

HEERF Compliance

NCICU CFO Conference
October 28, 2021



Types of Higher Education Relief Funds

- ▶ HEERF I – CARES
 - Passed by Congress on March 27, 2020
- ▶ HEERF II – CRRSAA
 - Signed into law on December 27, 2020
- ▶ HEERF III – ARP
 - Signed into law on March 11, 2021



Types of HEERF Programs

(a)(1) –

Student Aid Portion
Institutional Portion

(a)(2) –

Historically Black Colleges and
Universities
Minority Serving Institutions
Strengthening Institutions
Program
Tribally Controlled Colleges and
Universities

(a)(3) –

Fund for the Improvement of
Postsecondary Education
Formula Grant (HEERF I)

Supplemental Assistance to
Institutions of Higher Education
(HEERF II)

Supplemental Support under
ARP (HEERF III)

Deadline to Use HEERF Funds

- ▶ One year from the date of the most recent grant obligation (HEERF III for most institutions)
- ▶ No cost extensions - up to 12 months are available as provided for in 2 CFR § 200.308(d)(2)
 - The recipient must notify the Federal awarding agency in writing with the supporting reasons and revised period of performance at least 10 calendar days before the end of the period of performance specified in the Federal award.

Student Portion Reminders

- ▶ HEERF II – must spend at least the same dollar amount on student grants as required under HEERF I
 - Students can use funds for: any component of cost of attendance, emergency costs due to coronavirus, including tuition, food, housing, healthcare, childcare
- ▶ HEERF III – must spend at least 50% of HEERF III funds on student grants
 - Students can use funds for: any component of cost of attendance, emergency costs due to coronavirus, including tuition, food, housing, healthcare, childcare

Note: Need written or electronic affirmative consent from student to apply student portion funds against cost of attendance

Student Portion Reminders

- ▶ HEERF II – Which students are eligible?
 - No eligibility requirements
 - Allowable for any student
 - Required to prioritize students with exceptional need
 - Can be provided to online students
- ▶ HEERF III – Which students are eligible?
 - Same as above
- ▶ Funds are not taxable income & are not financial aid

Institutional Portion Reminders

▶ HEERF II – Allowed Uses

- Defray expenses associated with coronavirus (from 3/13/2020 to present), including:
 - ▷ Lost revenue
 - ▷ Technology costs
 - ▷ Faculty & staff training
 - ▷ Payroll
 - ▷ Additional grants to students
 - ▷ Student support activities

Institutional Portion Reminders

▶ HEERF III – Allowed Uses

- Defray expenses associated with coronavirus (from 3/31/2020 to present), including:
 - ▷ Lost revenue
 - ▷ Technology costs
 - ▷ Faculty & staff training
 - ▷ Payroll
 - ▷ Additional grants to students
 - ▷ Student support activities
- Implement evidence-based practices to monitor & suppress coronavirus
- Conduct direct outreach to financial aid applicants

Institutional Portion Uses Deep Dive

- ▶ Can be used for:
 - Costs associated with transition to virtual activities
 - Purchase of personal protective equipment
 - Minor remodeling for purposes associated with coronavirus
 - Discharge student debt or unpaid balances
 - Indirect costs – use approved indirect cost rate or de minimis rate
 - Direct administrative costs
 - Payroll costs newly associated with coronavirus incurred on or after 3/13/2020
 - Retention and reengagement of students

Institutional Portion Uses Deep Dive

▶ Lost Revenue:

- Can be from both academic and auxiliary revenue sources
- Not reimbursable revenue sources:
 - ▷ Capital outlays & purchase of real property
 - ▷ Contributions
 - ▷ Marketing or recruitment
 - ▷ Revenue from sectarian instruction or religious worship
 - ▷ Alcohol sales
 - ▷ Investment income
- Needs to be associated with coronavirus

Institutional Portion Uses Deep Dive

▶ Lost Revenue:

- Can estimate lost revenue for the period from 3/13/2020 through end of grant performance period
- Ways to estimate lost revenue:
 - ▷ Year over year comparison
 - ▷ Semester over semester comparison
 - ▷ 3- or 5-year average comparison
 - ▷ Budget to actual comparison
 - ▷ Comparison using baseline year of a fiscal year prior to the March 13, 2020

Institutional Portion Uses Deep Dive

▶ Lost Revenue:

- Estimate must be:
 - ▷ Documented
 - ▷ Consistent treatment
 - ▷ Not include the estimated amount of lost revenue for the HEERF programs in the calculation of lost revenue for another Federal program
 - ▷ Not include any refunds previously provided to students in the institution's estimate of lost revenue

Institutional Portion Uses Deep Dive

Example	Example A	Example B	Example C
Goal	Estimate Lost Revenue for FY 2021 (July 1, 2020 – June 30, 2021)	Estimate Lost Revenue for FY 2020 (July 1, 2019 – June 30, 2020)	Estimate Lost Revenue for Fall Semester 2020 (August 1, 2020 – December 31, 2020)
Baseline	Using 3-year average prior to the national emergency, which shows: <ul style="list-style-type: none"> • FY 2017: \$100 revenue • FY 2018: \$90 revenue • FY 2019: \$110 revenue Average of the 3 years = \$100 of revenue	Using a year-to-year comparison, which shows for FY 2019 \$100 of revenue	Using budgeted revenue made prior to the declaration of the national emergency for the 2020 fall semester showing \$100 budgeted for revenue
Amount of revenue for period estimating loss	For FY 2021: \$50 received in revenue	For FY 2020: \$60 received in revenue	For the 2020 fall semester: \$40 actually received in revenue
Calculation to determine lost revenue	<ul style="list-style-type: none"> • Difference between \$100 average of 3 years of revenue and \$50 of FY 2021 revenue is \$50 	<ul style="list-style-type: none"> • Difference between \$100 of FY 2019 revenue and \$60 of FY 2020 revenue is \$40 • Prorated from March 13, 2020: 366 days – 256 days = 110 days (the days remaining in FY 2020) • 110 days/366 days = .3005 • 30.05 percent of \$40 = \$12.02 	<ul style="list-style-type: none"> • Difference between \$100 budgeted for 2020 fall semester revenue and \$40 actually received is \$60
Amount of lost revenue	\$50 in lost revenue chargeable to the HEERF grant award	\$12.02 in lost revenue chargeable to the HEERF grant award	\$60 in lost revenue chargeable to the HEERF grant award
When to charge the HEERF grant	On or after the close of the FY 2021 – on or after June 30, 2021	On or after the close of FY 2020 – on or after June 30, 2020	On or after the close of fall semester 2020 – on or after December 30, 2020
What SEFA to report the charge for lost revenue	FY 2021 SEFA	FY 2021 SEFA ⁴	FY 2021 SEFA



Institutional Portion Uses Deep Dive

- ▶ HEERF III New Requirement - implementation of evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines
 - Portion of funds must be used to help fight the spread and transmission of COVID-19 on your campuses and among your student, faculty, and staff community members
 - Costs for this item can be for:
 - ▷ Testing
 - ▷ Prevention
 - ▷ Student Support

Institutional Portion Uses Deep Dive

- ▶ HEERF III New Requirement - conduct direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or independent student, or other circumstances
 - Must provide notice to financial aid applicants and current financial aid recipients
 - Notice needs to actively engage students:
 - ▷ Email
 - ▷ Mail
 - ▷ Phone or voice communication
 - ▷ Webinar
 - ▷ In-person meetings (financial aid recipients only)

HEERF III Reporting Requirements

- ▶ Continue to provide Quarterly Institutional Public Reporting Form & Quarterly Student Public Reporting Form
 - ▷ Each report is separate for the calendar quarter, not cumulative
 - ▷ Post reports until all funds are spent
 - ▷ All HEERF streams are combined in the reports
- ▶ Effective 9/30/2021:
 - The public reporting form for institutional funds must be completed and uploaded as a digital PDF, using the new template found on the Department of Education's website
- ▶ HEERF III Annual Reporting to begin in early 2022

HEERF Grant Close Out

- ▶ Contact the ED Program Contact listed in Box 3 of your Grant Award Notification
- ▶ Ensure funds are liquidated
- ▶ Ensure quarterly reporting is publicly posted and submitted
- ▶ Submit annual performance report
- ▶ Maintain grant financial records and supporting documentation for 3 years
- ▶ Submit all required audits

Questions???

Questions

Contacts

Roselle Bonnoitt, CPA

Director

rbonnoitt@cbh.com

864.240.5166

John Hash, CPA

Partner

jhash@BECPAS.com

540.345.0936

