



Coronavirus Response and Relief Supplemental Appropriations Act, 2021

Frequently Asked Questions

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Q: When will I get my Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Higher Education Emergency Relief Fund II (HEERF II) funds?

A: Institutions that received CARES Act funds automatically received supplemental awards for HEERF II. Institutions must submit their CARES Act Annual Report and all their quarterly reports before new funds from CRRSAA will be obligated. CARES Act Annual Reports were due on February 1. If your institution has not submitted its reports, you can use the [Higher Education Emergency Relief Fund reporting guide](#) to do so.

Institutions that did not receive CARES Act funds have until April 15 to apply for HEERF II awards, and draw down some funds.

If you have complied with all the requirements and still do not have your CRRSAA funds please feel free to email us at nofunds@naicu.edu with your institutional code number and we will take your institution's case directly to the U. S. Department of Education.

Q: How will institutions receive HEERF II funds?

A: Institutions will receive two supplemental award allocations, one for emergency student grants and one for institutional relief. When an institution draws down its funds, it constitutes an automatic acceptance of the new grant conditions and uses of funds. As with the CARES Act, funds will be drawn down through the Education Department's G5 system and must be expended within one year of the award being allocated. All student funds do not have to be expended before the institutional funds.

As happens regularly with Title IV student aid programs, institutions should be ready to use their funds quickly once they have been drawn down. Student funds must be disbursed within 15 days of draw down, and institutional funds must be disbursed within 3 days of draw down.

Q: How much of an institution's HEERF II funds must go to student emergency grants?

A: Institutions must provide at least the same dollar amount to students in emergency grants as they were required to under the CARES Act. The required student portion is evident in the allocation table, which also may include online students (if applicable) who were provided for in CRRSAA.

Q: What are the allowable uses for institutional HEERF II funds?

A: The institutional allocation can be spent on an expanded list of allowable uses of funds that defray expenses associated with coronavirus, such as:

- Lost revenue
- Reimbursement for expenses, technology, staff training, payroll
- Student support services authorized under the HEA, such as (but not limited to) TRIO and GEAR UP
- Student grants for any part of the cost of attendance

Institutions should be aware that all HEERF II funds must be accounted for separately as there are some disallowed expenses. This means funds cannot be put into the general fund, but should be tagged to specific expenses or lost revenue. For example, institutions are prohibited from using HEERF II funds for capital projects, executive bonuses, recruitment and enrollment payments, and investment payouts, as was the case in the CARES Act.

Q: What date applies to accounting for expenses and lost revenue related to coronavirus?

A: The March 19 guidance overrides previous guidance, making clear that expenses and lost revenue related to coronavirus apply back to the declaration of the national emergency on March 13, 2020. This date applies to HEERF II and forthcoming HEERF III institutional funds, and to any unused CARES Act (HEERF I) funds.

Q: How is lost revenue defined?

A: “Lost revenue” refers to revenue an institution otherwise expected but did not materialize as a result of the coronavirus pandemic. Estimated lost revenue is appropriate due to the emergency circumstances of the pandemic.

Lost revenue must be related to the pandemic. Institutions should document the accounting of lost revenue to be reimbursed.

Q: What counts as lost revenue related to coronavirus?

A: The department provides an illustrative list of academic and auxiliary sources of revenue that could be reimbursed because of losses due to coronavirus. For example:

Academic Sources:

- Tuition, fees and institutional charges
(including unpaid student accounts receivable or other student account debts)
- Room and board
- Enrollment declines, including reduced tuition, fees and institutional charges
- Supported research
- Summer terms and camps

Auxiliary Sources:

- Cancelled ancillary events
- Disruption of food service
- Dormitory services
- Childcare services
- Bookstore revenue
- Use of facilities or venues, including external events
- Parking revenue
- Lease revenue
- Royalties
- Other operating revenue

Q: What does not count as lost revenue related to coronavirus?

A: Lost revenue that is not eligible for reimbursement using HEERF funds includes:

- Capital outlays related to athletic facilities
- Acquisition of real property (including bond revenue)
- Contributions or donations to the institution
- Marketing or recruitment activities
- Revenue related to sectarian or religious worship
- Alcohol sales
- Investment income

Q: What students are eligible for emergency student grants from the student allocation?

A: Students eligible for grants are all U. S. citizens and qualified aliens (refugees and asylum), including students who left school for any reason during the pandemic. Unlike the CARES Act, students are not required to be eligible for Title IV funds to receive emergency grants under the CRRSAA. However, institutions should prioritize students with “exceptional need.” Non-Title IV eligible students also include: non-degree seeking, non-credit, dual enrollment, and continuing education students.

The law requires that emergency student grants be provided to “students with exceptional need,” but does not require that student recipients be Pell Grant recipients or Pell Grant eligible. The Department of Education suggests that the maximum Pell Grant be an appropriate limit for a maximum emergency grant. Institutions should maintain records of the methodology used for determining emergency student grant distribution.

Q: How can student grants be distributed?

A: HEERF II emergency grants may be distributed to students via checks, electronic transfer payments, debit cards, and payment apps. Grants may be issued via student accounts as a “pass through,” as long as the funds “remain unencumbered by the institution.”

HEERF II emergency student grants are allowed to be used to cover any part of the cost of attendance (COA), but the student must affirmatively opt-in to having their emergency grant apply to COA expenses paid to the institution. The institution is prohibited from requiring students to first cover any COA or institutional balance. For example, an institution may provide a form asking students how they would like to receive the emergency grant with one of the options being to apply it to COA.

Q: Can student emergency grants apply to past balances?

A: Yes, students may give institutions permission to apply the HEERF II emergency grants to student account charges that were posted to the student’s account prior to December 27, 2020. 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: Do emergency student grants count as student income?

A: No. HEERF emergency student grants are not reported as income, are not taxable, and do not count against students in determining Title IV federal student aid.

Q: How long does an institution have to spend its HEERF II funds?

A: Institutions have one year from the time funds were first received to use them.

Q: What are the reporting requirements for HEERF II funds?

A: Institutions must report on receipt and use of supplemental funds six months after the receipt of those funds; and quarterly thereafter.

Q: Can an institution with unspent CARES Act funds still use those funds?

A: Yes, colleges may use HEERF I (CARES) funds under the expanded use of funds flexibility offered under HEERF II for expenses incurred, back to the declaration of the national emergency on March 13, 2020.

Q: How does my institution apply for HEERF II funds under CRRSAA if it did not receive funds under the CARES Act?

A: Institutions that did not receive CARES Act funds must apply for CRRSAA funds with a new grant number and original Certification and Agreement form on www.grants.gov using the grant number ED-GRANTS-041020-003 for the student portion and ED-GRANTS-042120-004 for the institutional portion. The **application deadline is April 15, 2021.**

If an institution does not apply for funds by April 15, the Department of Education will assume the institution does not want the funds, and will reallocate them.

Q: How does my institution receive all the CRRSAA funds if it only received student funds under the CARES Act?

A: Institutions that only received student funds under the CARES Act will automatically receive their student funds under the CRRSAA. To receive institutional funds under the CRRSAA, these institutions will need to separately apply for CRRSAA institutional funds with a new Certification and Agreement application form on www.grants.gov using the grant number ED-GRANTS-042120-004 for the institutional portion. This must be done by April 15, 2021.

Q: Are institutions that paid the endowment tax eligible for CRRSAA grants?

A: If an institution paid the endowment tax in 2019 it is eligible for 50 percent of its allocated amount. These institutions will have a separate application process. If your institution paid the endowment tax in 2019, the allocated funds can only be used for students or “sanitation, personal protective equipment, other expenses associated with the general health and safety of the campus environment related to the qualifying emergency” (coronavirus pandemic). This specific eligibility criteria does not apply to work colleges.