# Can an ARPA recipient re-obligate funds after the December 31, 2024 obligation deadline has passed?

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Generally, no. However, after the obligation deadline, if the contract or subaward was entered into prior to December 31, 2024, recipients may replace the contract or subaward under these circumstances:

1. The recipient terminates the contract or subaward because of the contractor or subrecipient's default, the contractor or subrecipient goes out of business, or the recipient determines that the contractor or subrecipient will not be able to perform under the contract or carry out the subaward.
2. The recipient and contractor or subrecipient mutually agree to terminate the contract or subaward for convenience.
3. The recipient terminates the contract or subaward for convenience if the contract or subaward was not properly awarded, there is clear evidence that the contract or subaward was improper, the recipient documents the determination that it was not properly awarded, and the original contract or subaward was entered into by the recipient in good faith.

See Treasury's State and Local Fiscal Recovery Funds: Obligation Interim Final Rule (IFR) presentation.

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