

Higher Education Emergency Relief Fund

Supplemental Frequently Asked Questions under Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

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1. What is the deadline for institutions to spend Higher Education Emergency Relief Fund (HEERF) funds received under the CARES Act?

Institutions must spend HEERF funds by September 30, 2022, but as Congress required that institutions use at least 50 percent of the funds provided under Section 18004(a)(1) of the CARES Act for emergency financial aid grants to students pursuant to Section 18004(c), the Department urges institutions to disburse immediately emergency financial aid grants to those students who were enrolled during the spring term (or during quarters that include the national emergency period). If funds for emergency financial aid grants to students remain after the institution assists such students using its distribution formula, the institution may use the remaining funds to provide emergency financial aid grants to students during the summer or fall terms, using the same distribution formula.

2. Are emergency financial aid grants to students (made available under the HEERF in the CARES Act) available only to students who were enrolled during the semester or quarter in which the national emergency was declared?

No. Institutions must spend 50 percent of funds received under Section 18004(a)(1) for emergency financial aid grants to students. Section 18004(c) of the CARES Act states that the emergency financial aid grants for students are for "expenses related to the disruption of campus operations due to coronavirus," and students may incur expenses related to the disruption of campus operations due to coronavirus after the semester or quarter in which the national emergency was declared. Although the intent of the CARES Act is to make emergency financial aid grants immediately available to students, if funds remain after making these immediate disbursements, eligible students enrolled during subsequent terms may receive emergency financial aid grants even if they were not enrolled during the spring 2020 term.

3. If an institution decides to use funds received under the Institutional Relief portion of Section 18004(a)(1) to make additional emergency financial aid grants to students, can the institution make those awards to students during the summer and fall terms?

Yes. The Certification and Agreement for the Institutional Portion of Section 18004(a)(1) states: “If Recipient chooses to use funds designated for Recipient’s Institutional Costs to provide such emergency financial aid grants to students, then the funds are subject to the requirements in the Funding Certification and Agreement for the Emergency Financial Aid Grants to Students under the CARES Act, entered into between Recipient and the Secretary.” Students may experience expenses related to the disruption campus operations due to coronavirus after the semester or quarter in which the national emergency was declared.

4. Can an institution use funds under Section 18004(a)(2) or Section 18004(a)(3) to provide grants for students during the summer and fall terms?

Yes. Section 18004(a)(2) of the CARES Act states that institutions may use funds “to address needs directly related to coronavirus” and specifically “for grants to students for any component of the student’s cost of attendance (as defined under section 472 of the Higher Education Act), including food, housing, course materials, technology, health care, and child care.” Students may have needs directly related to the coronavirus after the semester or quarter in which the national emergency was declared. Similarly, Section 18004(a)(3) of the CARES Act states that these funds are for institutions that “have the greatest unmet needs related to coronavirus,” as determined by the Secretary, and that institutions may use funds “for grants to students for any component of the student’s cost of attendance (as defined under section 472 of the Higher Education Act), including food, housing, course materials, technology, health care, and child care.” Accordingly, these grants to students may be made after the semester or quarter in which the national emergency was declared.

Although the CARES Act does not require an institution to use at least 50% of funds received under Section 18004(a)(2) or Section 18004(a)(3) for grants to students, the Certification and Agreement for Funds under Section 18004(a)(2) or Section 18004(a)(3), respectively, states: “[T]he Secretary urges Recipient to devote the maximum possible amount of the award to Student Grants, including some or all of the award that a Recipient may use for Recipient’s Expenses, especially if Recipient has a significant endowment or other resources at its disposal. The Secretary urges Recipient to take strong measures to ensure that Student Grants are made to the maximum extent possible.”

5. Can institutions use CARES Act funds under Section 18004(a)(1) for student scholarships?

No. The CARES Act does not allow institutions use Section 18004(a)(1) funds for student scholarships. Institutions may use Section 18004(a)(1) funds only for direct emergency grants to students, not scholarships. Moreover, Section 18004(a)(1) requires institutions to use Institutional Relief funds only to cover “any costs associated with significant changes to the delivery of instruction due to the coronavirus” pursuant to Section 18004(c).

Because institutions must use Institutional Relief funds only for “costs associated with significant changes to the delivery of instruction due to the coronavirus,” an institution cannot use such funds to pay a student’s regular tuition and fee costs, including if the student is now studying online.

Examples of authorized “costs associated with significant changes to the delivery of instruction due to the coronavirus” include covering the cost of fees to access an online library in lieu of a physical library (if such fees are otherwise usually required), providing students with computers and internet access, and subsidizing the added cost of off-campus housing.

6. Can institutions use CARES Act funds under Section 18004(a)(2) or Section 18004(a)(3) to make scholarships to students?

Yes. Section 18004(a)(2) and Section 18004(a)(3) of the CARES Act state that institutions may use funds specifically “for grants to students for any component of the student’s cost of attendance (as defined under section 472 of the Higher Education Act), including food, housing, course materials, technology, health care, and child care.”

7. Can schools using CARES Act funds under Section 18004(a)(2) or Section 18004(a)(3) to make scholarships to students advertise those scholarships using such funds?

Yes. The CARES Act does not include the same restriction on pre-enrollment recruitment activities under Section 18004(a)(2) and Section 18004(a)(3) as it does for funds under Section 18004(a)(1). Accordingly, the Certification and Agreement for funds under Section 18004(a)(2) and Section 18004(a)(3), respectively, does not contain such a restriction. The C & A for Section 18004(a)(1) states: “Recipient shall not use funds for payment to contractors for the provision of pre-enrollment recruitment activities, which include marketing and advertising; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.” The C & A for Section 18004(a)(2) or Section 18004(a)(3) does not contain this language.

8. Can schools use CARES Act funds under Section 18004(a)(1) to pay salaries and benefits for employees that work in the dining halls and dorms and who would have otherwise been paid through student housing fees had COVID-19 not disrupted campus operations?

Yes. Institutions may use Institutional Relief funds under Section 18004(a)(1) of the CARES Act for “costs associated with the significant delivery of instruction due to the coronavirus.” The Certification and Agreement for the Institutional Portion of the HEERF states: “Recipient retains discretion in determining how to allocate and use the funds provided hereunder, provided that funds will be spent only on those costs for which Recipient has a reasoned basis for concluding such costs have a clear nexus to significant changes to the delivery of instruction due to the coronavirus.” The Department considers institutions to have such a reasoned basis with respect to the salaries and benefits for

employees that work in dining halls and dorms and who would have otherwise been paid through student housing fees, had COVID-19 not disrupted campus operations.

- 9. If an institution usually purchases 1,000 laptops for students each year, but during the COVID-19 national emergency needs to purchase 2,000 laptops to accommodate the student body's transition to on-line learning as a result of COVID-19 related disruption can the institution use CARES Act funds to purchase all 2,000 laptops?**

Yes. The CARES Act authorizes institutions to use Institutional Relief Funds (provided under section 18004(a)(1)) or funds made available under 18004(a)(2) or 18004(a)(3) to purchase all 2,000 computers if the institution experienced disruption of instruction as a result of COVID-19.

Institutions cannot use Section 18004(a)(1) funds designated by the CARES Act as emergency financial aid grants to students (50 percent of Section 18004(a)(1) funds) to purchase laptops or other equipment, even if the institution intends to distribute that equipment to students.

- 10. How do recipients of section 18004(a)(2) and (a)(3) funds document lost revenues? Do lost revenues relate only to disruption of instruction? Does lost revenue include revenue lost from cancelled summer camps or unused parking lots?**

Upon request from the Department, institutions must provide documents demonstrating year-over-year decreases in revenue that are the result of a decline in enrollment, a decline in student fees including housing fees and meal plans, a decline in parking and facilities revenue, or a decline in revenue from summer programs or other activities disrupted by COVID-19.