipal leadership to support longevity planning and continuity in the event of staff turnover.
- » Retain financial records (e.g., invoices, receipts, general ledger entries), programmatic files (e.g., project justifications, eligibility documentation), subrecipient agreements and monitoring materials, and key communications related to SLFRF-funded

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<sup>2</sup> **Recordkeeping Requirements.** Generally, an organization must maintain records and financial documents for five years after all funds have been expended or returned to Treasury, as outlined in paragraph 4.c. of the Award Terms and Conditions. Treasury may request transfer of records of long-term value at the end of such period. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.

activities. For more detail, refer to the Federal Documentation Retention Guidance ([2 CFR § 200.334](#)).

### **Audit Requirements:**

- » Recipients of federal funds who expend over \$1,000,000 in federal award funding in a single fiscal year are generally responsible for filing a Single Audit,<sup>3</sup> but some municipalities who expended over \$1,000,000 of federal award funding in a single fiscal year due to SLFRF funds may be eligible to submit the more streamlined Alternative Compliance Examination Engagement (ACEE) instead.<sup>4</sup>
- » If an NEU is subject to a single or program-specific audit ([per 2 CFR Part 200 Subpart F](#)), submit the audit and resolve any findings with Treasury.
- » If a final audit, monitoring review, or other oversight action identifies that the recipient owed money back to Treasury or used funds ineligible under program rules, the recipient may need to return those funds, even after closeout.
- » Document the resolution of any audit findings or compliance issues (e.g., repayment confirmation, corrective actions taken) and retain this in SLFRF records.

### **Responding to Treasury:**

Be prepared to promptly answer Treasury inquiries or requests for post-closeout reviews or documentation. Treasury may ask for additional information through the period which records must be maintained and can request funding not obligated or expended on the appropriate timelines to be returned to Treasury.

### **Fraud, Waste, and Abuse Reporting:**

NEUs should familiarize themselves with the Office of Inspector General's (OIG) fraud reporting tools and procedures. If it is suspected that any of these may be occurring, it must be reported to the OIG.

- » Reports can be submitted online, by mail, or by phone. Visit the OIG's Hotline page at <https://oig.treasury.gov/hotline> for instructions.
- » Examples of reportable issues may include misuse of funds, conflicts of interest, or knowingly providing false information on reports or eligibility.

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<sup>3</sup> For non-Federal entity fiscal years beginning on or after October 1, 2024, the Single Audit threshold increased from \$750,000 to \$1,000,000; fiscal years beginning before that date remain subject to the \$750,000 threshold. See U.S. Office of Management and Budget, "Guidance for Federal Financial Assistance," 89 Fed. Reg. 30046 (Apr. 22, 2024) (amending 2 C.F.R. §200.501); and the current text of 2 C.F.R. §200.501(b).

<sup>4</sup> An ACEE is a streamlined, SLFRF-specific engagement Treasury created as an option for certain recipients that do not otherwise need a full Single Audit, and it is submitted directly to the U.S. Treasury using Treasury's ACEE instructions and portal, not to the FAC. Additional information on this is available on MTAP's [website](#).

## 2. Post-Closeout Use of SLFRF Funds

### Closeout and Administrative Cost Guidelines:

- » Any SLFRF funds not *obligated* by December 31, 2024, must be returned to Treasury.
- » Any funds not *expended* by December 31, 2026, including those passed through to subrecipients, must be returned.
- » Closeout administrative costs may be incurred and reported until April 30, 2027 - 120 days after the end of performance period, according to [FAQ 14.6](#).<sup>5</sup>
  - » These costs may include audit preparation, bank reconciliation, internal controls, general ledger reviews, and compliance documentation.
- » Recipients may report these closeout costs in aggregate through a single project.

### Use of Previously Obligated Funds After the Obligation Deadline:

Even after the December 31, 2024, obligation deadline, recipients may need to adjust the amounts reported as obligated. For example, to correct errors or reflect updated information, prior to closeout. These adjustments must be made within the Treasury reporting portal and do not allow for new obligations to be created after the deadline.<sup>6</sup>

- » **Reclassification of Unspent Funds:** If SLFRF funds were obligated before the deadline but later not expended, such as when a project is completed under budget or deemed ineligible, recipients may reclassify those funds to another eligible project, provided the new activity was also properly obligated by the 2024 deadline.
- » **Ongoing Tracking & Reporting:** Recipients must track these adjustments and report the final use of such funds at closeout. This includes documenting any project reclassifications or reallocations clearly.
- » **Administrative and Personnel Costs:** Recipients may continue to use obligated funds to cover administrative closeout costs or personnel costs that were properly incurred before the obligation deadline, as supported by other related FAQs (17.7, 17.10, 17.16-20.).

Subrecipients are not responsible for meeting the December 31, 2024, obligation deadline. Once a valid subaward or contract is executed, the obligation is satisfied at the recipient level.

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<sup>5</sup> U.S. Department of the Treasury. State and Local Fiscal Recovery Funds: Frequently Asked Questions. April 29, 2025. <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>.

<sup>6</sup> U.S. Department of the Treasury, State and Local Fiscal Recovery Funds: Frequently Asked Questions, April 29, 2025, 84, <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>.

### 3. Ongoing Federal Compliance Requirements

#### **SAM.gov Registration:**

SLFRF recipients should keep their SAM registration active until all final reports and compliance requirements are satisfied. All entities currently utilizing, or applying for, federal funding must have an active [SAM.gov](#) account. See [here](#) for more information on creating or reactivating an account.

**Note:** For more information on registration or renewal of your account, please reference MTAP's SAM.gov How To Register Guide.

#### **Federal Civil Rights Compliance:**

Recipients must ensure that SLFRF-funded projects continue to comply with federal civil rights laws even after closeout, as required by the award terms and federal law. These requirements include:

- » **Title VI (Civil Rights Act of 1964)** - Prohibits discrimination based on race, color, or national origin.
- » **Section 504 (Rehabilitation Act of 1973)** - Prohibits discrimination based on disability
- » **Age Discrimination Act of 1975** - Prohibits discrimination based on age
- » **Fair Housing Act (1968)** - Prohibits housing discrimination

These laws apply to all federally funded programs and must be upheld for the duration of the project's operation, even if SLFRF funds applied to the project have already been spent.

*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.*