

Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document



Issued October 14, 2020

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HEERF FAQ Rollup Document

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A. General Questions

1. **Question:** Which previously-issued FAQ documents are included in this Rollup Document?

Answer: The following five FAQ documents are included in this Rollup Document:

- [CARES Act HEERF Round 3 FAQs](#) (October 2, 2020)
- [CARES Act HEERF Supplemental FAQs](#) (Issued June 30, 2020 and Revised September 8, 2020)
- [CARES Act HEERF Student FAQs](#) (May 15, 2020)
- [CARES Act HEERF Emergency Financial Aid Grants to Students under Section 18004\(a\)\(1\) and 18004\(c\) FAQs](#) (April 9, 2020) (“Student Portion FAQs”)
- [CARES Act HEERF Institutional Portion under Section 18004\(a\)\(1\) and 18004\(c\) FAQs](#) (April 9, 2020) (“Institutional Portion FAQs”)

The FAQs in this Rollup Document are taken from these previously-issued documents listed above. They are categorized and compiled into this one Rollup Document to maximize the convenience and accessibility of our FAQs for our HEERF grantee community.

2. **Question:** What programs do these FAQs apply to?

Answer: While this depends on the circumstances specific to each FAQ, these FAQs generally apply to the following HEERF programs:

Program (with link to website)	CFDA	CARES Act Section
Student Portion	84.425E	18004(a)(1)
Institutional Portion	84.425F	18004(a)(1)
Historically Black Colleges and Universities (HBCUs)	84.425J	18004(a)(2)
Tribally Controlled Colleges and Universities (TCCUs)	84.425K	18004(a)(2)
Minority Serving Institutions (MSIs)	84.425L	18004(a)(2)
Strengthening Institutions Program (SIP)	84.425M	18004(a)(2)
Fund for the Improvement of Postsecondary Education (FIPSE) Formula Grant	84.425N	18004(a)(3)

The FAQs in this rollup document do not apply to the Institutional Resilience and Expanded Postsecondary Opportunity (IREPO) grant competition (FIPSE Competitive Grant). More information regarding that program is available here:

<https://www2.ed.gov/about/offices/list/ope/heerfirepo.html>.

B. Grant Administration Requirements

3. **Question:** 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?

Answer: 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. (Institutional Portion FAQs).

4. **Question:** 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?

Answer: 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. (Institutional Portion FAQs).

5. **Question:** What obligation does an institution have to continue to pay all its employees after accepting the funds for the emergency financial aid grants to students?

Answer: The CARES Act requires each institution that accepts funds from the HEERF, including funds used to pay emergency financial aid grants, to continue to pay employees and contractors to the greatest extent practicable based on the unique financial circumstances of each institution; however, institutions may not use emergency financial aid grants to students to pay employees and contractors. (Student Portion FAQs).

6. **Question:** What is the deadline (project period or period of performance) for institutions to spend HEERF funds received under the CARES Act?

Answer: All institutions were given 1 calendar year (365 days) from the date of award in their HEERF Grant Award Notification (GAN) to complete the performance of their HEERF grant.¹ Therefore, for example, if a grantee received a GAN on April 7, 2020, the one calendar year period of performance for their HEERF grant would be through April 6, 2021.

Please note that after the end of the year-long period of performance, grantees have an additional 90 calendar days to liquidate their obligations made during their year-long period of performance as part of the grant closeout procedures ([2 CFR § 200.343\(b\)](#)).

The Department understands that some grantees, even given the emergency nature of the HEERF grant, may be unable to obligate funds by this time. Consequently, no-cost extensions (NCEs) of up to 12 months are available as provided for in [2 CFR §](#)

¹ See Box 6 in your HEERF GAN (“Federal Funding Period”). All HEERF grant programs received a 1 calendar year period of performance from their GAN.

[200.308\(d\)\(2\)](#). NCEs may not be exercised merely for the purpose of using unobligated balances. Given the emergency nature of HEERF grants, the Department does not intend an NCE to extend longer than 12 months. HEERF grantees are encouraged to discuss any need for an NCE with their respective program officer well in advance of the end of their grant period of performance.

For general information about grant management, grantee responsibilities, and grant closeout, please consult our guide, *Grantmaking at ED*, [available here](#). (Supplemental FAQs).

7. **Question:** If an institution chooses to only use some of its HEERF allocation, if the funds are encumbered, but not yet spent by the end of the HEERF grant performance period, will the funds be reclaimed by the Department?

Answer: Yes, the Department may reclaim those funds. Institutions were given one calendar year (365 days) from the date of award in their HEERF Grant Award Notification (GAN) to complete the performance of their HEERF grants.² Therefore, for example, if a grantee received a GAN on April 7, 2020, the one calendar year period of performance for its HEERF grant would be through April 6, 2021.

After the one calendar year period of performance, a grantee has 90 days to liquidate (or make final payment on) previously obligated funds. Grant closeout procedures are described in more detail in [2 CFR § 200.343](#).

The point of emergency funds is to spend them immediately to cover costs or losses, as applicable, associated with the emergency. However, the Department understands that changes in enrollment levels, the need to reserve funds in the event that the emergency is prolonged, or other challenges, may render a campus unable to obligate all of their funds by the end of the award year. Consequently, no-cost extensions (NCEs) of up to 12 months are available as provided for in [2 CFR § 200.308\(d\)\(2\)](#). NCEs may not be exercised merely for the purpose of using unobligated balances. Given the emergency nature of HEERF grants, the Department does not intend an NCE to extend longer than 12 months. HEERF grantees are encouraged to discuss any need for an NCE with their respective program officer well in advance of the end of their grant period of performance.

See also the Department's revised response to question 1 in our [HEERF CARES Act Supplemental FAQs](#) released on June 30, 2020 and revised on September 8, 2020. (Round 3 FAQs).

8. **Question:** Do all of the requirements in the [Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards](#) (the "Uniform Guidance," at 2 CFR part 200) apply to the HEERF grants?

² See Box 6 in your HEERF GAN ("Federal Funding Period").

Answer: Yes. The Department has consistently held that grant funds awarded under the HEERF are subject to the requirements of the Uniform Guidance in 2 CFR part 200. Notice of the applicability of these provisions was provided in the Certification and Agreement documents that all grantees affirmatively signed prior to submitting their requests for funding, as well as in each Grant Award Notice (GAN).

Where a conflict may exist between the provisions of the CARES Act and those of 2 CFR part 200, the CARES Act would supersede. The Department remains available to answer any questions you might have about the applicability of certain provisions of 2 CFR part 200 to your HEERF grant. Proper administration of these funds will be subject to audit and should be taken seriously by each grantee. (Round 3 FAQs).

9. **Question:** My institution drew down the full amount of its Student Aid Portion allocation under section 18004(a)(1) soon after it was made available. However, we have not been able to fully distribute the emergency financial aid grants to students as quickly as planned. Does my institution need to refund the portion not yet spent?

Answer: In accordance with [2 CFR § 200.305\(b\) of the Uniform Guidance](#), which applies to the HEERF grants, grantees must seek to minimize the time between drawing down funds from the G5 system and applying those funds to support a grant award's activities. Consistent with this requirement, grantees must maintain grant funds in interest-bearing accounts, and any interest earned on grant funds above \$500 per year must be remitted to the Federal government.

Therefore, the Department encourages grantees to establish a distribution plan prior to an initial draw down of grant funds. In addition, we urge grantees to only draw down the minimum amount of grant funds necessary, and where the grant funds are able to be applied promptly to each HEERF grant's purposes.

Based on the circumstances described above, an institution should refund any portion of the HEERF award that it does not have an immediate ability to expend on emergency financial grants to students, until the institution has a plan for the orderly distribution of the remainder of the funds. It can then be re-drawn from the institution's account in G5. (Round 3 FAQs).

10. **Question:** Can an institution incur costs on a "pre-award" basis, or do we need to wait for a GAN and an actual start date?

Answer: Yes, a HEERF applicant may incur pre-award costs. Generally, under 2 CFR § [200.458](#) and [200.308\(d\)\(1\)](#), a grantee may incur project costs 90 calendar days before the Federal awarding agency makes the Federal award. However, an institution should understand that it is not guaranteed any funding that the Department has not committed to it in a GAN.

Such costs must be directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope

of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award.

However, for all Education Stabilization Funds (ESF), including HEERF, no pre-awards costs are permissible for any expenditure incurred prior to March 13, 2020, the date the President declared the national emergency due to COVID-19. (Round 3 FAQs).

11. Question: Will funds provided through the CARES Act be included in an institution's 90/10 calculation?

Answer: Funds paid directly to institutions by the Department through the HEERF will not be included as revenue for 90/10 purposes. (Student Portion FAQs).

12. Question: Does an institution need to know its allocated amount under section 18004(a)(3) of the CARES Act to apply for such funds?

Answer: Yes. The amount must be entered on the [SF-424 form](#), although if the amount is not known at the time of application, an applicant may leave the amount blank. The allocation table is now available at <https://www2.ed.gov/about/offices/list/ope/finalallocationcaresactsec18004a3.xlsx>.

In addition, the Department has recently issued a notice inviting applications for the Institutional Resilience and Expanded Postsecondary Opportunity (IREPO) Grant Program Competition (FIPSE Competitive Grant), with more information available here: <https://www2.ed.gov/about/offices/list/ope/heerfirepo.html>. (Round 3 FAQs).

C. Eligibility for Students and Title IV

13. Question: What students are eligible to receive emergency financial aid grants from the HEERF?

Answer: 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. If a student has filed a Free Application for Federal Student Aid (FAFSA), then the student has demonstrated eligibility to participate in programs under Section 484 the HEA. Students who have not filed a FAFSA but who are eligible to file a FAFSA also may receive emergency financial aid grants. The criteria to participate in programs under Section 484 of the HEA include but are not limited to the following: U.S. citizenship or eligible noncitizen; a valid Social Security number; registration with Selective Service (if the student is male); and a high school diploma, GED, or completion of high school in an approved homeschool setting. (Student Portion FAQs).³

³ This FAQ has been superseded by the June 17, 2020 release of an [Interim Final Rule \(IFR\)](#) (85 FR 36494) regarding student eligibility and subsequent litigation. For more information, please visit the HEERF Litigation Updates website here: <https://www2.ed.gov/about/offices/list/ope/heerfupdates.html>.

14. Question: The Department has stated that a student must file a Free Application for Federal Student Aid (FAFSA) or be eligible to file a FAFSA to receive an emergency financial aid grant from the Student Aid Portion of an institution's allocation under section 18004(a) of the CARES Act. I have a student that has filed a FAFSA but is at the maximum federal loan limits and is not eligible for a Pell grant due to his or her Expected Family Contribution (EFC). Is this student eligible to receive an emergency financial aid grant?

Answer: We understand that our original language was imprecise because, indeed, any student can file a FAFSA. We would like to clarify that any student eligible to participate in title IV programs, as demonstrated by the school having received an ISIR for that student, or through the use of an alternative application or certification developed by the institution, may receive funding under the CARES Act section 18004(a). The student merely needs to demonstrate that he or she meets the eligibility criteria for federal student aid (also known as Title IV aid) under Title IV of the Higher Education Act of 1965, as amended (HEA). In addition, a student who has met their Title IV aid limits (e.g., annual loan limits or Pell limits) would still be considered eligible for an emergency financial aid grant because they can still demonstrate their initial eligibility for Title IV. As the emergency financial aid grants under the CARES Act are not considered Title IV aid, the Title IV aid limits do not prevent or control the amount of emergency financial aid that an eligible student may receive under the CARES Act. (Round 3 FAQs).

15. Question: After the Department made the Student Aid Portion of institutions' allocations under section 18004(a)(1) of the CARES Act available, it published an interim final rule stating that only students eligible for Title IV aid may receive emergency financial aid grants provided with such funds. My institution distributed some emergency financial aid grants to students, including non-Title IV aid eligible students, before the interim final rule was published. Was this use of funds allowable?

Answer: Although the distribution described runs counter to the requirements described in the [Interim Final Rule](#) (IFR) published by the Department on June 17, 2020 (see below), the Department will not take enforcement action against the distribution because the IFR was not yet in effect.

On June 17, 2020, the Department published an IFR effective the same day, regarding the eligibility of students at institutions of higher education under the CARES Act, which constitutes the Department's binding final rule regarding student eligibility for HEERF assistance and carries the force of law except as enjoined in several lawsuits, as described on the [Higher Education Emergency Relief Fund Litigation Updates website](#). As the IFR is not intended to have retroactive effect, the Department will not initiate any enforcement action based solely upon its early guidance as to student eligibility for HEERF emergency student financial aid grants that were disbursed to students prior to the effective date of the IFR (June 17, 2020). Please note, however, that the underlying statutory terms in the CARES Act are legally binding, as are any other applicable statutory terms, such as the restriction in 8 U.S.C. § 1611 on eligibility for Federal public benefits including such grants. (Round 3 FAQs).

D. Questions from Students

16. Question: Do I have to repay the emergency financial aid grant I received from my university through the CARES Act?

Answer: No. The funds provided by the CARES Act are grants, so they do not need to be repaid. (Students' FAQs).

17. Question: I am a student who received an emergency financial aid grant from my university through the CARES Act. Is this grant includible in my gross income?

Answer: No. According to the Internal Revenue Service, "Emergency financial aid grants under the CARES Act for unexpected expenses, unmet financial need, or expenses related to the disruption of campus operations on account of the COVID-19 pandemic, such as unexpected expenses for food, housing, course materials, technology, health care, or childcare, are qualified disaster relief payments under section 139."

For more information please visit: <https://www.irs.gov/newsroom/faqs-higher-educationemergency-relief-fund-and-emergency-financial-aid-grants-under-the-cares-act>. (Students' FAQs).

18. Question: What can emergency financial aid grants provided by the CARES Act be used for?

Answer: Emergency financial aid grants to students can be used 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). Please click [here](#) for more information about what is included in a student's cost of attendance. (Students' FAQs).

E. Use of Funds – Emergency Financial Aid to Students

19. Question: How must institutions pay the emergency financial aid grants to students?

Answer: Institutions may provide emergency financial aid grants to students using checks, electronic transfer payments, debit cards, and payment apps that adhere to the Department's requirements for paying credit balances to students. The disbursement of the emergency financial aid grant to the student must remain unencumbered by the institution; debts, charges, fees, or other amounts owed to the institution may not be deducted from the emergency financial aid grant. The emergency financial aid grant may not be made to students through the use of a credit card that can be used only on campus or in a retail outlet affiliated with the institution. (Student Portion FAQs).

20. Question: At institutions that provide both online and ground-based education, are students who were enrolled exclusively in online programs prior to the national emergency due to the coronavirus eligible to receive emergency financial aid grants?

Answer: At institutions that provide both online and ground-based education, those students who were enrolled exclusively in an online program on 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, 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. (Student Portion FAQs).

- 21. Question:** 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?

Answer: 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. (Institutional Portion FAQs).

- 22. Question:** Are incarcerated students participating in the Second Chance Pell Experimental Site Initiative (ESI) eligible for emergency financial aid grants to students?

Answer: The CARES Act expressly requires that institutions provide the emergency financial aid grants to students “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 childcare).” If an incarcerated individual who is participating in the Second Chance Pell experiment is released from incarceration as a result of the national emergency due to the coronavirus, remains enrolled as a student in the program under the Second Chance Pell experiment, and has such expenses, he or she likely qualifies for an emergency financial aid grant. A person who remains incarcerated is unlikely to incur these expenses and would thus be ineligible. Accordingly, for students participating in the Second Chance Pell ESI, institutions will need to review on a case-by-case basis what, if any, expenses an incarcerated person, or a formerly incarcerated person released due to the coronavirus, has incurred due to the disruption of campus operations. (Student Portion FAQs).

23. Question: Can 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 the emergency financial aid grants to students?

Answer: No. The CARES Act requires institutions to use no less than 50 percent of HEERF funds received under Sections 18004(a)(1) and 18004(c) of the CARES Act to provide emergency financial aid grants to students. These funds distributed by the Department represent the 50 percent minimum of each institution’s HEERF funds under Section 18004(a)(1) of the CARES Act for these emergency financial aid grants to students. Section 2 of the Funding Certification and Agreement for the Emergency Financial Aid Grants to Students states: “Recipient shall not use [these] funds to reimburse itself for any costs or expenses, including but not limited to any costs associated with significant changes to the delivery of instruction due to the coronavirus and/or any refunds or other benefits that Recipient previously issued to students.”

Institutions will have more flexibility in the use of the portion of the HEERF that is made available to cover an institution’s costs associated with significant changes to the delivery of instruction due to the coronavirus. The Department will provide a Frequently Asked Questions (FAQ) document regarding the allowable uses of funds for an institution’s costs shortly after making those funds available to institutions. (Student Portion FAQs).

24. Question: Can institutions that have provided information technology hardware (such as laptops, hotspot internet devices, etc.) and other related equipment to students reimburse themselves from the funds for the emergency financial aid grants to students?

Answer: No. The CARES Act requires institutions to provide the emergency financial aid grants to students. Section 2 of the Funding Certification and Agreement for the Emergency Financial Aid Grants to Students states: “Recipient shall not use [these] funds to reimburse itself for any costs or expenses, including but not limited to any costs associated with significant changes to the delivery of instruction due to the coronavirus and/or any refunds or other benefits that Recipient previously issued to students.”

Institutions will have more flexibility in the use of the portion of the HEERF that is made available to cover an institution’s costs associated with significant changes to the delivery of instruction due to the coronavirus. The Department will provide a FAQ document regarding the allowable uses of funds for an institution’s costs shortly after making those funds available to institutions. (Student Portion FAQs).

25. Question: Can institutions that have continued to pay student workers from institutional funds for campus jobs reimburse themselves from the funds for the emergency financial aid grants to students?

Answer: No. The CARES Act requires institutions to provide the emergency financial aid grants to students, and institutions may not use that portion of the HEERF set aside for emergency financial aid grants to students for this purpose. The Department notes that Congress has provided additional flexibility to institutions relating to the Federal Work-

Study (FWS) Program, including that institutions may continue to pay FWS wages to students for the remainder of the current academic year in instances in which those students' jobs were interrupted as a result of the national emergency due to the coronavirus, as long as those students had started employment prior to this national emergency. The CARES Act also waives the non-federal wage match requirement for institutional and non-profit employers of FWS students. Please see the Department's [Guidance for Interruptions of Study Related to Coronavirus](#), which provides additional information about the FWS Program.

The Department will provide a FAQ document regarding the allowable uses of funds for an institution's costs associated with significant changes to the delivery of instruction due to the coronavirus shortly after making those funds available to institutions. (Student Portion FAQs).

- 26. Question:** Can institutions use the funds for the emergency financial aid grants to students to pay outstanding or overdue student bills to institutions?

Answer: No. The CARES Act requires institutions to provide the emergency financial aid grants to students. The institution may not use that portion of the HEERF set aside for emergency financial aid grants to students to satisfy a student's outstanding account balance. The Department notes that the student may use his or her emergency financial aid grant for expenses related to the disruption of campus operations due to coronavirus. (Student Portion FAQs).

- 27. Question:** 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?

Answer: 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. (Supplemental FAQs).

- 28. Question:** 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?

Answer: 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. (Supplemental FAQs).

F. Use of Funds – (a)(1) Institutional Portion, (a)(2), and (a)(3) Programs

29. Question: May institutions use the funds for Recipient’s Institutional Costs to make additional emergency financial aid grants to students?

Answer: 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 [FAQs 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. (Institutional Portion FAQs).⁴

30. Question: Can institutions that have provided institutionally-funded emergency grants to students as a result of COVID-19 reimburse themselves from the funds for the emergency financial aid grants to students?

Answer: The only institutionally-funded emergency grants to students that are eligible for reimbursement from the funds for emergency financial aid grants to students under the CARES Act are grants: 1) for authorized expenses related to the disruption of campus operations due to coronavirus as set forth in Section 18004(c) of the CARES Act; 2) made to students eligible to receive emergency financial aid grants under the CARES Act; and made on or after March 27, 2020, the date the CARES Act was enacted. An institution must use no less than 50 percent of funds provided pursuant to Sections 18004(a)(1) and 18004(c) for emergency financial aid grants to students. An institution must document that reimbursements for institutionally-funded emergency grants to students are made in accordance with the CARES Act. (Student Portion FAQs).

⁴ This paragraph of this FAQ has been superseded by the June 17, 2020 release of an [Interim Final Rule \(IFR\)](#) (85 FR 36494) regarding student eligibility and subsequent litigation. For more information, please visit the HEERF Litigation Updates website here: <https://www2.ed.gov/about/offices/list/ope/heerfupdates.html>.

31. Question: 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?

Answer: 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. (Institutional Portion FAQs).

32. Question: 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?

Answer: 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. (Institutional Portion FAQs).

33. Question: Previous Departmental guidance advises that, consistent with sections 18004(a)(1) and 18004(c) of the CARES Act, institutions that have provided refunds to students for room and board, tuition, and other fees (such as activities fees) may reimburse themselves from the HEERF Institutional Portion. Is an institution’s student account credit an acceptable form of a “refund” which can be reimbursed from the Institutional Portion of an institution’s allocation under section 18004(a)(1) of the CARES Act?

Answer: Yes. Section 18004(c) of the CARES Act expressly states that the funds for a recipient’s Institutional Portion are to “cover any costs associated with significant changes to the delivery of instruction due to the coronavirus.” As such, directly awarding a student a refund for housing expenses or other fees that the student was not able to utilize due to significant changes to the delivery of instruction due to the coronavirus is an allowable use of the Institutional Portion of an institution’s allocation under section 18004(a)(1) of the CARES Act.

We encourage institutions to act as quickly as possible to provide refunds to students where the Institutional Portion of an institution's section 18004(a)(1) award is used directly or indirectly for credits to a student's account. In the Title IV context, we require institutions to pay credit balances to students within 14 days; we likewise encourage institutions to provide refunds to students here within 14 days of deciding to use their Institutional Portion funds for this purpose.

Also, as noted previously in Question 1 of the [HEERF Emergency Financial Aid Grants to Students FAQs](#), institutions may not reimburse themselves from the funds statutorily earmarked for emergency financial aid grants to students (the recipient's Student Aid Portion) for refunds to students for room and board, tuition, and other fees (such as activities fees). (Round 3 FAQs).

- 34. Question:** My institution has students that paid housing fees for April and May 2020 for collegiate housing, but who were not there physically due to COVID-19. Can our institution provide our students an account credit for the rent amount paid and be reimbursed through the HEERF?

Answer: If an institution chooses to reimburse students for rent payments they made, in addition to campus housing fees, during a time when the student could not remain in campus housing "due to significant changes to the delivery of instruction due to the coronavirus," then that is a permissible use of funds from the Institutional Portion of its allocation under section 18004(a)(1) of the CARES Act to reimburse itself for this cost. However, in such a case, if the student paid rent directly to an entity other than the institution, then the institution would need to issue the rent credit to the student in the form of a cash payment, or equivalent. However, if the rent payments were made to the institution, then the institution can reimburse the student for those payments by issuing an account credit for the rent amount paid. (Round 3 FAQs).

- 35. Question:** 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?

Answer: 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.” (Supplemental FAQs).

36. Question: May institutions use the funds for Recipient’s Institutional Costs to award scholarships or to provide payment for future academic terms?

Answer: 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 #29). 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. (Institutional Portion FAQs).

37. Question: Can institutions use the Student Portion of its CARES Act funds under Section 18004(a)(1) for student scholarships?

Answer: No. The CARES Act does not allow institutions use the Student Portion of their Section 18004(a)(1) funds for student scholarships. Institutions may use the Student Portion of their Section 18004(a)(1) funds only for direct emergency financial aid grants to students, not scholarships.

However, an institution may use the Institutional Portion of its Section 18004(a)(1) award for student scholarships under limited circumstances. Section 18004(a)(1) requires institutions to use Institutional Relief funds only to cover “costs associated with significant changes to the delivery of instruction due to the coronavirus” pursuant to Section 18004(c).

Therefore, if an institution wishes to use the Institutional Portion of its Section 18004(a)(1) award to fund student scholarships, the scholarships must be geared towards these types of costs. Examples of such allowable scholarships for “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.

Furthermore, it is important that any scholarships funded by the Institutional Portion of a Section 18004(a)(1) award would not count toward the minimum fifty percent of an institution's total allocation that must be spent on emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus. (Supplemental FAQs).

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

Answer: 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.” (Supplemental FAQs).

39. Question: 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?

Answer: 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. (Supplemental FAQs).

40. Question: 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?

Answer: 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. (Institutional Portion FAQs).

- 41. Question:** 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?

Answer: Yes. Institutions may use Institutional Relief funds under Section 18004(a)(1) of the CARES Act for "costs associated with the significant changes to the 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. (Supplemental FAQs).

- 42. Question:** 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?

Answer: 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. (Supplemental FAQs).

- 43. Question:** 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?

Answer: 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. (Supplemental FAQs).

44. Question: Can an institution use the Institutional Portion of its allocation under section 18004(a)(1) to cover losses in revenue?

Answer: No. The Institutional Portion of a grantee’s 18004(a)(1) award may not be used to simply defray revenue losses. Rather, the institution must use these funds to pay expenses encumbered as a result of “significant changes to the delivery of instruction due to the coronavirus” under 18004(c). However, an institution that received funds under either section 18004(a)(2) or 18004(a)(3) of the CARES Act may use those allocations for the purpose of defraying expenses, including lost revenue.

Institutions must, consistent with the recordkeeping requirements in the Uniform Guidance ([2 CFR §§ 200.333-200.337](#)), document any offsets in lost revenue by comparing year-to-year revenue and describing how the shortfall in tuition is impacting the institution’s budget. The institution must also track how these funds were spent and report those uses accurately in its required quarterly and annual reports. (Round 3 FAQs).

45. Question: Can the Institutional Portion of my institution’s allocation under section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act be used to purchase COVID-19-related essentials such as thermometers, cleaning supplies, or other supplies for sanitizing a facility?

Answer: Yes. Purchases to ensure the physical safety of students on campus is an allowable use of a grantee’s Institutional Portion of its allocation under section 18004(a)(1) of the CARES Act, when these costs are new or added and needed to implement “significant changes to the delivery of instruction due to the coronavirus.” This may include the reasonable costs of cleaning supplies, facility cleaning, or the purchase of items to help detect or prevent the spread of COVID-19 (e.g., thermometers, plastic barriers, or face masks). Grantees may also use these funds to make non-permanent changes to existing facilities to ensure social distancing.

As with all grant costs, institutions must maintain adequate documentation as required by [2 CFR § 200.333](#) and [2 CFR § 200.403\(g\)](#) to support the reasonableness of these costs, consistent with the cost principles in [2 CFR part 200 subpart E of the Uniform Guidance](#). (Round 3 FAQs).

46. Question: During the COVID-19 crisis while campuses were closed, my institution’s instructors taught online and therefore took little to no vacation time off. Upon the re-opening of campuses, my institution will need all its instructors on campus to cover extended campus hours due to added classes to accommodate social distancing guidelines and to make up lost classroom time. As a result, to retain instructors, my institution would like to offer instructors the option to “buy out” an additional week of vacation time, to enable my institution to provide as smooth a transition for students as possible.

My institution’s current policy enables instructors to buy out one week of vacation time. The revised policy will save on instructional overtime and the need for additional instructors. Can my institution be reimbursed for the second one-week vacation buyout of instructor vacation?

Answer: Yes. If due to the “significant changes to the delivery of instruction due to the coronavirus” you anticipate that instructional staff may not have the ability to utilize vacation days or paid time off (PTO) in order to implement such changes to the delivery of instruction to serve their student community, you may utilize the Institutional Portion of your allocation under section 18004(a)(1) of the CARES Act to establish or expand a PTO buyback program for affected employees. (Round 3 FAQs).

47. Question: May an institution use the Institutional Portion of its allocation under section 18004(a)(1) of the CARES Act to upgrade its computer systems to facilitate distance learning?

Answer: Yes. An institution may use funds from the Institutional Portion of its section 18004(a)(1) allocation 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. An institution may also use Institutional Portion funds for any other costs for computer system upgrades that are reasonably related to “significant changes to the delivery of instruction due to the coronavirus.” This would not include, for example, previously planned upgrades to computer systems. (Round 3 FAQs).

48. Question: My institution did not receive a Paycheck Protection Program (PPP) loan when the program first started. There is a three-week period for which salaries for instructors were not covered by the PPP loan my institution later received. May my institution use its allocation under section 18004(a)(1) to be reimbursed for the payment of such instructor salaries?

Answer: It depends. If, for example, the institution decided to reimburse students for some or all of the tuition they had originally paid for instruction during the COVID-19 period, and the three week period was included in the portion of the term for which the student was reimbursed, but the institution continued to provide instruction during that period, then the institution would be permitted to use part of the institution’s allocation under section 18004(a)(1) of the CARES Act to reimburse itself for those salary expenses. In addition, if the institution had to hire additional instructors during this period to accommodate the increased demands of online instruction, to reduce class sizes to enable social distancing, or to help instructors adjust to online teaching, then the institution can reimburse itself for those added salary costs using part of its institutional share under section 18004(a)(1) of the CARES Act.

However, if there were no changes in the number of faculty who taught during those three weeks due to COVID-19, and the institution did not refund students for tuition payments made during that three week period, then the institution would not be permitted to use part of its institutional portion of the funds provided under 18004(a)(1) of the CARES Act.

The institution could, however, use formula funds received under sections 18004(a)(2) or 18004(a)(3), if applicable, to reimburse itself for salaries paid during that three week

period, even if there were not changes in the number of instructors paid during that period. (Round 3 FAQs).

- 49. Question:** At my institution, administrators' roles are quite varied and includes some high-level officer roles, such as our Chief Fiscal Officer. These administrators, however, do not earn "highest" executives' salaries. If administrators performed numerous COVID-19 related tasks in developing and implementing changes to the delivery of instruction due to the coronavirus, may they be compensated from the institution's allocations under Sections 18004(a)(1), (2) and (3) of the CARES Act?

Answer: It depends on the source of the expenditure. Institutions may use the Institutional Portion of their section 18004(a)(1) allocation under the CARES Act for "any costs associated with the significant changes to the delivery of instruction due to the coronavirus." However, as stated in the [Certificate and Agreement for the Institutional Portion](#) of the Section 18004(a)(1) allocation:

The Department would not consider the following Recipient's Institutional Portion to be related to significant changes to the delivery of instruction due to the coronavirus, and therefore would not view them as allowable expenditures: senior administrator and/or executive salaries, benefits, bonuses, contracts, incentives; stock buybacks, shareholder dividends, capital distributions, and stock options; and any other cash or other benefit for a senior administrator or executive.

Such executive and senior administrators' salaries would normally have been paid regardless of the coronavirus and do not meet the standard for costs associated with significant changes to the delivery of instruction due to the coronavirus. Further, the Student Aid Portion of institutions' section 18004(a)(1) allocation is for emergency financial aid grants to students and cannot be used for such expenses.

However, while an institution may not use section 18004(a)(1) funds to otherwise defray general expenses it incurred related to the coronavirus, this may be an allowable use of an institution's 18004(a)(2) or (a)(3) award under the CARES Act. (Round 3 FAQs).

- 50. Question:** Our institution would like to hire an individual that would be solely dedicated for COVID-19-related work. Would this be an allowable cost?⁵

Answer: Yes. An institution may use HEERF funds to hire additional personnel when those personnel costs are new or added to respond to "significant changes to the delivery of instruction due to the coronavirus." If an employee's duties are only partially to address or respond to "significant changes to the delivery of instruction due to the coronavirus," the institution may use HEERF funds for only the pro-rated share of hours or effort that employee spends to respond to coronavirus.

Note that as provided in the Recipient's Funding [Certification and Agreement for the Institutional Portion](#) of section 18004(a)(1) CARES Act, the Department would not

⁵ For Section 18004(a)(1) Institutional Portion funds.

consider senior administrator and/or executive personnel costs to meet this standard. (Round 3 FAQs).

G. Data Collection

51. Question: What data will the Department require institutions to report after disbursement of emergency financial aid grants to students?

Answer: As explained in the Funding Certification and Agreement for the Emergency Financial Aid Grants to Students, each institution will report to the Secretary the following: how grants were distributed to students, how the amount of each grant was calculated, and any instructions or directions that the institution gave to students about the grant. Institutions must also comply with the reporting requirements under Section 15011 of the CARES Act. The Department will publish a notice in the Federal Register to provide instructions to institutions on these reporting requirements. (Student Portion FAQs).⁶

52. Question: What data will the Department require institutions to report after disbursement of the Recipient's Institutional Costs?

Answer: 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. (Institutional Portion FAQs).⁷

H. More Information

53. Question: Where can institutions locate additional resources and information related to emergency financial aid grants to students?

Answer: All Department CARES Act HEERF grant resources and guidance are located on OPE's webpage here: <https://www2.ed.gov/about/offices/list/ope/caresact.html>. (Student Portion FAQs; Institutional Portion FAQs).

⁶ For updated reporting information, please see our HEERF Reporting and Data Collection webpage here: <https://www2.ed.gov/about/offices/list/ope/heerfreporting.html>.

⁷ For updated reporting information, please see our HEERF Reporting and Data Collection webpage here: <https://www2.ed.gov/about/offices/list/ope/heerfreporting.html>.