



Higher Education Emergency Relief Fund (HEERF) and related topical FAQs April 5, 2021 VERSION 1.0

NOTE: These FAQs are current as of April 5, 2020. These will be updated, as needed, on a regular basis.

FAQ #1: What is the HEERF?

The HEERF is emergency relief for higher education and related institutions. Three tranches of HEERF funds are available. The most recent, via the [American Rescue Plan](#), was signed into law by President Biden on March 11, 2021 and includes \$40 billion designated for the HEERF (now referred to as HEERF III). This is in addition to the HEERF I (\$14 billion) directed to higher education under the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) signed into law by President Trump on March 27, 2020 and the HEERF II (\$23 billion) directed to higher education under the [Coronavirus Response and Relief Supplemental Appropriations \(CRRSA\) Act](#) signed into law by President Trump on December 27, 2020.

In each of the three relief bills, a small percentage of HEERF funds have been carved out as additional funding for minority-serving institutions—however, the large share of funding has been designated to higher education institutions using an allocation formula based on various student population metrics.

Two HEERF tranches (I and III) require higher education institutions to allot at least 50 percent of the HEERF to student grants. HEERF II requires spending on student grants to at least equal the amount required in HEERF I—the remainder can be used for allowable institutional uses. A [Chart](#) developed by the National Association of Student Financial Aid Administrators (NASFAA) is detailed and helpful, and explains key features and requirements of HEERF I, II, and III.

FAQ #2: How much HEERF II and HEERF III funding was allocated to my institution?

The U.S. Department of Education (ED) has created a [HEERF II allocable table](#), which contains the allocated amounts by state and institution. To-date, ED has not released HEERF III allocated amounts by institution. However, the NASFAA website includes an article, [American Council on Education Estimates New HEERF Allocations](#), which estimates the distribution of HEERF III funds across approximately 3,500 colleges and universities. Note, those institutions that are required to pay the endowment excise tax per the statutory requirements will have their allocations automatically adjusted.

FAQ #3: Are there any important deadlines to which my institution should be paying attention?

Yes. Institutions should pay special attention to the [January 15, 2021 Federal Register Notice](#) regarding the 90-day requirement to begin drawing funds specific to HEERF II:

Recipient acknowledges that its failure to draw down any amount of its supplemental grant funds within 90 days of the date of this supplemental award will constitute nonacceptance of the terms, conditions, and requirements of this Supplemental Agreement and of these supplemental grant funds. In such event, the Department, in its sole discretion, may choose to deobligate these supplemental grant funds or take other appropriate administrative action, up to and including terminating the grant award pursuant to 2 CFR 200.340.

Also note, for those institutions that did not apply for HEERF I funds under the CARES Act, you must apply by April 15th to be eligible to receive HEERF II funds under the CRRSA Act.

FAQ #4: What is the federal guidance governing the use of the HEERF?

The U.S. Department of Education (ED) is responsible for oversight and guidance for the HEERF. ED previously issued [HEERF I guidance](#) and [HEERF II guidance](#). On March 19th, Education issued additional updates and guidance: 1) [HEERF I, II, and III – Lost Revenue FAQs](#) (e.g., see FAQs 3. and 5. and new flexibilities, including research), and 2) [HEERF Update Letter](#) (e.g., HEERF II funds can be retroactively charged back to March 13, 2020).

In addition, the standard guidance applicable to grants administration and costing principles in [2 CFR Part 200](#) and [Education Department Grant Administration Regulations \(EDGAR\)](#) should be followed.

FAQ #5: Are there “grant flexibilities” available with the HEERF (and programs beyond HEERF)?

Possibly. On March 19, 2021, OMB issued [M-21-20](#), *Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources*. Included in M-21-20 is Appendix 3, *Disaster Relief Flexibilities to Reduce Burden for Financial Assistance* (pp. 10-11), which specifies:

*OMB is allowing Federal awarding agencies the authority to grant the following exceptions to recipients affected by the pandemic as they deem appropriate and to the extent permitted by law. These exceptions apply not only to recipients with COVID-19 related Federal financial assistance awards, **but also to recipients with assistance awards not related to COVID-19 {emphasis added}**. Federal awarding agencies must specifically consider exceptions that can advance racial equity and support for underserved communities.*

To-date, we do not have official word that the Department of Education will authorize the flexibilities in Appendix 3 to be applicable to the HEERF—however, to the extent that the flexibilities could be applied to the HEERF, it is possible ED will permit them to be applicable.

Note, the flexibilities mirror many of the flexibilities that were included in [M-20-17](#), issued by OMB last year. And while application to the HEERF could be helpful in some situations, ***the larger value in M-21-20 may be in the application of flexibilities to assistance awards not related to COVID-19.*** In addition to following ED’s approach to the flexibilities, COGR will reach out to other agencies to determine their approach to extending the flexibilities.

FAQ #6: Are there HEERF audit considerations?

Yes, though it is still early to fully grasp what will be prioritized in any audit actions. On February 26, 2021, the Department of Education, Office of Inspector General (ED OIG) published [Higher Education Emergency Relief Fund Reporting Requirements \(ED-OIG/I20DC0013\)](#). The focus is on HEERF I directed to higher education (***specifically, the Institutional Portion***) under the CARES Act, and compliance with the CARES Act reporting requirements.

The ED OIG identified some situations of noncompliance—however, the report does not indicate any systematic issues. The report also shows how the Institutional Portion was expended across the sampled institutions—Figure 2 on page 6 shows results for Section 18004(a)(1) funds (portion allocated to all institutions) and Figure 3 on page 10 shows results for 18004(a)(2) funds (additional portion available only to HBCUs, Tribal colleges and universities, and other Minority Serving Institutions). Results for the Section 18004(a)(1) funds, Institutional Portion, show the leading categories as: Campus Safety, Additional Distance Learning Equipment, Tuition Reimbursement, Technology Hardware, and Other Uses.

For FY2020 Single Audits, HEERF I under the CARES Act have been (or currently are being) audited. Auditors are required to follow guidance in the [2020 Compliance Supplement Addendum](#) (see pp. 66-69) to audit HEERF I. Note, in most situations the HEERF I will be audited as a major program.