**Higher Education Emergency Relief Fund (HEERF) II**

**HBCU, TCCU, MSI and SIP (a)(2) Programs (ALNs 84.425J, 84.424K, 84.425L and 84.425M) Frequently Asked Questions[[1]](#footnote-2)**

**Coronavirus Response and Relief Supplemental Appropriations Act, 2021**

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On December 27, 2020, the President signed the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) (P.L. 116-260). This new law gives the U.S. Department of Education (Department) approximately $22.7 billion to distribute to institutions of higher education in order to prevent, prepare for, and respond to coronavirus through the HEERF. Below are some Frequently Asked Questions that pertains to CRRSAA funding.

This law has some similarities—as well as important differences—from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116–136) that was enacted on March 27, 2020. These FAQs address only the funds for Recipient’s costs provided by the Secretary to an institution under Section 314(a)(2) of CRRSAA.

Many of these FAQs are similar to the [FAQs for the CRRSAA HEERF II (a)(1) program](https://www2.ed.gov/about/offices/list/ope/faqsfora1crrsaaheerfii.pdf), released on January 15, 2021.

**Overview Questions**

1. **Question:** What qualifies an eligible institution to receive the HEERF grant funds under the CRRSAA Section 314(a)(2) HBCU (Assistance Listing Number (ALN) 84.425J) program?

**Answer:** The institutions eligible for funding under HBCU include Strengthening Historically Black Colleges and Universities (Part B institutions as described in section 322(2) of the Higher Education Act of 1965, as amended (HEA)), Strengthening Historically Black Graduate Institutions (institutions named in section 326(e)(1) of the HEA, and Master’s Degree Programs at Historically Black Colleges and Universities (institutions named in section 723(b)(1) of the HEA). Because every eligible institution in this funding category previously received an award, the Department made only supplemental awards to eligible grantees in this program.

1. **Question:** What qualifies an eligible institution to receive HEERF grant funds under the CRRSAA Section 314(a)(2) TCCU (ALN 84.425K)?

**Answer:** The institutions eligible for funding under TCCU include institutions that qualify for funding under the Tribally Controlled College or University Assistance Act of 1978 or the Navajo Community College Assistance Act of 1978; are cited in section 532 of the Equity in Educational Land Grant Status Act of 1994; or are designated as eligible for funding by the Bureau of Indian Education. Because every eligible institution in this funding category previously received an award, the Department made only supplemental awards to eligible grantees in this program.

1. **Question**: Who is eligible to receive HEERF grant funds under the CRRSAA section 314(a)(2) MSI program (ALN 84.425L)?

**Answer**: The Secretary invites applications from eligible institutions that did not previously receive funding under section 18004(a)(2) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) HEERF MSI program and that are included in the CRRSAA Section 314(a)(2) [MSI Allocation Table](https://www2.ed.gov/about/offices/list/ope/heerfiimsiallocations.xlsx). The institutions eligible for funding under this part include institutions that generally would be eligible for the grant programs under the Higher Education Act of 1965, as amended (HEA). See the Department’s [methodology calculation](https://www2.ed.gov/about/offices/list/ope/heerfiia2methodology.pdf) for CRRSAA Section 314(a)(2).

1. **Question:** What qualifies an eligible institution to receive the HEERF grant funds under the CRRSAA Section 314(a)(2) SIP (ALN 84.425M)?

**Answer:** The institutions eligible for funding under SIP include institutions that are generally eligible for SIP under Title III, part A of the Higher Education Act of 1965, as amended (HEA, see 314 (a)(2) [methodology here](https://www2.ed.gov/about/offices/list/ope/heerfiia2methodology.pdf)), and that are listed on the CRRSAA Section 314(a)(2) [SIP Allocation Table](https://www2.ed.gov/about/offices/list/ope/heerfiisipallocations.xlsx).

1. **Question:** Does my institution need to submit an application to receive a 314(a)(2) award under CRRSAA?

**Answer:** It depends. HBCUs and TCCUs do not need to submit an application to receive a CRRSAA (a)(2) award. MSIs and SIPs do not need to submit an application if the institution previously received a CARES Act (a)(2) MSI or SIP grant. However, if the institution is listed on the CRRSAA (a)(2) MSI or SIP allocation table and did not receive an award under CARES (a)(2) MSI or SIP, an application must be submitted.

1. **Question:** Is my institution required to resubmit an application to receive funds if it received funding under the CARES Act?

**Answer:** No. Section 314(d)(8) of the CRRSAA provides that institutions that previously received SIP or MSI grants under section 18004(a)(2) of the CARES Act are not required to submit new or revised applications to receive funding under those programs.

Instead, the Department will award supplemental funds to eligible institutions that previously received a section 18004(a)(2) grant award under the CARES Act ALN 84.425M program (identified by a Grant Award Number beginning with P425M20) or CARES Act ALN 84.425L program (identified by a Grant Award Number beginning with P425L20).

The project director identified on the most current Grant Award Notification (GAN) will automatically receive an email indicating a supplemental award has been made to your institution. Please note that drawing down any amount of these supplemental funds constitutes an institution’s acceptance of the new terms and conditions under the CRRSAA and a new Supplemental Agreement.

1. **Question:** What does an institution need to do to apply for funds if they did not receive CARES funds?

**Answer:** Institutions that did not receive a CARES Act section 18004(a)(2) award under the SIP or MSI programs but are listed on the Department’s published CRRSAA Section 314(a)(2) SIP or MSI Allocation Table may apply for and receive funds under section 314(a)(2) for the SIP or MSI grant awards. Pursuant to CRRSAA section 314(f), an institution must apply for funds within 90 days of the publication of the notice inviting application for these funds.

Eligible institutions must complete an application, which includes:

1. A completed SF-424 and SF-425 supplemental form;
2. A Certificate and Agreement (Purple C&A); and
3. The Required Notification of Endowment Excise Tax Paid Form (if applicable)

The Grants.gov Funding Opportunity Numbers are ED-GRANTS-041321-004 for MSI funds and ED-GRANTS-041321-003 for SIP funds. Applications must be submitted by July 12, 2021. To register to use Grants.gov, please visit their “How to Apply for Grants” webpage here, or call the Applicant Support helpdesk at 1-800-518-4726. More information about how to apply is available on our HEERF II CRRSAA website.

1. **Question:** When should my institution draw down funds once they have been obligated by the Department?

**Answer:** Funds are available to the grantee as soon as they have been obligated by the Department, under 2 CFR § 200.305(b), HEERF grantees are under an obligation to minimize the time between drawing down funds from G5 and paying obligations incurred by the grantee (liquidation). If a grantee is making financial aid grants to students, the Department may evaluate the grantee for compliance with the rule if they have not drawn down the funds from G5 and not paid the obligations (the financial aid grants to students) to the students within fifteen calendar days. For all other allowable uses, the Department may evaluate grantees who have not taken these steps within three calendar days. This enhanced flexibility for student grant programs is because students may not accept and draw down their financial aid grants from grantees’ accounts within the three-day window, or an institution may experience difficulties in contacting eligible students due to factors related to the pandemic.

**CRRSAA (a)(2) Programs Questions**

1. **Question:** Can institutions use funds to make scholarships to students?

**Answer**: Yes. CRRSAA section 314 (c) allows institutions to use funds for financial aid grants to students for any component of the student’s cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health

care), or childcare.

1. **Question:** How should institutions prioritize the distribution of these funds?

**Answer:** An institution is encouraged to prioritize grants to students with *exceptional need*, such as students who receive Pell Grants. Institutions are urged to make financial aid grants to students to the greatest extent possible.

1. **Question**: Can my institution charge expenses to my CRRSAA award for costs incurred prior to December 27, 2020?

**Answer:** Yes.Institutions may charge expenses associated with coronavirus that were incurred on or after March 13, 2020, the day of the declaration of the national emergency.

1. **Question:** How long does an institution have to expend these funds?

**Answer:** Institutions have one calendar year from the date of their grant award (as indicated on box 6 of the GAN) to expend funds unless the institution receives a no-cost extension. Funds may be used for pre-award costs incurred on or after March 13, 2020, the day of the declaration of the national emergency.

1. **Question:** How long does my institution have to start drawing down funds?

**Answer:** Institutions must begin to draw down funds within 90 days of receipt of the date of their (a)(2) grant award. If an institution does not draw down any amount of its (a)(2) funds within 90 days of the date of the award, it may constitute nonacceptance of the terms, conditions, and requirements of receiving the (a)(2) grant award. In such event, the Department, in its sole discretion, may choose to de-obligate these supplemental grant funds or take other appropriate administrative action, up to and including terminating the grant award pursuant to [2 CFR § 200.340](https://www.ecfr.gov/cgi-bin/text-idx?SID=1f76a899f2047bc3ac8b1e45945c2463&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1340).

1. **Question:** How can institutions use these funds?

**Answer:** Under CRRSAA section 314(c), grant awards under these programs may be used to (1) defray expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll); (2) carry out student support activities authorized by the HEA that address needs related to coronavirus; and (3) provide financial aid grants to students (including students exclusively enrolled in distance education), which may be used for any component of the student’s cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or child care. In making financial aid grants to students, an institution must prioritize grants to students with *exceptional need*, such as students who receive Pell Grants. Institutions are urged to make financial aid grants to students to the maximum extent possible.

1. **Question:** What should my institution do if we believe there needs to be a correction to the GAN?

**Answer:** Please email the program officer listed in box 3 of the GAN. If you are unable to reach your program officer, please contact the HEERF customer care team at [HEERF@ed.gov](mailto:HEERF@ed.gov).

**Grant Administration**

1. **Question:** How will my institution be notified about our award?

**Answer**: If you receive a grant award under this program, we will send you a GAN, or we may send you an email containing a link to access an electronic version of your GAN.

1. **Question:** Does my institution need to comply with previous reporting regulations in regard to CARES Act 18004 (a)(2) funds?

**Answer:** Yes. Institutions that have not yet complied with the reporting requirements of the HEERF grant program may receive delayed supplemental (a)(2) awards and/or may receive awards with a restriction on the ability to draw down those awarded funds (stop payment status) until the institution has satisfied its HEERF reporting obligations.

1. **Question:** Can my institution charge indirect costs to its HEERF grants?

**Answer:** Indirect costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any Student Portion grant awards because the student allocation represents an amount of funds that must be distributed to students.

Generally, this indirect cost rate will be the on-campus rate specified in an institution’s negotiated indirect cost rate agreement. If an institution does not have a current negotiated indirect cost rate with its cognizant agency for indirect costs, it may appropriately charge the *de minimis* rate of ten percent of Modified Total Direct Costs (MTDC).

Please note that as described in [2 CFR § 200.403](https://www.ecfr.gov/cgi-bin/text-idx?SID=ccef012210186d3fb1d3eda0ac2a3d28&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1403), costs must be consistently charged as either indirect or direct costs, but they may not be double-charged or inconsistently charged as both. For more information, please see the Department’s [Indirect Cost website](https://www2.ed.gov/about/offices/list/ocfo/fipao/abouticg.html). Please see also “[Direct and Indirect (F&A) Costs](https://www.ecfr.gov/cgi-bin/text-idx?SID=ccef012210186d3fb1d3eda0ac2a3d28&mc=true&node=pt2.1.200&rgn=div5#sg2.1.200_1411.sg11)” in the Uniform Guidance, 2 CFR part 200, for more information.

1. **Question:** Can my institution charge direct administrative costs to its HEERF grants?

**Answer:** Reasonable direct administrative costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any Student Portion grant awards because the student allocation represents an amount of funds that must be distributed to students.

Any direct administrative costs charged to the grant must be documented and, as with all costs, must be reasonable and necessary for the performance of the grant per the Cost Principles of the Uniform Guidance, 2 CFR part 200 subpart E.

1. **Question:** Under the Uniform Guidance requirements, institutions must receive [prior written approval](https://www.ecfr.gov/cgi-bin/text-idx?SID=ccef012210186d3fb1d3eda0ac2a3d28&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1407) for many types of costs under [2 CFR § 200.407](https://www.ecfr.gov/cgi-bin/text-idx?SID=9ec46e02d34effe7b61fcadf478c4e82&mc=true&node=se2.1.200_1407&rgn=div8). Is that prior approval required for HEERF grants?

**Answer:** Generally, no. This FAQ constitutes notice that due to the COVID-19 pandemic, the Department is providing its prior approval for the following cost items for all formula grants under the HEERF program from March 13, 2020 through the period of grant performance specified under your institution’s GANs for all HEERF grants, whether awarded under section 18004 of the CARES Act or section 314 of the CRRSAA:

* [§ 200.308 Revision of budget and program plans](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1308&rgn=div8)
* [§ 200.313 Equipment](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1313&rgn=div8)
* [§ 200.430 Compensation—personal services, paragraph (h)](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1430&rgn=div8)
* [§ 200.431 Compensation—fringe benefits](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1431&rgn=div8)
* [§ 200.456 Participant support costs](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1456&rgn=div8) (defined at [§ 200.75](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_175&rgn=div8))
* [§ 200.458 Pre-award costs](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1458&rgn=div8)
* [§ 200.475 Travel costs](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1475&rgn=div8)

All cost items charged under these categories must be documented and, as with all costs, must be reasonable and necessary for the performance of the grant per the Cost Principles of the Uniform Guidance, [2 CFR part 200 subpart E](https://www.ecfr.gov/cgi-bin/text-idx?SID=71ffa6a859b8f0ff42afda72202f4ff0&mc=true&node=sp2.1.200.e&rgn=div6).

Please note: Per the Certification and Agreements and Supplemental Agreements for the HEERF program and under section 314(d)(3) of the CRRSAA, senior administrator and executive salaries, benefits, bonuses, contracts, and incentives; stock buybacks, shareholder dividends, capital distributions, and stock options; and any other cash or other benefit for a senior administrator or executive are not allowable costs under the HEERF program. Other cost items listed in [2 CFR § 200.407](https://www.ecfr.gov/cgi-bin/text-idx?SID=a86eb1723a0a2c65d643b0ca6207c7ea&mc=true&node=se2.1.200_1407&rgn=div8) that require prior approval continue to require the institution to seek approval from the Department prior to charging those cost items to your HEERF grant. Please email your assigned education program officer contact as indicated by Box 3 in your GAN with any questions.

1. **Question:** Where can I obtain more information about the HEERF program?

**Answer:** Institutions should regularly check our HEERF II CRRSAA website for the latest CRRSAA information and program guidance. For earlier CARES Act information and program guidance, please check our HEERF CARES Act website**.**

1. Other than statutory and regulatory requirements included in the document, the contents of this guidance do not have the force and effect of law and are not meant to bind the public. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies. [↑](#footnote-ref-2)