

Disclaimer: This guidance is related to Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES Act), Pub. L. No. 116-136 (March 27, 2020). Guidance in this document as to allowable and unallowable uses are applicable for HEERF costs incurred before the effective date of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Pub. L. 116-260, which is December 27, 2020.

Please check the Department's [HEERF II website](#) on a periodic basis for any guidance as to unspent (as of December 27, 2020) CARES Act HEERF funds and CRRSAA HEERF funds.

Higher Education Emergency Relief Fund

Frequently Asked Questions about the Institutional Portion of the Higher Education Emergency Relief Fund under Section 18004(a)(1) and 18004(c) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

The CARES Act establishes and funds the Higher Education Emergency Relief Fund (HEERF). Sections 18004(a)(1) and 18004(c) of the CARES Act, which address the HEERF, allow institutions of higher education to use up to 50 percent of the funds they receive to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus so long as such costs do not include payment to contractors for the provision of pre-enrollment recruitment activities, including marketing and advertising; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship (collectively referred to as “Recipient’s Institutional Costs”). These FAQs address only the funds for Recipient’s Institutional Costs provided by the Secretary to an institution under Section 18004(a)(1) and subject to Section 18004(c).

1) If an institution does not enter into the Funding Certification and Agreement for Emergency Financial Aid Grants to Students under the CARES Act, may the institution still receive funds for Recipient’s Institutional Costs?

No. An institution must have entered into the Funding Certification and Agreement for Emergency Financial Aid Grants to Students under the CARES Act to receive funds for Recipient’s Institutional Costs.

2) Who must sign the Certification and Agreement for the Institutional Portion of the HEERF Formula Grants Authorized by Sections 18004(a)(1) and 18004(c) of the CARES Act?

An institution’s authorized representative must sign the Certification and Agreement. Typically, that person is the institution’s president, chancellor, or Chief Executive Officer (CEO), or their delegated representative.

3) May institutions that have provided refunds to students for room and board, tuition, and other fees (such as activities fees) reimburse themselves from the funds for Recipient’s Institutional Costs made available through the HEERF?

Yes. Institutions may use the funds for Recipient’s Institutional Costs to provide refunds to students for room and board, tuition, and other fees as a result of significant changes to the delivery of instruction, including interruptions in instruction, due to the coronavirus. Institutions also may reimburse themselves for refunds previously made to students on or after March 13, 2020, the date of the President’s Proclamation, “Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak,” *Federal Register* Vol. 85, No. 53 at 15337-38 (hereinafter “Proclamation of National Emergency”), if those refunds were necessitated by significant changes to the delivery of instruction, including interruptions in instruction, due to the coronavirus.

4) May institutions use the funds for Recipient’s Institutional Costs to purchase laptops, hotspots, or other information technology equipment and software to enable students to participate in distance learning as a result of a significant change to the delivery of instruction due to the coronavirus? May institutions use those funds to reimburse themselves for computers already purchased for and distributed to students?

Yes. Institutions may use the funds for Recipient’s Institutional Costs to purchase equipment or software, pay for online licensing fees, or pay for internet service to enable students to transition to distance learning as such costs are associated with a significant change in the delivery of instruction due to the coronavirus. Additionally, institutions that purchased computers or other equipment to donate or provide to students on or after March 13, 2020, the date of the Proclamation of National Emergency, may reimburse themselves for such computers or other equipment from the funds for Recipient’s Institutional Costs.

5) May institutions use the funds for Recipient’s Institutional Costs to make additional emergency financial aid grants to students?

Yes. Institutions may use the funds for Recipient’s Institutional Costs received through the HEERF under Sections 18004(a)(1) and 18004(c) of the CARES Act to make additional emergency financial aid grants to students, provided that such emergency financial aid grants are for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student’s cost of attendance, such as food, housing, course materials, technology, health care, and child care). Additionally, as explained in the Frequently Asked Questions about the Emergency Financial Aid Grants to Students under Section 18004 of the CARES Act, students must be eligible to receive emergency financial aid grants, and only students who are or could be eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965, as amended (HEA), may receive emergency financial aid grants.

6) Online students may not have faced interruptions of their education, but they face significant financial hardships as a result of the coronavirus. May institutions that provide both online and ground-based education use the funds for Recipient’s

Institutional Costs to provide emergency financial aid grants to students who were enrolled exclusively in online programs prior to the national emergency?

No. At institutions that provide both online and ground-based education, those students who were enrolled exclusively in online programs on March 13, 2020, the date of the Proclamation of National Emergency, are not eligible for emergency financial aid grants. The formula provided by Congress for calculating the distribution of funds to institutions excludes students who were exclusively enrolled in distance education courses. Additionally, the emergency financial aid grants to students are for expenses related to the disruption of campus operations due to coronavirus, and students who were enrolled exclusively in online programs would not have expenses related to the disruption of campus operations due to coronavirus.

7) May institutions use the funds for Recipient's Institutional Costs to award scholarships or to provide payment for future academic terms?

It depends. Section 18004(c) of the CARES Act expressly states that the funds for Recipient's Institutional Costs are to cover costs associated with significant changes to the delivery of instruction due to the coronavirus. Institutions may also use the funds for Recipient's Institutional Costs received through the HEERF under Sections 18004(a)(1) and 18004(c) of the CARES Act to make additional emergency financial aid grants to students, provided that such emergency financial aid grants are for expenses related to the disruption of campus operations due to coronavirus (see FAQ #5). As long as awarding scholarships and providing payment for future academic terms are costs associated with significant changes to the delivery of instruction due to the coronavirus or, if provided to students in the form of emergency financial aid, are for expenses related to the disruption of campus operations due to coronavirus, such uses are allowable.

8) The Certification and Agreement for the Institutional Portion of the HEERF states that the funds for Recipient's Institutional Costs cannot be used for the provision of pre-enrollment recruitment activities, including marketing and advertising. Some institutions use an Online Program Management (OPM) provider to both provide a distance learning platform or learning management system and to engage in student recruitment. May institutions use the funds for Recipient's Institutional Costs to pay an OPM provider for the added costs of transitioning ground-based students to distance learning instruction due to the coronavirus?

Institutions may use the funds for Recipient's Institutional Costs to pay a per-student fee to a third-party service provider, including an OPM, for each additional student using the distance learning platform, learning management system, online resources, or other support services; however, institutions may not use funds for Recipient's Institutional Costs to pay third-party recruiters or OPMs for recruiting or enrolling new students at the institution.

9) What data will the Department require institutions to report after disbursement of the Recipient's Institutional Costs?

As explained in the Funding Certification and Agreement for the Institutional Portion of the Higher Education Emergency Relief Fund, the institution should be prepared to report the use of the funds for Recipient's Institutional Costs, demonstrating such use was in accordance with Section 18004(c), accounting for the amount of reimbursements to the Recipient for costs related to refunds made to students for housing, food, or other services that Recipient could no longer provide, and describing any internal controls Recipient has in place to ensure that funds were used for allowable purposes and in accordance with cash management principles. The Department will publish a notice in the Federal Register to provide instructions to institutions on these reporting requirements. The Department encourages institutions to keep detailed records of how they are expending all funds received under the HEERF.

10) Where can institutions locate additional resources and guidance related to these Institutional Emergency Relief Funds?

All CARES Act grant resources and guidance can be found on the Office of Postsecondary Education's webpage: <https://www2.ed.gov/about/offices/list/ope/caresact.html>.