The following is a partial response to questions sent to the Department of Education on Feb. 10, 2021.

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Questions and Answers Relating to All HEERF Funds

Q: Please confirm that institutions have one year, starting from the date on which their allocation was processed by the Department, to disburse all funds received through HEERF 2.0.

A. Yes, institutions generally have one year to expend their HEERF funds from the date when the Department processed the most recent obligation of funds for each specific grant. That means colleges that received a supplemental award under CRRSAF have one year to spend all remaining HEERF I and new HEERF II funds for each grant. No Cost Extensions may also be granted under certain circumstances. Schools can contact their G5 grant program officer for more details on requesting an extension.

Questions Relating to HEERF Institutional Funds

Q: Are employee benefits covered under “payroll” in section 314(c)(1) of CRRSAF?

A: Yes, colleges can use HEERF II funds and unspent HEERF I funds to pay for employee benefits for costs incurred on or after December 27, 2020. However, the Department’s current guidance is that colleges cannot currently use HEERF II funds to cover costs prior to December 27th, or use HEERF I funds under the expanded use of funds flexibility offered under CRRSAF for expenses incurred prior to that date. The Department will update the HEERF community of any change in interpretation through future guidance documents.

Questions Relating to HEERF Student Funds

Q: Can all enrolled students, as well as students enrolled at any point since the declaration of a national emergency (including undocumented, DACA, international, non-credit, refugee students, dual enrollment, continuing education, non-degree, and other non-Title IV eligible) receive HEERF 2.0 Funds, which include unspent HEERF 1.0 funds and whose uses are indistinguishable from HEERF 2.0 funds?

A: Colleges can use HEERF II and unspent CARES funds to support certain students who are not Title IV eligible. That includes non-degree seeking, non-credit, dual enrollment, and continuing education students. The Department is exploring additional opportunities – including with other agencies - for colleges to support other vulnerable students (e.g., undocumented, DACA, and international students) during the national coronavirus pandemic emergency. As always, students have discretion about how they receive their grants and schools must receive affirmative consent from students before using an emergency financial aid grant to satisfy outstanding bills.

Q: Please confirm that students who have left school (for any reason) at any time since the declaration of the national emergency can receive can receive HEERF 1.0 and HEERF 2.0 funds retroactively, as was allowed for students who had graduated using HEERF 1.0 funds.
A: Yes, schools may choose to make a financial aid grants to students who have left school for any reason during the period of the national emergency beginning on March 13, 2020. As always, students have discretion about how they receive their grants and schools must receive affirmative consent from students before using financial aid grants to satisfy a student’s outstanding account balance.

Q: Please confirm that students may give institutions permission to apply the HEERF 2.0 funds to student account charges that were posted to the student’s account prior to December 27, 2020?

A: Yes. While the charge was posted to a student’s account before December 27th providing the funds to students after December 27th is acceptable. As always, students have discretion about how they receive their grants and schools must receive affirmative consent from students before using financial aid grants to satisfy a student’s outstanding account balance bills.

Q: Please confirm that, as was the case with HEERF 1.0 funds, institutions can use student accounts as a pass-through vehicle to disburse HEERF 2.0 funds without student consent if 100 percent of the award is provided directly to the student’s account and 0 percent is applied to institutional or other charges.

A: Yes. Institutions may provide emergency financial aid grants directly to students using the normal process for providing a credit balances to students without obtaining a student’s consent, so long as these funds remain unencumbered by the institution. As always, students have discretion about how they receive their grants and schools must receive affirmative consent from students before using financial aid grants to satisfy a student’s outstanding account balance.

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A Note on Documenting Revenue Losses from the National Association of College and University Business Officers (NACUBO)

NACUBO did a series of accounting tutorials for various HEERF I accounting questions and for some of the other COVID-19 relief programs, and it is planning to do another series for HEERF II once more guidance is released. In the interim, NACUBO sent the following:

In terms of documenting lost revenue, the only direction we have thus far is from the HEERF I June 2020 FAQ for minority serving institutions, but rolled up to Q&A #43 in the November HEERF I combined FAQ. So if you have items that you’re hoping may eventually be included as eligible as a lost revenue expense, we’d recommend beginning your tracking calculations now, until we see further guidance from ED. The tracking/documenting guidance below is based on HEERF I guidance so it’s subject to change upon the release of further HEERF II guidance.

Institutions should document lost revenue by analyzing one fiscal year to another or one academic term to another (for example Fall 2020 compared to Fall 2019; or FY20 compared with FY19). Institutions will need to show that enrollments have declined, or number of residential students have declined, or declines in meal plans purchased, declines in dining card points purchased, parking permit / parking volume / parking fee declines, community event revenue declines, summer camp participation declines, etc. Institutions would then either:
- extrapolate the revenue loss numbers based on the actual volume multiplied by service fees for the declined unit
- show the revenue results from related general ledger accounts or financial statements.