



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

State and Local Fiscal Recovery Funds (SLFRF)
Closeout Process Overview Resource: Early Closeout
September 5, 2025

EARLY CLOSEOUT ELIGIBILITY

Recipients that have reported fully obligating and expending their SLFRF allocation may be invited to initiate closeout of their SLFRF award ahead of the period of performance end date. As of summer 2025, Treasury is inviting recipients, on a rolling basis, to initiate closeout by notifying eligible recipients with instructions. Treasury will provide instructions for recipients that do not closeout prior to the end of their periods of performance at a later date.

If the points of contact associated with your community have not received communication from Treasury with an invitation to close out, the option is not yet available for your community. In the meantime, please ensure your points of contact are up-to-date in the Treasury Portal and review the SLFRF Award Closeout Preparation Checklist.

The following information is for Coronavirus State and Local Fiscal Recovery Funds (SLFRF) recipients regarding closing out their SLFRF awards. As of Summer 2025, Treasury is offering early closeout to those recipients that have obligated and expended their entire SLFRF award. The early closeout process will occur prior to the end of the SLFRF period of performance (December 31, 2026).

The [SLFRF program](#), authorized by the American Rescue Plan Act, delivered \$350 billion to state, territorial, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. SLFRF award funds provided substantial flexibility for each recipient to meet local needs within several eligible use categories described in the [2022 Final Rule](#) and the [2023 Interim Final Rule](#).

Recipients were required to obligate SLFRF award funds by December 31, 2024, and to expend SLFRF award funds by December 31, 2026, except that SLFRF funds used for Surface Transportation projects and Title I projects must be expended by September 30, 2026. More detail on the obligation requirement is provided in Section 17 of the [SLFRF Frequently Asked Questions](#).

After receiving an invitation from Treasury, recipients may initiate closeout through the “Closeout Reports” section in the Treasury Portal. There are generally four key steps in the closeout process for SLFRF which are described below.

Initiating & Reporting Closeout



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Beginning Summer 2025, recipients that have obligated and expended their entire SLFRF award as of the Project & Expenditure (P&E) report submitted by April 30, 2025, may initiate close out of their SLFRF award. Recipients may initiate closeout through the prompt in the “Compliance Reports” section in the Treasury Portal. 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.

Instructions for Recipients that Reported Full Obligation and Expenditure of SLFRF Award Funds

Recipients that reported in their most recent P&E report that they had obligated and expended their entire SLFRF award 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 their P&E report that reflects that all SLFRF funds have been obligated and expended, which includes the two steps described further below.

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. Recipients are encouraged to complete their closeout submission promptly following initiation in the Treasury Portal.

Reminder of Revenue Loss Reporting Requirements

As described in the [Compliance and Reporting Guidance](#), recipients using SLFRF funds under the Revenue Loss eligible use category must report two sets of information:

1. The Revenue Loss they are claiming, including whether claiming up to \$10 million in Revenue Loss under the standard allowance or calculating Revenue Loss according to the formula provided in the 2022 final rule. For more information, see the “Revenue replacement” discussion in section 3(k)(11) of the Compliance and Reporting Guidance.
2. Project(s) under expenditure category 6 (Revenue Replacement), which must include the amount of SLFRF funds budgeted (if applicable), obligated, and expended under the Revenue Loss eligible use category. These projects must also include a project description. Revenue Replacement project descriptions must summarize the project in sufficient detail to provide an understanding of the major activities that will occur. Descriptions should establish what the project seeks to accomplish and should include enough information to make clear how the recipient determined the project’s eligibility. For example, for a recipient that undertakes a workforce project, below are two examples of project descriptions:
 - Insufficient project description: Workforce project.



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- Sufficient project description: This project is designed to provide career pathway and navigation services, workforce coaching, and job training and placement to unemployed or underemployed residents impacted by the pandemic.

If a recipient has used, for example, \$10 million in its SLFRF award funds under the Revenue Loss eligible use category, it must report the \$10 million in the recipient specific screen, and report projects under the Revenue Replacement expenditure category (EC 6.1 or 6.2) with obligations and expenditures of \$10 million.

The requirement to report projects' obligations and expenditures and provide a project description applies to all funds under the SLFRF program, including funds spent under the Revenue Loss eligible use category. For more information on general report requirements and other reporting resources, visit the [SLFRF Reporting and Compliance webpage](#).

Instructions for SF-425 Updates in P&E Report

If a recipient observes that pre-populated data in the SF-425 under the "Closeout report" tab is inaccurate, the recipient may reopen its latest P&E Report (Final Report) submission to make necessary updates. Recipients must resubmit their revised P&E Report so their records will show as received by Treasury. If a recipient reopens its last submitted P&E Report to correct reported data, it must be resubmitted to proceed with their closeout submission.

To initiate the closeout process, recipients must return to Treasury's Portal to re-initiate the closeout process.

- For accounts registered through Login.gov: <https://portal.treasury.gov/compliance/s/>
- For accounts registered through ID.me: <https://portal.treasury.gov/cares/s/slt/s/slt>

Updating the latest P&E Report (Final Report): Recipients will need to first click the "Project Overview" section of the P&E Report to make the necessary updates to the obligation and expenditure fields. There will be a required text field that asks for a written justification for changes made to this Final Report. Once the necessary changes and justification have been provided, recipients can then go to the "Certification" section to certify and submit their revised P&E Report. Please note, recipients will be prompted with the "ready for closeout" question, and if they answer yes, they will be directed to the "Closeout reports" section in the Treasury Portal.

Treasury Closeout Review

As noted above, the latest P&E Report is referred to as the "Final Report." Treasury will review the Final Report to identify any necessary corrections before proceeding to financial closeout. The Final Report must reflect that all SLFRF funds have been fully obligated and expended, as well as include a completed closeout report certification.



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If a Final Report requires revisions, Treasury will request updates from the recipient. This request may be sent via email as part of an Information Document Request (IDR).¹ If unresolved issues persist, the recipient may be determined to be noncompliant with the award terms and conditions agreement requirements. Treasury generally will provide an opportunity to remedy any noncompliance issues. If the recipient fails to address these issues, Treasury may recoup SLFRF funds.

Closeout Resources

Treasury has provided Closeout Instructions for the State and Local Fiscal Recovery Funds (SLFRF) Award [Closeout How To Guide](#) and [SLFRF Award Closeout Preparation Checklist](#) that explains how to complete the closeout process in the Treasury Portal.

Financial Closeout

Following the receipt of the recipient's Final Report and closeout report certification, the recipient will enter financial closeout, where Treasury reviews the recipient's Final Report and allocation information to determine whether any adjustments may be needed before proceeding with closeout. If any amounts are owed to Treasury, recipients should not initiate any return of funds to Treasury until they have received formal notification that their Final Report and certification have been reviewed. Treasury will provide specific instructions to recipients on how to return funds at that time.

A recipient's failure to comply with the requirements of its award terms and conditions agreement may result in the disallowance of costs or imposition of another monetary remedy. If Treasury determines that a recipient owes money to Treasury due to improper use of funds or for other reasons under the SLFRF award, Treasury will send repayment instructions to allow recipients to make repayments, as appropriate.



If a recipient remains noncompliant, they may become ineligible for future federal financial assistance.



For example, if Treasury determines that a recipient is not complying with repayment instructions, or has unresolved noncompliance, Treasury may place a "financial hold" on the recipient, which could impact funding under other federal programs.

Final Closeout

¹ Treasury will send an explanation of what items are currently in review and will provide a list of documents needed to support the items in question.



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Treasury will notify recipients by email when their SLFRF awards have been successfully closed out. No further action related to closeout or reporting will be required unless Treasury notifies the recipient otherwise.

Post-Closeout Considerations

After closeout, recipients must continue to comply with the applicable laws and regulations in their award terms and conditions agreement. Recipients may be required to resolve post-closeout adjustments and must also comply with the continuing post-closeout responsibilities set out in 2 CFR § 200.345. Below are some key requirements related to internal controls and compliance requirements for Federal awards.

Records Retention & Documentation

According to the award terms and conditions agreement, recipients must maintain records and financial documents to demonstrate compliance with sections 602(c) or 603(c) of the Social Security Act, as applicable, Treasury's regulations implementing those sections, and implementing guidance issued by Treasury for five (5) years after all funds have been spent or returned to Treasury, whichever is later.

Compliance with Federal Civil Rights Statutes and Regulations

Recipients must follow federal civil rights laws and regulations, such as:

- [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 \(Title VIII of the Civil Rights Act of 1968\)](#)

These requirements apply to any projects completed with SLFRF funding. Treasury does not impose nondiscrimination requirements on Tribal governments beyond what is required under federal law. Information about civil rights obligations can be found in the [Treasury Civil Rights Toolkit](#).

Audit Requirements

If a recipient is required to submit a single audit or program specific audit, as discussed at 2 CFR Part 200, [Subpart F \(Audit Requirements\)](#), the audit must be submitted as required. Recipients with audit findings must work with Treasury, as appropriate, to resolve those findings.

Reporting Waste, Fraud, or Abuse

The Office of Inspector General offers guidance about reporting fraud, waste, and abuse, which is available at: [Report Fraud, Waste, and Abuse | Office of Inspector General \(treasury.gov\)](#)