

U.S. Department of the Treasury
Emergency Rental Assistance (ERA2): Closeout Resource

The following information is to be used as a resource by ERA recipients (“recipients”)¹ for closeout of their Emergency Rental Assistance (ERA2) awards. The period of performance for ERA2 awards ends on September 30, 2025.

- **Section I** of this document details closeout information and resources.
- **Section II** of this document provides additional post-closeout compliance reminders.

Recipients are advised to monitor the [ERA2 Guidance](#) and [ERA2 Reporting](#) pages on Treasury’s ERA programs’ website for additional compliance resources.

Section I: Closeout Information and Resources

General Closeout Overview

The purpose of award closeout is to ensure that:

- Recipients have completed the ERA2 award objectives.
- The ERA2 Final Report indicates that ERA2 award funds were expended on allowable costs.
- Any balances of unobligated and unexpended funds remaining on the ERA2 award are returned to Treasury.
- A proper accounting of any real and tangible personal property, as applicable, purchased with ERA2 award funds is submitted.
- Recipients certify that the data submitted in the ERA2 Final Report complies with the terms and conditions of the [ERA2 Award Terms](#).

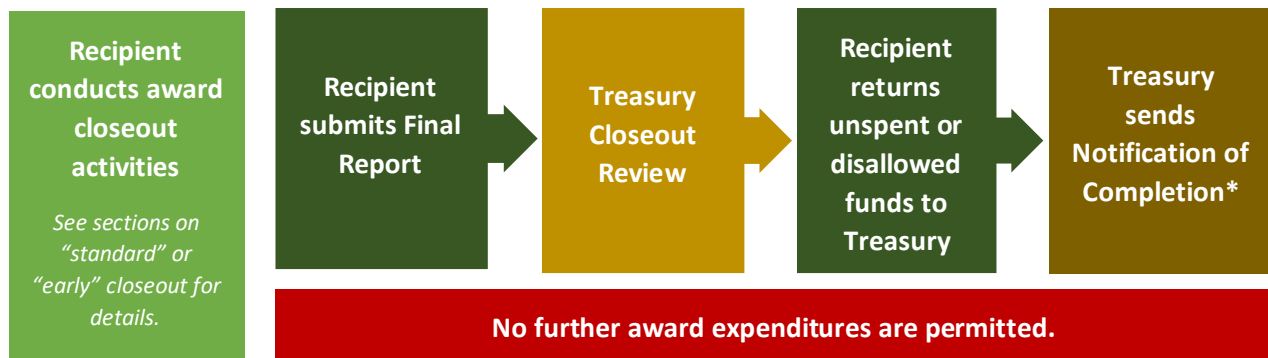
The period of performance (POP) for ERA2 awards ends on September 30, 2025 (end of the award term), which marks the last day that recipients may obligate ERA2 award funds for administrative and program expenses, and such obligations must be paid in full within 120 calendar days after September 30, 2025 to facilitate inclusion of those transactions in the Final Report. As such, ERA2 recipients may cover only rent, utility and home energy expenses, arrears for rent, utility and home energy costs, other expenses related to housing, expenses for housing stability services, affordable rental housing projects, and eviction prevention activities arising before September 30, 2025. ERA2 recipients may not provide prospective rental or utility assistance or cover costs for other expenses related to housing, housing stability services, affordable rental housing projects, and eviction prevention activities beyond September 30, 2025.

For the purposes of this document, please note the following distinctions:

¹ ERA2 Guidance also refers to ERA2 recipients as “ERA2 Grantees.” These terms may be used interchangeably.

- Recipients that have not initiated award closeout and the award POP has not expired will be referred to as having “**open awards.**”
- Recipients that submitted the Final Report to Treasury for closeout of their ERA2 award within 120 calendar days after September 30, 2025 are in “**standard closeout.**”
- Recipients may choose to initiate the award closeout process before September 30, 2025 and those that do so are engaged in “**early closeout.**”
- “**Closed awards**” refer to recipients for which Treasury has completed its closeout process on their award and issued a **Notification of Completion** to the recipients.

Figure 1: General Closeout Process



*Generally, the Notification of Completion will be issued within one year of the POP end date (September 30, 2025) or, in the case of early closeout, one year from the date the recipient submitted the Final Report to Treasury.

All recipients are required to submit their Final Report to Treasury to close out their ERA2 award. The “Final Report” mirrors the ERA2 Quarterly Report, but also includes special sections regarding real and tangible personal property, as applicable, purchased with the ERA2 award.² Treasury reserves the right to request additional documents to support the Final Report. **Failure to submit a timely and accurate Final Report may result in administrative closeout of your ERA2 award and affect receipt of future federal funding by the ERA2 recipient.**³ Treasury may also pursue other remedial actions per [2 CFR 200.339](#). No later than 120 calendar days after September 30, 2025, recipients must complete the following closeout activities:

- Reconcile financial expenditures associated with the ERA2 award.
- Liquidate all ERA2 award obligations incurred by September 30, 2025.
- Determine whether any balances of unobligated and unexpended funds remain on the ERA2 award.

² Please see pages 8-9 for more details.

³ If the recipient fails to submit a timely and accurate Final Report, Treasury may proceed with administrative closeout of the ERA2 award in accordance with [2 CFR 200.344\(h\)](#) and the recipient will be deemed noncompliant with the ERA2 Award Terms.

- Determine the status of all real and tangible personal property, and unused supplies purchased with ERA2 award funds.
- Prepare and submit the required Final Report to Treasury.

After the submission (or submission deadline) of a recipient's Final Report, Treasury will implement a **Closeout Review of ERA2 awards** (see page 10 for more details). Upon the completion of closeout actions and resolution of any outstanding matters regarding the ERA2 awards, Treasury will send a **Notification of Completion**.

“Early Closeout” Process

Recipients that complete all award objectives, including administrative actions (which include any final operational activities), on their ERA2 award prior to September 30, 2025 may request to initiate “early closeout” of their ERA2 awards.⁴

Recipients initiate early closeout by submitting the Final Report. Any financial obligations⁵ entered into prior to submission of the Final Report to Treasury must be liquidated (expenses charged or billed against the award including contracts must be paid in full) and operational activities associated with the award must be completed *prior* to submitting the Final Report to Treasury. Once the recipient has submitted the Final Report to Treasury, *the recipient may not obligate or expend any remaining award funds for any purpose*. Once the recipient submits the Final Report, the recipient is also no longer required to submit regular ERA2 quarterly reports. The recipient will remain subject to records retention and audit requirements (see pages 14-16 for more details).

⁴ Per [2 CFR 200.340](#), the early closeout of an ERA2 award can be triggered by one of the following circumstances: (1) termination of the ERA2 award by Treasury with the consent of the recipient prior to the end of the POP, in which case the two parties must agree upon the termination conditions (see 2 CFR 200.340(a)(2)); (2) termination of the ERA2 award by the recipient prior to the end date of the POP because it is no longer able to carry out the objectives of the award (see 2 CFR 200.340(a)(3)); (3) termination of the ERA2 award by Treasury prior to the end date of the POP because the recipient failed to comply with the requirements of the ERA2 [Award Terms](#) (termination for cause, see 2 CFR 200.340(a)(1)); (4) termination of the ERA2 award by Treasury prior to the end date of the POP because the award no longer effectuates the program goals or agency priorities (termination for convenience, see 2 CFR 200.340(a)(4)). In addition, early closeout can be triggered by the recipient when it has expended all its award funds and completed all the objectives of the ERA2 award, including administrative actions, prior to the end of the award POP. See 2 CFR 200.344.

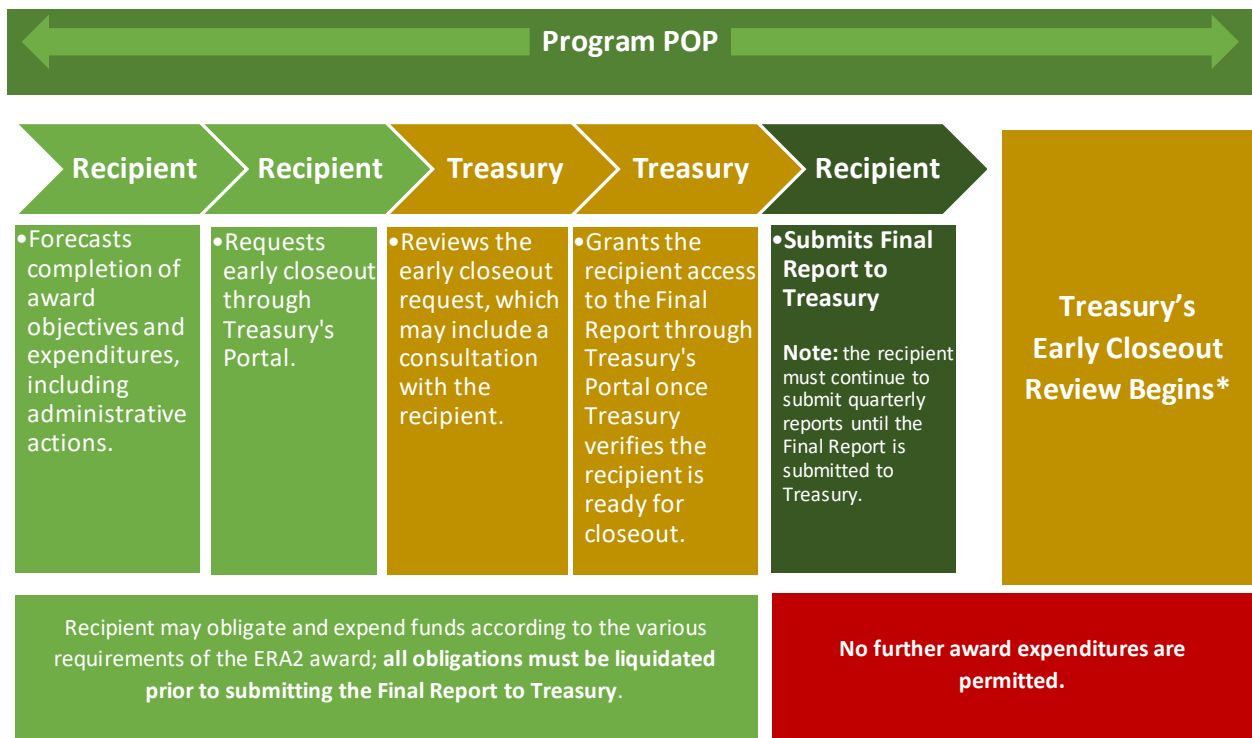
⁵ Per 2 CFR 200.1, the term, “financial obligation” is defined as “orders placed for property and services, contracts and subawards made, and similar transactions that require payment by a recipient or subrecipient under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award.”

Treasury has established a review process to help support a successful early closeout (Figure 2):

1. **Recipient determines that it will soon be ready to initiate early closeout**, self-identifying the completion of award objectives and expenditures, including administrative actions like final operational activities.
2. **Recipient requests to closeout** its award early through Treasury’s Portal.
3. **Treasury will review the early closeout request** and consult with the recipient, if needed.
4. **Treasury will notify and provide the recipient access to the Final Report through Treasury’s Portal**, if Treasury determines that the recipient may proceed with early closeout.
5. **The recipient submits the Final Report** to Treasury to initiate the award closeout process. *Note that the recipient must continue to submit all regular quarterly reports until the Final Report is submitted to Treasury.*⁶

In general, Treasury will begin to review the Final Report within 180 days. Treasury will work with the recipient to finalize the award closeout, generally within one year of the submission of the Final Report.

Figure 2: “Early Closeout” Process



**Please refer to Figure 1: General Closeout Process for process steps following the start of Treasury’s Closeout Review process.*

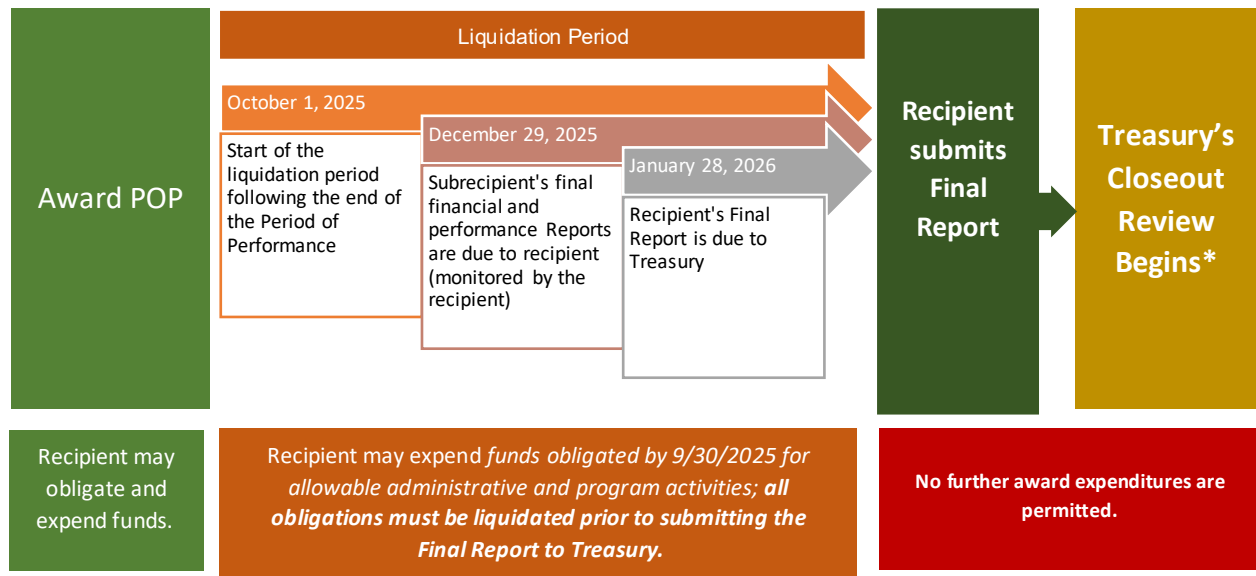
⁶ Treasury retains the right to reject the submission of a recipient’s Final Report. In this case, the recipient must continue to submit regular quarterly and annual reports through the end of the award POP.

“Standard” Closeout Process and Timelines

The end of the award term marks the beginning of the “standard” closeout process for all recipients of ERA2 awards that did not initiate early award closeout. Recipients will have 120 calendar days after September 30, 2025 to submit their Final Report to Treasury via Treasury’s Portal. Subrecipients must submit the final financial and performance Report, as applicable, to the recipients no later than within 90 calendar days after September 30, 2025 (Figure 3).

Recipients must obligate award funds by September 30, 2025 to cover administrative costs for closeout activities carried out during the liquidation period (October 1, 2025 - January 28, 2026).⁷ Obligations incurred by September 30, 2025 for allowable administrative and program expenses must be paid in full prior to the end of the liquidation period and those transactions must be included in the Final Report, which must be submitted to Treasury by January 28, 2026.⁸

Figure 3: “Standard Closeout” Process and Timeline



**Please refer to Figure 1: General Closeout Process for process steps following the start of Treasury’s Closeout Review process.*

⁷ Note that ERA2 funds received through reallocation are subject to the same closeout timeline requirements as funds received as part of the grantee’s initial allocation.

⁸ Note that obligations incurred by subrecipients by September 30, 2025, must be paid in full within 90 calendar days after September 30, 2025 for allowable administrative and program expenses or an earlier date as agreed upon by subrecipient and recipient.

Standard Closeout Liquidation Period: Prohibited and Allowable Operations

After September 30, 2025, recipients are prohibited from using ERA2 award funds for the following program activities:

- *New obligations* of funds to support administrative activities.
- *Assessment of applicant eligibility* for ERA2 services and assistance.
- *New obligations* of funds or payment for *provision of housing stability services or eviction diversion services* to renters for a period beyond September 30, 2025.
- *New obligations* of funds or payments for provision of *prospective assistance*, for example, recipients are prohibited from prospectively providing financial assistance for rent, utility and home energy expenses, arrears for rent, utility and home energy costs, and other expenses related to housing to renters for a period beyond September 30, 2025.
- *Affordable rental housing and eviction prevention purposes, as defined in [FAQ 46](#)*. Affordable rental housing purposes include, the acquisition, construction, rehabilitation, or preservation of affordable rental housing projects serving very low-income families, predevelopment activity, as well as the operation of affordable rental housing projects serving very low-income families that were constructed, rehabilitated, or preserved using ERA2 funds. Eviction prevention purposes are defined in the same manner as housing stability services under FAQ 23; however, services provided with funds made available for eviction prevention purposes must serve very low-income families.

Allowable administrative and program activities using ERA2 award funds must be obligated by September 30, 2025. Continued expenditures of those obligated award funds during the standard closeout liquidation period may include:

- *Administrative expenses* to support closeout activities (including administrative support services and other direct and indirect expenses that support administrative activities provided through staffing costs, subawards, contracts, preparation of Final Report and documents, etc.).
- *Payment processing* for:
 - Approved ERA2 applicants; this would include payment processing for rental payments, utilities, or other allowable expenses incurred prior to September 30, 2025. Note that the provision of prospective program assistance (e.g. prospective rental payments, utility bills, housing stability services, etc.) after September 30, 2025 is prohibited. For example, ERA2 funds cannot pay October 2025 rent for a tenant under any circumstances.
 - Housing counseling, eviction prevention, or other housing stability services that occurred prior to September 30, 2025.
- *Documentation, assessment, and retention activities*. See page 8 for details on obligating and expending funds for this purpose.
- *Data security measures* and protection of personally identifiable information, which may include appropriate measures to ensure that the privacy of renters is protected and provide confidentiality protections for data collected about any renters who are survivors of intimate partner violence, sexual assault, or stalking.
- *Review and reconciliation* of general ledger, accounting, reporting, bank reconciliation, program policies, procedures, and controls to prevent fraud and improper payments,

which may involve follow-up with end-beneficiaries (e.g., renters, landlords, utility companies, etc.) to reconcile documentation, as needed.

- *Continued internal auditing* of approved applications for potential duplication of benefits and associated remedial activities, as appropriate.
- *Single audits or program-specific audits* required per [2 CFR Part 200, Subpart F, Audit Requirements](#), if applicable.

Preparing to Submit Final Report

Recipients must submit Final Report with cumulative financial information, performance information and as applicable, real property and tangible personal property information. For general reporting requirements and other reporting resources, please see [ERA2 Reporting webpage](#).

The following considerations and questions can help support an accurate report and clear communications as recipients work through the closeout process:

- *Does the data align with ERA2 program guidance?* For instance:
 - Does the total amount expended for administrative expenses fall within the limit of 15% of the total ERA2 award amount as set forth in the ERA2 Guidance?⁹
 - Does the total amount expended on housing stability and eviction prevention services fall within the standard limit of 10% of the total ERA2 award amount as set forth in the ERA2 Guidance?
 - If the recipient is reporting investment in these services beyond the initial 10%, are those additional investments reported as an Eviction Prevention Projects and **in compliance with the requirements set forth in [FAQ 46](#)**?¹⁰
 - Are funds used for affordable rental housing purposes reported as Affordable Rental Housing Projects and complies with the requirements outlined in [FAQ 46](#)?
- *Does the Final Report accurately reflect the recipient's aggregate financial and programmatic data throughout the award POP?* Recipients should check:
 - Whether total expenditures and obligations align with the total (net) award.
 - Whether there are any unobligated balances by the end of the POP or unliquidated obligations by the end of the closeout period; if yes, see pages 10-13 for more information about repaying of ERA2 award funds.
 - The completeness and accuracy of the project data and participant demographics (as applicable), as submitted in the Final Report.
 - Activities associated with any real property or tangible personal property, supplies, or other assets purchased with ERA2 award funds for the provision of allowed activities to support the housing stability of eligible tenants were

⁹ See [FAQ 29](#) for guidance on using ERA2 award funds for administrative expenses.

¹⁰ See "Reporting Decision Tree: Housing Stability & Eviction Prevention Services" in [ERA2 Reporting Resource and Housing Stability Services Overview](#) (pages 28) for tips on reporting housing stability services in Table 5 under "Rental Assistance Project" and reporting similar activities as "Eviction Prevention Projects."

ERA2 Program Closeout Resource

complete (installed or completed in accordance with the description of the reported Affordable Rental Housing Project) prior to the expiration of the POP (in the case of standard closeout) and prior to the recipient submitting the Final Report (in the case of early closeout).

- *Have you accounted for record retention requirements?* The [ERA2 Award Terms](#) stipulate that recipients must retain records pertaining to the ERA2 award for 5 years after all funds have been expended or returned to Treasury.
 - Any administrative funds utilized to support record retention requirements:
 - Must be reasonable and consistent with the recipient's policies and procedures regarding the standard for retaining such records and the amount of money the recipient would have paid for retaining its non-federal records.
 - Must not exceed the limit for administrative costs which is 15% of the total ERA2 award amount.
 - Should not be the cost of maintaining a financial system for its Federal awards.
 - Must be obligated by September 30, 2025, end of the award POP and such record retention obligation must be paid in full during the closeout period (120 calendar days after September 30, 2025) and prior to the recipient's submission of its Final Report to Treasury to the extent that the record retention expense is within the 15% limit on administrative costs.
 - Treasury encourages recipients to ensure that the method of record retention used for ERA2 award records is secure and it sufficiently protects the personally identifiable information and other sensitive information the recipients collected from renters and others to implement their ERA2 award.
- *Did you purchase equipment or supplies with your ERA2 award that will need to be reported?* All ERA2 recipients must report on **tangible personal property** (equipment and supplies) acquired with ERA2 award funds during the award POP. Grantees are responsible for reporting on behalf of their subrecipients if their subrecipients used ERA2 award funds to acquire equipment or supplies, or both.

Tangible personal property that needs to be reported in the Final Report include:

- Acquired equipment with an acquisition cost of \$5,000 or more.
- Residual inventory of unused supplies with a total aggregate fair market value greater than \$5,000.

Per the Uniform Guidance, [2 CFR 200.1](#), tangible personal property includes [equipment](#) and [supplies](#). It does not include copyrights, patents, or securities. A [computing device](#) is considered a supply if the acquisition cost is less than \$5,000 per unit, regardless of the length of its useful life.

Consistent with the Uniform Guidance, [2 CFR 200.313\(e\)\(1\)](#), equipment acquired with ERA2 award funds with a current per unit fair market value of \$5,000 or less at the end

of the award period of performance may be retained, sold, or otherwise disposed of by ERA2 recipients with no further responsibility to Treasury. Supplies acquired with ERA2 award funds with the total aggregate value of \$5,000 or less at the end of the award POP may also be retained by ERA2 recipients with no further responsibility to Treasury. Additionally, Treasury permits recipients with equipment with a per unit fair market value of more than \$5,000 or unused supplies that have a total aggregate value of more than \$5,000 to be retained by the recipient if it is needed for another Federal award or for activities for non-federally funded programs or projects for the government entities which have similar objectives as the ERA2 program. The recipient or subrecipient must also notify Treasury of any loss, damage, or theft of equipment. If the equipment is sold, the Federal agency or pass-through entity may permit the recipient or subrecipient to retain from the Federal share \$500 of the proceeds to cover expenses associated with the selling and handling of the equipment (2 CFR 200.313(e)(2)).

- *Did you use ERA2 funds for affordable rental housing purposes that will require reporting on real property?* ERA2 recipients that used funds for affordable rental housing purposes must prepare to report on **real property**. The Final Report includes questions that align with the SF-429 Real Property Status Report. ERA2 grantees should also plan to report on their plans for eventual disposition of property. They should also plan to maintain and update property records when there is a change in the status of the property pursuant to 2 CFR 200.313(d)(1). Treasury will provide additional clarifying information in future iterations of this document.

ERA2 affordable rental housing projects must serve very low-income families by ensuring that the household income of occupants of units funded by ERA2 funds is limited to the maximum income applicable to very low-income families, as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) and such income limitation is imposed through a covenant, land use restriction agreement (LURA), or other enforceable legal requirement for a period of at least 20 years. Further, uses of ERA2 funds for affordable rental housing purposes must align and meet the requirements of one of the federal programs listed in [FAQ 46](#).

In the Final Report, ERA2 recipients that used award funds for affordable rental housing purposes must indicate the estimated useful life of the affordable rental housing project, provide information on the status of affordable rental housing projects (i.e., if the entire project is completed, or if not completed, the estimated date of completion with the other funding sources) and maintain records regarding the affordable rental housing projects pursuant to paragraph 7.c. of the ERA2 Award Terms and comply with the requirements specified in FAQ 46 for a period of at least 20 years or the estimated useful life of the affordable rental housing project (if longer than 20 years), subject to further audits by Treasury during that period of time.

Closeout Review of ERA2 Awards by Treasury

After the submission (or submission deadline) of a recipient's Final Report, Treasury will implement a **Closeout Review of ERA2 awards**, which may include:

- Requesting verification of award closeout information from recipients.
- Engaging recipients to resolve any issues found in their Final Report; if a report requires revision, Treasury may send instructions to revise and resubmit the Final Report or an Information Document Request (IDR) for the recipient to provide further clarity.
- Notification of disallowed costs, as applicable.
- Sending repayment instructions to recipients.
- Initiating or proceeding with applicable remediation actions.

For each of these activities, Treasury will communicate specific instructions and deadlines to recipients. This may include revising the submitted reports or responding to an Information Document Request (IDR) in order to clarify certain aspects of the submitted Final Report. Notification of IDRs are sent to the ERA2 Portal contacts via an email notice but can also be found in "messages" within Treasury's ERA Portal. ERA2 recipients should make sure to keep their [designated points of contact](#) updated within the Portal to support effective communications.

Treasury may engage in further compliance activities, closeout review, and communication with recipients, as needed and in alignment with applicable provisions of the Uniform Guidance ([2 CFR Part 200](#)), [Treasury's guidance](#), and the [terms and conditions of the ERA2 Award Terms](#). If a recipient does not resolve outstanding issues, Treasury will provide a formal opportunity to remedy the noncompliance prior to initiating administrative closeout of the ERA2 award and the recipient being found noncompliant with the requirements set forth in the ERA2 Award Terms.

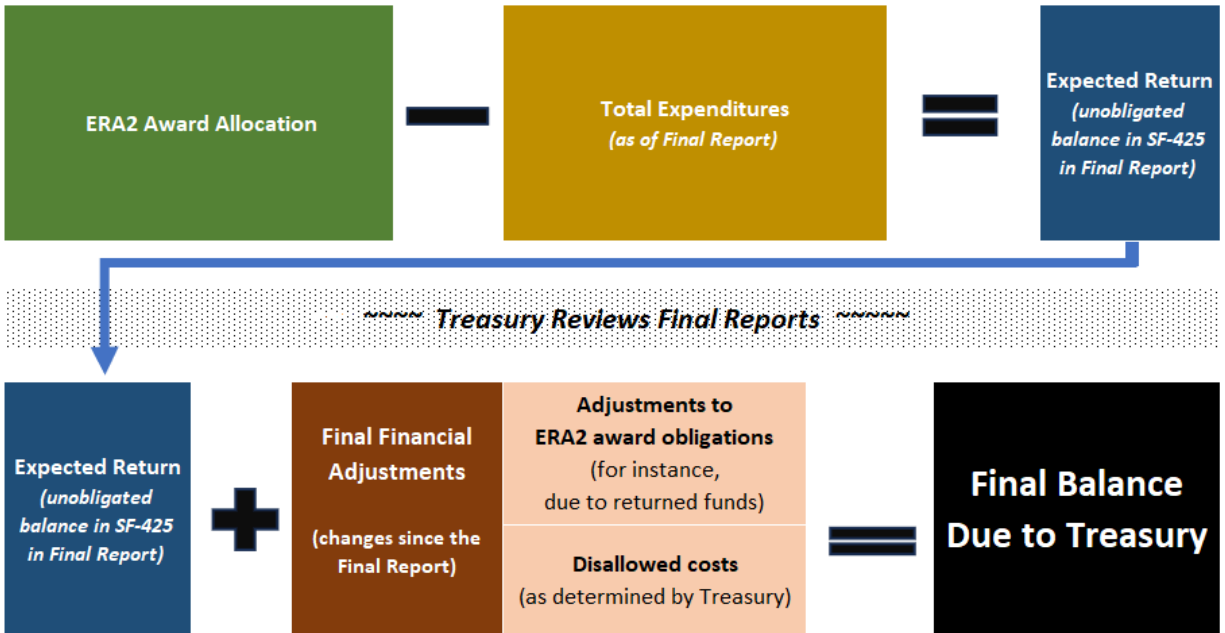
Upon the completion of closeout actions and resolution of any outstanding matters regarding the ERA2 awards, Treasury will send a **Notification of Completion**, informing each recipient that its award has been closed out and no further action is required other than its compliance with certain terms and conditions of the ERA2 award that extend beyond the closeout period.¹¹

Repayment of ERA2 Award Funds to Treasury

Following receipt and review of the recipient's Final Report, the recipient will enter "**financial closeout**" where Treasury reviews unliquidated obligations and unexpended award funds to determine any adjustments following the submission of the Final Report and/or repayment amounts. Following this review, Treasury may send a notice to the ERA2 recipient to verify financial information which may involve updating Treasury on total unobligated balances reported in the SF-425 in the Final Report. Reasons for updating unobligated balances may include landlords or vendors returning funds after the ERA2 recipient submitted its Final Report or Treasury determining that there are disallowed costs during the Closeout Review.

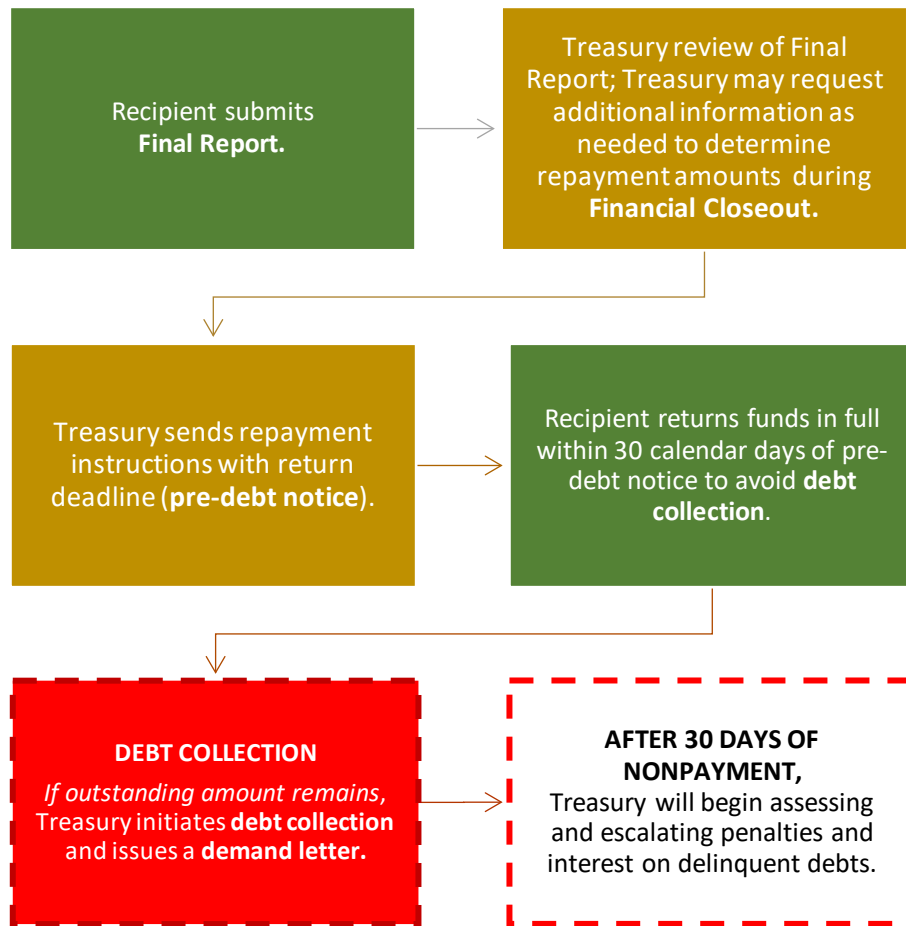
¹¹ Examples of the terms and conditions of the [ERA2 Award Terms](#) that extend beyond the closeout period include record retention requirements, compliance-monitoring, and, if applicable, resolution of audit findings after award closeout.

Figure 4: Calculating Final Returns to Treasury



If a recipient owes money to Treasury due to, for instance, excess funds, unobligated balances, improper use of funds, or other noncompliance issues under the ERA2 award, Treasury will send repayment instructions and deadlines for the recipient to make payments, as appropriate (also referred to as a “**pre-debt notice**”), and if repayment is not made timely Treasury may seek other legally available remedies. The ERA2 recipient should wait until receiving this payment request before returning ERA2 award funds. Recipients will then have 30 calendar days to repay funds to avoid debt collection. Once the recipient enters into **debt collection**, Treasury will issue a **demand letter** that outlines escalating penalties for non-payment per [31 U.S.C. 3717](#) (see Figure 4).

Figure 5: Repayment Process



In general, the conclusion of financial closeout is often the last step in Treasury’s closeout process and may be followed by Treasury sending the recipient a **Notification of Completion** (see Figure 1). Please note that after the Notification of Completion, Treasury retains the right to engage in a post-closeout adjustment to disallow costs and recover funds on the basis of a later audit or other review pursuant to [2 CFR 200.345](#).

If Treasury determines that a recipient is not in compliance with repayment instructions and/or have other outstanding issues, **Treasury may also put a “financial hold” on the recipient’s ERA2 award, which may result in withholding of payments remaining on its other awards under Treasury programs or take other remedial actions.**¹²

¹² See [2 CFR 200.339\(a\)](#).

ERA2 Program Closeout Resource

Repayment of recovered or returned ERA2 Award Funds

Recipients may receive recovered or returned award funds during or after the ERA2 award period of performance ends, for instance financial assistance sent back to the recipient from landlords, utility companies, or other end beneficiaries due to the tenant moving, etc.

For most recovered or returned funds, recipients with open awards may redeploy any of these funds for ERA2 program purposes. Once a recipient enters the closeout process, recipients must repay those funds to Treasury

For those recipients using ERA2 award funds for affordable rental housing purposes, recipients may receive program income per the financing structures used to support those projects. In those cases, program income may be redeployed to support the same or other affordable rental housing or eviction prevention purposes as outlined in FAQ 46. However, these redeployed funds must not be mixed with other funding sources in a revolving loan fund. Note that program income that is not expended prior to the end of the period of performance (September 30, 2025) must be returned to Treasury. The ERA2 recipient may keep proceeds from loans, interest subsidies, or other similar financial arrangements made with ERA2 award funds and income earned after the award period of performance ends on September 30, 2025, and is required to use such funds for affordable rental housing purposes or eviction prevention purposes in accordance with FAQ 46.

Following the Notice of Completion, if an ERA2 recipient has any further repayments to make to Treasury (for instance, in the case of returned award funds) recipients should contact Treasury about the reason and the timing of the return and use the previously provided repayment instructions for any further repayments to Treasury, unless otherwise instructed.

Section II. Post-Closeout Compliance Reminders

Following the submission of the Final Report and the Notification of Completion, Treasury may continue to engage in further compliance activities, closeout-review, and communication with recipients, as needed and in alignment with applicable provisions of the Uniform Guidance ([2 CFR Part 200](#)), Treasury's guidance, and the terms and conditions of the [ERA2 Award Terms](#).

The following is a non-exhaustive list of post-closeout recipient responsibilities:

Ongoing Returns and Financial Adjustments

Per 2 CFR 200.345, the closeout of a Federal award does not affect any of the following:

- The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify the non-Federal entity within the record retention period.
- The requirement for the non-Federal entity to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.
- The ability of the Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments.

For more information see “Repayment of recovered or returned ERA2 award funds” above.

Records Retention & Documentation

Per the [ERA2 Award Terms](#), financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to the ERA2 award must be retained for a **period of five years after all funds have been expended or returned to Treasury**.¹³ If an audit, litigation, or other action involving the ERA2 records starts before the end of the appropriate retention period of five years, the records should be maintained until the end of the appropriate retention period or until the audit, litigation, or other action is completed, whichever is later.

Documentation of Compliance with Federal Civil Rights Statutes and Regulations:

Recipients are required to comply with federal civil rights statutes and regulations, including [Title VI of the Civil Rights Act of 1964](#), [Section 504 of the Rehabilitation Act of 1973](#), [the Age Discrimination Act of 1975](#), and the [Fair Housing Act \(Title VIII of the Civil Rights Act of 1968\)](#) as outlined in the ERA2 Award Terms executed by the recipients in connection with their ERA2 awards.

Information about the recipients' civil rights obligations can be found in [Treasury's Civil Rights Toolkit](#). Information about LEP language requirements is found in [Treasury's Guidance to](#)

¹³ Please note that [2 CFR 200.334](#) provides that pass-through entities (i.e., recipients) that receive Federal awards must not impose any other record retention requirements on non-Federal entities (i.e., subrecipients), except those outlined in 2 CFR 200.334(a)-(f).

[Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons.](#)

Real Property: Ongoing Reporting and Audit Requirements

When using ERA2 award funds for affordable rental housing purposes, recipients are expected to retain all relevant documentation for each project for a period no less than twenty years. Documentation may be requested by Treasury during audits or reviews.

Documentation that ERA2 recipient might need retain includes, but is not limited to, the following:

- Purchase agreements
- Title reports
- Environmental reviews
- Architectural and engineering designs
- Contractor or Subrecipient agreements
- Construction scope of work
- Project budgets and *pro formas*
- Site surveys
- Appraisals that comply with the standards set by the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Yellow book), 42 U.S.C. 4601(13), and the implementing regulation, 49 CFR § 24.2(a)(3)
- Assurance of no displacement statement, per the Yellow Book
- Evidence of seller's clear title to the property (title insurance policy, title search, or title opinion).
- Settlement statement.
- Recorded deed of trust or other conveyance document
- Pre-acquisition Land Cost Summary Statement
- Historic reviews
- Certified certificates of completion from architects or engineers
- Project construction pictures / Activity completion pictures
- Permits
- Cost estimates
- Change orders

Documentation of material updates to the project such as changes in contractor and sub-contractor agreements, change orders, etc. should be maintained by the recipient over the record retention period for the ERA2 award.

Treasury will provide further information about maintenance, documentation, and disposition requirements in later iterations of this document.

Audit Requirements

Thoughtful and thorough work related to award closeout can help support an accurate and effective audit. Audit activities may fall outside of the timelines associated with closeout activities. However, recipients with open awards may use ERA2 award funds towards single audit or program-specific audit costs, as applicable and within the administrative costs limit, for annual single or program-specific audits, as applicable, until fiscal year 2025 and in accordance with [2 CFR 200.425](#) and [2 CFR Part 200, Subpart F – Audit Requirements](#), as long as the costs are obligated before the end of the award POP and expended within 120 calendar days (or 90 calendar days in the case of subrecipients) after September 30, 2025 per [2 CFR 200.344\(a\)](#). Please note that, in the case of a recipient engaging in **early closeout**, funds may not be expended to support audit activities after the recipient submits the Final Report.

Detailed information regarding single audits and program-specific audits can be found in 2 CFR Part 200, [Subpart F, Audit Requirements](#). Here is some basic information regarding [auditee responsibilities](#) ([2 CFR 200.508](#)) to help recipients plan:

- Recipients that expend \$1,000,000 or more in Federal awards during their fiscal year that begins on or after October 1, 2024 are required to undergo either a single audit or program-specific audit for that fiscal year.¹⁴
- Recipients are responsible for procuring or otherwise arranging for audits and ensuring the auditor has the necessary experience to perform this type of audit in accordance with [2 CFR 200.509](#).
 - Information with instructions for how auditors must perform these audits can be found at [2 CFR 200.514 through 2 CFR200.520](#) and in the [ERA2 2023 Compliance Supplement published by the Office of Management and Budget](#).
 - Recipients are advised to continue to check the [ERA2 Guidance](#) page on Treasury’s website for additional compliance resources, e.g., [Compliance Supplements](#).
- Recipients must prepare their financial statements and other materials required by their auditors to perform their audits and provide the auditors with all necessary documentation (e.g., records).
- Recipients are expected to take prompt corrective action following any audit findings.
- Recipients must submit and certify their single audit Report to [Federal Audit Clearinghouse](#) “within the earlier of 30 calendar days after receipt of an auditor’s report(s), or nine months after the end of the audit period” per [2 CFR 200.512\(a\)\(1\)](#). The audit period is a recipient’s fiscal year.
- Recipients with audit findings must work with Treasury, as appropriate, to resolve those findings.

¹⁴ With the 2024 revision of 2 CFR Part 200, the expenditure threshold that requires a recipient to conduct a single audit or a program-specific audit increased from \$750,000 to \$1,000,000 in federal funds for (see 2 CFR 200.501). This new threshold applies to recipients whose fiscal year begins on or after October 1, 2024.

APPENDIX A: Definitions

Administrative activities generally include activities to support closing out the award in accordance with [2 CFR 200.344](#), including, but not limited, to administrative support services and other direct and indirect expenses that support administrative activities provided through staffing costs, subawards, contracts, preparation of Final Report and documents, etc.

Administrative closeout occurs if the Final Report has not been submitted and Treasury initiates the closeout process on behalf of the participant, per [2 CFR 200.344](#) (h)-(i).

Closeout refers to the process by which the Federal awarding agency or pass-through entity determines that the recipient (or subrecipient) has completed all applicable administrative actions and required work of the Federal award have been completed. The Federal awarding agency, recipient, and subrecipient, as applicable, must take the actions described in [2 CFR 200.344](#).

Financial Closeout refers to the review of unliquidated obligations and unexpended award funds by the end of the award term POP and closeout period. Financial closeout determines whether that amount will be repaid to Treasury and includes recoupment of any disallowed or ineligible costs.

Grantee/recipients means states, the District of Columbia, U.S. territories, and units of local government that participated in the Emergency Rental Assistance (ERA2) program established by the American Rescue Plan Act, 2021. In the case of this document, "recipient" and "grantee" may be used interchangeably. These terms do not include subrecipients (e.g. vendor, contractor, nonprofit partner, etc.) or beneficiaries of the award (e.g. renters, landlords, utility companies, etc.).

Liquidation period describes the 120 calendar days after the end date of the period of performance and the date that the Final Report is due; during this period grantees may not obligate any award funds for programmatic or administrative activities, but they may expend previously obligated funds to close out their ERA2 award.

Period of performance means the total estimated time during which the recipient and subrecipient must perform and complete the work authorized under the Federal award; it is the interval between the start of an initial Federal award and the planned end date.

Post-closeout adjustment describes activities that occur after a Federal awarding agency closes out an award pursuant to [2 CFR 200.345](#). These activities include: (1) The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review; (2) The requirement for the recipient to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments; (3) The ability of the Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments; (4) Audit requirements; (5) Property management and disposition requirements; and (6) Record retention requirements.

Remediation actions refer to activities pursued to correct a recipient's noncompliance with statutes, regulations, or the terms and conditions of their award agreement.

Subrecipient means an entity that receives a subaward from a pass-through entity (e.g. a ERA2 recipient) to carry out part of a Federal award; but does not include an individual that is a beneficiary (e.g. renters, landlords, utility companies, etc.) of such award.

Unexpended obligations mean the amount of funds that have been obligated by the recipient under a Federal award but not paid; may also be referred to as *unliquidated obligations*.

Unobligated balance means the amount of funds under a Federal award that the recipient has not obligated.

APPENDIX B: Highlighted FAQs

This list is non-exhaustive. See [FAQ webpage](#) for full list of FAQs and language. Note that, to the extent that the FAQs do not provide specific guidance on a particular issue, a grantee should have established its own policy or procedure that is consistent with the statutes and followed it consistently.

Applicant eligibility requirements:

- Establishing and documenting eligibility; implementing controls to support compliance and fraud prevention: [FAQ#1](#)
- Financial hardship due to the COVID-19 pandemic; use of self-attestation: [FAQ #2](#)
- Risk of experiencing homelessness or housing instability; use of self-attestation: [FAQ #3](#)
- Income eligibility; use of self-attestation, categorical eligibility, and fact-specific proxies: [FAQ #4](#)
- Imposing additional eligibility criteria: [FAQ #44](#)
- Prioritization of applications: [FAQ #22](#)
- Tribal members and Tribal lands: [FAQ#16](#) and [FAQ #17](#)

Expenditure requirements:

- Administrative expenses: [FAQ #29](#)
 - Use of contractors, subrecipients, or intergovernmental cooperation agreements: [FAQ #21](#)
 - Written agreements with other entities to support more efficient payments: [FAQ #42](#)
- Housing stability services and eviction prevention: [FAQ #23](#), [FAQ#36](#), [FAQ#46](#)
- Limitations on financial assistance: [FAQ #10](#) and [FAQ #11](#)
- Documentation of rental residence, rent, and rental areas; written attestation: [FAQ #5](#)
 - Landlord outreach requirements: [FAQ #12](#)
 - Additional payments to landlords: [FAQ #41](#)
 - Preventing evictions during period covered by ERA assistance: [FAQ #32](#)
 - Vacated units: [FAQ #40](#)
- Utilities and home energy costs: [FAQ #6](#) and [FAQ #19](#)
- Bulk payments to landlords/utility companies: [FAQ #38](#)
- Documenting “other expenses”: [FAQ #7](#)
 - Security deposits: [FAQ #39](#)
- Other living situations:
 - Displaced households living in hotels or motels: [FAQ #26](#)
 - Rent-to-own agreements: [FAQ #27](#)
 - Manufactured housing: [FAQ #28](#)
 - Additional payments to landlords for “hard to house” populations: [FAQ #41](#)
 - Relocation and tenants without a preexisting rental obligation: [FAQ #35](#)
- Option for tenants to apply directly for ERA assistance: [FAQ #30](#)
- Documentation that funds are used for permissible purposes: [FAQ #31](#)
- Affordable rental housing and eviction prevention purposes: [FAQ#46](#)

Other: Data, Compliance, and Recoupment:

- Data collection requirements, including privacy and security requirements: [FAQ #14](#)
- Subsidized housing, civil rights, and fair housing: [FAQ #15](#)
- Title VI of the Civil Rights Act and Treasury’s Title VI implementing regulations at 31 CFR Part 22: [FAQ #37](#)
- Source-of-income protection laws: [FAQ #43](#)
- Collaboration between ERA2 grantees: [FAQ #33](#)
- Interest earned on ERA payments: [FAQ #24](#)
- Recoupment: [FAQ #25](#)

Reference to “Promising Practices” and “Program Service and Design” Resources:

Treasury’s resources provided through [Promising Practices](#) and [Program Service and Design](#) can also serve as illustrations that grantees might have considered when developing their program policies and infrastructure, though all such policy development must proceed in accordance with the governing legal authorities and published policy guidance. Reference to these resources should not be construed as (i) altering these requirements or (ii) confirming that any specific grantee’s program policies or administrative practices have been fully reviewed and found compliant.