

## **HEERF III- American Rescue Plan (ARP) Act of 2021**

### **Overview:**

- \$39.6B to be distributed
  - o ~\$36B to be used for emergency financial aid grants to students
  - o Remainder to be used for institutional purposes
  - o ~\$3B to be appropriated to Minority Serving Institutions
- New [allocation table](#) outlines the share of funds to be granted to students

University	Total	Minimum Amount for Student Aid	Maximum Amount for Institutional Portion
UH	\$108,950,310	\$54,713,989	\$54,236,321
UHCL	\$17,786,008	\$9,010,174	\$8,775,834
UHD	\$31,966,358	\$16,561,672	\$15,404,686
UHV	\$6,547,353	\$3,668,435	\$2,878,918

- Department of Education will distribute this amount as supplemental awards. No action is required by UHS to receive funds at this time.
- Institutions may charge expenses associated with coronavirus (pre-award costs) that were incurred on or after March 13, 2020, the day the national emergency was declared due to the coronavirus, to their ARP awards.
- Indirect costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any student grant awards (under either ARP (a)(1) or ARP (a)(4)) because the student allocation represents an amount of funds that must be distributed to students.<sup>1</sup>
- Reasonable direct administrative costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any Student Aid Portion awards (under either ARP (a)(1) or ARP (a)(4)) because the student allocation represents an amount of funds that must be distributed to students.
- Generally no prior written approval is necessary for costs under the Cost Principles of the Uniform Guidance, [2 CFR part 200 subpart E](#)
- The following FAQ documents remain, in whole or in part, applicable to the HEERF III ARP programs (unless superseded by the [text of ARP](#)):
  - o [Lost Revenue FAQs](#) (issued on March 19, 2021)
  - o [CRRSAA HEERF II \(a\)\(1\) FAQs](#) (issued on January 14 and updated March 19, 2021)
  - o [CRRSAA HEERF II \(a\)\(4\) FAQs](#) (issued on January 14 and updated March 19, 2021)
  - o [HEERF CARES Act Rollup FAQs](#) (issued October 14, 2020 and revised January 28, 2021)
  - o [HEERF Grant Program Auditing Requirements Letter](#) (issued on March 8, 2021)

---

<sup>1</sup> Please note that as described in 2 CFR § 200.403, costs must be consistently charged as either indirect or direct costs, but they may not be double-charged or inconsistently charged as both. For more information, please see the Department's Indirect Cost website.

## Student Emergency Financial Aid Grants

- Eligibility, “any individual who is or was enrolled (as defined in 34 CFR § 668.2) at an eligible institution (as defined in 34 CFR § 600.2) on or after March 13, 2020, the date of declaration of the national emergency due to the coronavirus (85 FR 15337). Thus, students are no longer required to be eligible for Title IV student financial aid in order to receive HEERF grants to students.”
- International and Undocumented students may receive HEERF III Funding.
  - o The Department encourages institutions to prioritize domestic students, especially undergraduates, in allocating this funding. Domestic students include citizens, permanent residents, refugees, asylum seekers, DACA recipients, other DREAMers, and similar undocumented students.
- Institutions are directed to prioritize students with exceptional need, such as students who receive Pell Grants or are undergraduates with extraordinary financial circumstances in awarding emergency financial aid grants to students.
  - o Other types of exceptional need could include students who may be eligible for other federal or state need-based aid or have faced significant unexpected expenses, such as the loss of employment (either for themselves or their families), reduced income, or food or housing insecurity
- Students studying abroad may receive HEERF emergency financial aid grants.
- Emergency financial aid grants may be used by students for any component of their cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care) or child care. Students determine how they may use their emergency financial aid grant within the allowable uses.
- Emergency financial aid grants are not considered taxable income to students, and should not be counted as income when calculating a family’s Expected Family Contribution.
- Emergency financial aid grants are not financial aid and should not be included in a student’s financial aid award package.
- If a student does not cash their emergency financial aid grant check by a reasonable date, the institution may choose to void the check and redistribute the funds to other students by the end of their HEERF grant performance period. Institutions should engage in reasonable attempts to contact a student prior to voiding a check for an emergency financial aid grant and should document the procedures, policies, and general student contact efforts made and followed as part of their administration of their HEERF grants.
- Institutions cannot use HEERF grant funds for students to recover stop-payment fees incurred to voided and re-issued financial aid checks lost or never received by students. However, stop payment fees may be an allowable expenditure under the HEERF (a)(1) Institutional Portion grant provided the fees are reasonable.
- As in previous iterations, institutions may not condition the receipt of an emergency financial aid grant on continued or future enrollment. Institutions cannot require a student to consent to the application of the emergency financial aid grant to the student’s outstanding account balance as a condition of receipt of or eligibility for an emergency financial aid grant.

## Institutional Funds

- There are two new required uses of grant funds if the Institutional Portion is not used entirely for emergency financial grants to students, a portion of funds must be used to:
  - (a) implement evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines; and
    - Examples:
      - Testing
        - Setting up testing site, purchasing tests, hiring additional personnel to administer tests
        - Hiring contract tracers
      - Prevention
        - Vaccination sites, providing PPE , purchasing hand sanitizers or handwashing stations, cleaning and disinfection, enhanced ventilation, mask campaigns, modified layouts, costs associated with vaccine efforts, redesigning food service facilities, developing training and communication systems to communicate with students
      - Reducing Barriers to Vaccination
        - Paying for time off for staff to get vaccine, providing sick leave for employees to get vaccinated
      - Supporting Students
        - Providing space on/off campus to house students and supporting costs for students in isolation/quarantine
        - Provide academic support and mental health services for students in isolation/quarantine
    - As part of the proper administration of their HEERF grants, institutions should document how they utilized public health guidelines in implementing this required activity
  - (b) 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, described in section 479A of the HEA.
    - Requires notice to financial aid applicants and recipients that they may be able to receive a financial aid adjustment due to recent unemployment of a family member or independent student or other circumstances.
  - There is no specific threshold or amount institutions must use to implement these two required activities, but we must clearly document the expenditures under these two required activities.
- **Prohibited fund uses**
  - funding contractors for the provision of pre-enrollment recruitment activities;
  - marketing or recruitment; (See Question 27 on reengagement activities)
  - endowments;
  - capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship;

- senior administrator or executive salaries, benefits, bonuses, contracts, incentives, stock buybacks, shareholder dividends, capital distributions, and stock options, or any other cash or other benefit for a senior administrator or executive;
  - religious worship, instruction, or proselytization or equipment or supplies to be used for religious worship, instruction, or proselytization; or
  - construction or purchase of real property
    - Grantees are prohibited from using HEERF funding for the acquisition of real property or construction under 34 CFR § 75.533. This includes using HEERF grant funds on capital projects, including deferred maintenance and capital improvement.
    - However, this general prohibition does not extend to activities that meet the definition of “minor remodeling” under [34 CFR 77.1](#).<sup>2</sup>
- Permitted Uses
- Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll); and
    - **Payroll:** ARP, CRRSAA funds, and unspent CARES Act funds can be spent on payroll (including employee benefits) to defray expenses of hiring more staff, expanding class sections, or costs associated with transitioning to remote learning, if:
      - (1) such costs are newly associated with coronavirus and
      - (2) the costs were incurred on or after March 13, 2020, the date of the declaration of the national emergency due to the coronavirus. Consistent with these principles, an institution may also use ARP funds to pay students for internships and job-training experiences that are aligned with local coronavirus-related recovery needs.
      - *Examples:* HEERF grant funds can be used to pay for any new staff, or repurposed staff, if the new or repurposed staff’s work is associated with coronavirus (e.g., contact tracers, IT staff, additional medical personnel, teaching assistants, offering smaller class sizes to support social distancing, etc.). HEERF grant funds can also be used to pay the salaries (from March 13, 2020 onward) of staff who were unable to work during a period of any full or partial campus closures due to the pandemic (e.g., cafeteria workers, maintenance staff, bookstore clerks, etc.). Finally, any additional/overtime work any staff incurred from March 13, 2020 onward associated with coronavirus (e.g., deep cleaning of dormitories, additional trainings to assist with transitioning to online learning, etc.) can also be paid for with HEERF grant funds.
    - **Discharging Student Debt**

---

<sup>2</sup> *Minor remodeling* means minor alterations in a previously completed building. The term also includes the extension of utility lines, such as water and electricity, from points beyond the confines of the space in which the minor remodeling is undertaken but within the confines of the previously completed building. The term does not include building construction, structural alterations to buildings, building maintenance, or repairs.

- Institutions can discharge student debt or unpaid balance by discharging the complete balance of the debt as lost revenue and reimbursing themselves through the institutional grants or
  - In this scenario would include the associated fees and penalties
- by providing emergency financial aid grants to students with their permission
  - In this scenario the Department of Education encourages institutions to waive associated fees/penalties on student accounts that may have resulted from delays, actions, or needs related to the pandemic
- Institution can select from one of the two options listed above, but cannot exercise both HEERF Program options of reimbursement (i.e., no double-dipping).
- ***Retention and Reengagement***
  - Retention: To support additional academic or mental health support systems that will help students to overcome additional barriers that have arisen as a result of coronavirus that may otherwise prevent them from completing their education.
  - Reengagement: Institutions can discharge the complete balance of a student’s institutional debt as lost revenue and reimburse themselves through their HEERF institutional grants, including associated fees and penalties, so students can reenroll, continue their education, or obtain their official transcript to transfer and/or secure employment.
- Making ***additional emergency financial aid grants to students***.
- ***Minor Remodeling*** as defined above, for purposes associated with coronavirus. Some examples include:
  - The installation or renovation of an HVAC system, to help with air filtration to prevent the spread of COVID-19.
  - The purchase or lease of temporary trailer classroom units to increase social distancing.
  - The purchase or costs of the installation of “room dividers” within a previously completed building to increase social distancing

## Grant Administration

- Quarterly reporting required<sup>3</sup>
  - [Quarterly Institutional Public Reporting Form](#) for (a)(1) Institutional Portion, (a)(2), and (a)(3) Funds no later than 10 days after calendar quarter
    - (July 10, October 10, January 10, April 10)
  - Quarterly Student Public Reporting<sup>4</sup> Required for (a)(1) Student Aid Portion and the CRRSAA (a)(4) and ARP (a)(4) program. The responses to these questions must be conspicuously posted on the institutions' website no later than 10 days after the calendar quarter (July 10, October 10, January 10, April 10).
    - Responses must include the following (7) items.
      - (1) An acknowledgement that the institution signed and returned to the Department the Certification and Agreement and the assurance that the institution has used the applicable amount of funds designated under the CRRSAA and ARP (a)(1) and (a)(4) programs to provide Emergency Financial Aid Grants to Students.
      - (2) The total amount of funds that the institution will receive or has received from the Department pursuant to the institution's Certification and Agreement for Emergency Financial Aid Grants to Students under the CRRSAA and ARP (a)(1) and (a)(4) programs.
      - (3) The total amount of Emergency Financial Aid Grants distributed to students under the CRRSAA and ARP (a)(1) and (a)(4) programs as of the date of submission (i.e., as of the initial report and every calendar quarter thereafter).
      - (4) The estimated total number of students at the institution that are eligible to receive Emergency Financial Aid Grants to Students under the CRRSAA and ARP (a)(1) and (a)(4) programs.
      - (5) The total number of students who have received an Emergency Financial Aid Grant to students under the CRRSAA and ARP (a)(1) and (a)(4) programs.
      - (6) The method(s) used by the institution to determine which students receive Emergency Financial Aid Grants and how much they would receive under the CRRSAA and ARP (a)(1) and (a)(4) programs.
      - (7) Any instructions, directions, or guidance provided by the institution to students concerning the Emergency Financial Aid Grants.
- Annual Reporting will be required in early 2022
- Institutions will be subject to [audit](#)
- Institutions must expend HEERF funds within one year from the date when the Department processed the most recent obligation of funds for each specific grant.

---

<sup>3</sup> Each report is separate for the calendar quarter reporting period and not cumulative. Institutions that expended HEERF grant funds during the calendar quarter from January 1 – March 30 are required to post the two quarterly reports that involved the expenditure of HEERF II CRRSAA and HEERF I CARES Act funds. For the July 10, 2021 quarterly reporting deadline, institutions are encouraged to also submit their two quarterly reports (institutional and student) to the Department by emailing those reports as PDF attachments to [HEERFreporting@ed.gov](mailto:HEERFreporting@ed.gov).

<sup>4</sup> The Certification and Agreements for the CRRSAA and ARP (a)(1) and (a)(4) funds provide that each institution applying for HEERF funds must promptly and timely provide a detailed accounting of the use and expenditure of the funds in such manner and with such frequency as the Secretary may require. Each HEERF participating institution must post the information listed below on the institution's primary website, as an initial report under the CRRSAA and ARP (a)(1) and (a)(4) programs. This report is associated with the approved information collection under OMB control number 1801-0005.

- In other words, UHS institutions have a year to spend all the remaining CRRSAA, CARES, and new ARP funds from the date the ARP supplemental award is made. This information will be indicated in ox 6 of the GAN.
  - No Cost Extensions (of up to 12 months are available as provided for in 2 CFR §
  - 200.308(e)(2).) are available, but cannot be exercised merely for the purpose of using unobligated expenses.
- HEERF grantees are obligated to minimize time between drawing down funds from G5 and paying obligations incurred by the grantee (liquidation).
  - If institutions are using HEERF funds to make emergency financial aid grants to students, they should draw down the funds from G5 and distribute the emergency grants to students within 15 calendar days
- Institutions that receive an ARP (a)(1) or (a)(4) supplemental award(s) must draw down any amount of its grant funds within 90 days of the date of each supplemental award
- Failure to draw down any amount (\$1 or more) 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.

### Supplemental Grant Agreements

<https://www2.ed.gov/about/offices/list/ope/arpheerfiiisupplementalstudent.pdf>

<https://www2.ed.gov/about/offices/list/ope/arpheerfiiisupplementalinstitution.pdf>

### Resources

[HEERF III FAQs](#)

[Department of Education HEERF III Resource Page](#)

[Federal Register Notice of Public Posting Requirements of Grant Information for HEERF Grantees](#)