



Coronavirus Aid, Relief, and Economic Security (CARES) ACT Guidelines

Last Revised: **12/10/2020**

Board Policy Reference:	
Statutory, Accreditation, and Federal Reference:	<p>U.S. Department of Education</p> <p>Coronavirus Aid, Relief, and Economic Security Act</p> <p>CARES Act: Higher Education Emergency Relief Fund</p>
Related Form(s):	

National and International events associated with COVID-19 (Coronavirus) have required the Nebraska State College System to adopt alternative options to facilitate the successful completion of the 2020-2021 academic year for students at Chadron, Peru and Wayne State Colleges. This is an evolving situation and System and College officials continue monitoring via regular updates and guidance from the US Centers for Disease Control and Prevention, the Nebraska Department of Health, and local health professionals. New and revised guidance will be added to this document as additional information becomes available.

Contents

1.	CARES Act – Higher Education Emergency Relief Fund (HEERF)- Student Support.....	3
1.1.	Certification Requirements.....	3
1.2.	Distribution Timeline	3
1.3.	Eligible Students.....	3
1.4.	Allowable Expenditures	4
1.5.	Distribution Method & Award Amounts.....	4
2.	CARES Act HEERF – Institutional Portion	5
2.1.	Certification & Institutional Eligibility Requirements	5
2.2.	Allowable Expenditures	5
2.3.	Use of Funds for Emergency Financial Aid.....	6
2.4.	Reporting Requirements.....	6
3.	Finance and Accounting.....	6
3.1.	Federal COVID-19 Financial Resources	6

1. CARES Act – Higher Education Emergency Relief Fund (HEERF)- Student Support

1.1. Certification Requirements

The College official who signs the [Recipient's Funding Certification and Agreement](#) Emergency Financial Aid Grants to Students under the Coronavirus Aid, Relief, and Economic Security (CARES) Act form shall be the College designee legally obligated to sign non-Title IV federal grant applications, or the College President.¹

1.2. Distribution Timeline

Colleges may begin making HEERF awards to students once funds become available from the U.S. Department of Education (U.S. DOE). Colleges may draw upon existing data and/or survey data collected through an application form to determine how to allocate funds directly to students. A portion of the funds may be distributed for students enrolled during the Spring 2020 term for students experiencing significant disruption due to the Coronavirus. If funds from the U.S. DOE do not become available until after May 8, 2020, Colleges may still make HEERF awards to any student who was enrolled during the Spring 2020 term. Colleges may designate a pool of HEERF funds to support future disruptions that are likely for students enrolled during the Summer 2020, Fall 2020, and Spring 2021 terms. Notification of awards can be made to students prior to the beginning of the Summer 2020, Fall 2020, or Spring 2021 terms to be used during those terms. When making awards beyond the Spring 2020 term, the College shall be prepared to document how HEERF funds are resulting in emergency grants directly linked to the Coronavirus. Disbursement of HEERF funds to these students shall occur during a time established by the College to fall within the start and end date for the specific term for which the funds are awarded. Spring 2021 disbursements shall occur between January 11, 2021 and March 27, 2021.

All funds must be distributed prior to April, 1 2021 or returned to the U.S. DOE. Any State College that does not use the dollars allocated to its campus under the U.S. DOE formula, shall request re-distribution to another Nebraska State College before returning unused funds.

1.3. Eligible Students

Only students who are eligible to participate in programs under [Section 484 in Title IV of the Higher Education Act of 1965](#) (see page 575) may receive HEERF awards.² Eligible students must have filed a FASFA and:

- Must be a regular student enrolled in an eligible program;
- Must be qualified to study at the postsecondary level – such as having a high school diploma or completed homeschooling;
- Must be making satisfactory academic progress per the school's satisfactory academic progress policy;

¹ Guidance provided by the National Association of Student Financial Aid Administrators (NASFAA) organization, in [Frequently Asked Questions](#) response to members on April 12, 2020.

² [Letter](#) from U.S. DOE Secretary of Education Betsy DeVos detailing expectations for the use of HEERF funds.

- Cannot have a federal or state drug conviction that occurred during a period of enrollment for which the student was receiving federal student aid;
- Must be a US citizen or eligible non-citizen;
- Cannot be in default on a federal student aid loan or owe an overpayment on a federal student aid grant or loan;
- Must provide a correct social security number;
- Cannot have exceeded the annual or aggregate loan limits;
- Must have completely repaid fraudulently obtained funds if student had been convicted of, or pled no contest or guilty to a crime involving fraud in obtaining FSA funds;
- Cannot have property subject to a judgment lien for a debt owed to the United States.
- Who is male and aged 18-25 must be registered with the Selective Service System or be exempt from registering;

In addition to the requirements outlined above, Colleges may only make awards to those students who completed the FASFA and were enrolled in one or more courses during the Spring 2020 term that were transitioned to remote delivery. Additional exclusions include students enrolled in dual credit or early entry courses, International, and DACA students.

1.4. Allowable Expenditures

Colleges shall not reimburse themselves using CARES Act funding that is earmarked to provide HEERF awards directly to students and may not be used to cover outstanding balances for room, board, tuition, or fees. These funds may not be used to reimburse College funds (i.e., outstanding room, board, tuition, and fees) it has already provided to students prior to when the College began drawing down HEERF funds. This is also true for any refunds of institutional charges the College previously provided to students. Each College shall be prepared to report to the U.S. DOE how grants were distributed to students, how the amount of each grant was calculated, and any instructions or directions that the institution gave to students about the awards.

Funds are expected to provide aid to students for expenses related to the disruption of campus operations due to Coronavirus. These expenses may include items such as food, housing, course materials, technology, health care, and child-care expenses. Colleges shall not award HEERF dollars directly to student accounts to cover student tuition and fee expenditures.

Colleges shall not use the advanced funds to reimburse themselves for any costs or expenses, including but not limited to any costs associated with significant changes to the delivery of instruction due to the Coronavirus and/or any refunds or other benefits that the Colleges previously issued to students.³

1.5. Distribution Method & Award Amounts

HEERF dollars shall be distributed as a direct payment to students, and may not be applied as credit to a student account.⁴ The U.S. DOE has recommended that aid not exceed \$6,195

³ Guidance provided by NASFAA in response to a FAQ related to [Allowable Reimbursements](#) from members on April 13, 2020.

⁴ Email guidance provided by Senior Director of Government Affairs at the National Association of College and University Business Officers.

(equivalent to the 2019-20 Pell award amounts), but each College may determine the appropriate amounts based on the methodology that works best for its Emergency Relief program.⁵

The IRS has issued guidance noting that awards will not be designated as taxable income for students but Colleges shall implement processes for tracking HEERF awards. Awards shall be processed through the student financial aid account system using a method that allows for processing of the full amount of a HEERF award, even if there are existing balances on a student account. Reporting of CARES Act student awards on the 1098-T shall be in accordance with instructions provided by the System Office.

HEERF awards shall not be used in the calculation of student or parent income for the calculation of expected family contribution (EFC) or as (EFA) when future packaging for students occurs. This applies to any funds a student receives from an IRS stimulus check.⁶

2. CARES Act HEERF – Institutional Portion

2.1. Certification & Institutional Eligibility Requirements

The College President shall be responsible for signing the [Recipient's Funding Certification and Agreement](#) for the Institutional Portion of the Higher Education Relief Fund Formula Grants under the CARES Act. To be eligible to receive the institutional portion of the available funds, the College must first submit the Certification for the HEERF with the intent to distribute available funds under the requirements outlined for that program.

2.2. Allowable Expenditures

Colleges may use the institutional portion of the CARES Act funds to cover any costs associated with significant changes to the delivery of instruction due to the Coronavirus.⁷ Allowable expenditures include:

- Institutional costs to expand remote learning programs, and/or build IT capacity required to support such a program, to include salaries of staff training faculty in new technology and enhanced online education techniques;
- Reimbursement to the College for refunds to student room and board, tuition, and other fees that were made on or after March 13, 2020;
- Reimbursement to the college for the purchase of laptops, hotspots, or other instructional technology equipment and software to enable students to participate in distance learning as a result of the transition to remote delivery;
- Salaries of staff who assist students with a transition to on-line education;
- Salaries of staff training faculty in new technology and enhanced online education techniques;

⁵ Guidance [letter](#) from U.S. Department of Education Secretary DeVos on April 9, 2020.

⁶ Guidance provided by NASFAA in response to a FAQ related to [Estimated Financial Assistance](#) from members on April 4, 2020.

⁷ [Letter](#) from U.S. DOE Secretary of Education Betsy DeVos detailing expectations for the use of Institutional funds along with guidance provided by the National Association of College and University Business Offices in [Discussion Thread](#) among members.

- Expenses for external services and staff tasked with converting class sessions from synchronous to asynchronous delivery;
- Expenses of expanding library access and converting to exclusively online delivery of materials;
- Expenses to conduct academic advising sessions virtually;
- Increased student services expenses for counseling, tutoring and other services, to help with the transition to online learning;
- Expenses for retooling vocational labs for future months. Many programs must have hands on learning to offer degrees and certificates. The hands-on experience will need to accommodate with social distancing and limit the use of shared tools;
- Costs related to sanitizing and social distancing while providing classroom education, if students are returning in the summer and fall;
- Redeployed IT programmers and other technicians to increase capacity or modify certain courses;
- Staff salaries to handle increased calls for online support or helpdesks;
- Delivering meals to high need students and extra cleaning and sanitizing of related facilities; and
- Any grant overhead (indirect cost) allocation for the above that can be documented by the College.

2.3. Use of Funds for Emergency Financial Aid

Colleges that have additional funds available after addressing costs associated with significant changes to the delivery of instruction may use those funds to provide additional support for students with the most significant financial needs arising from the pandemic. Eligible expenditures include those expenses arising from a student's cost of attendance (course materials, technology, health care, childcare, food, and housing). Colleges shall use the student eligibility requirements outlined under the "HEERF" section of these guidelines when making awards using Institutional portion of the CARES Act funds.

2.4. Reporting Requirements

Colleges shall report the use of the funds for institutional costs by accounting for the amount of reimbursements made to students for housing, food, or other services. They shall also outline the internal controls the Colleges have in place to ensure funds are used for allowable purposes and in accordance with cash management principles.⁸

3. Finance and Accounting

3.1. Federal COVID-19 Financial Resources

All Federal resources received through House Resolution 6201 – The Families First Coronavirus Response Act (FFCRA) or the Coronavirus Aid, Relief, and Economic Security (CARES) Act shall be accounted for at the College through the creation of a new Business Unit that incorporates the value “COVID-19” in Category Code 21.⁹ No COVID-19 activity shall be co-mingled in any existing business units. If resources are obtained through H.R. 6201, the College must notify

⁸ [Frequently Asked Question](#) guidance provided by the U.S. Department of education on April 21, 2020.

⁹ Per a Memorandum entitled “COVID-19 Federal Funding Guidance” from Gerry Oligmueller, State Budget Administrator and Phil Olsen, State Accounting Administrator dated March 24, 2020.

the System office so the appropriate notification can be provided to State Accounting and the designated State Budget Division analyst. Additional federal fund expenditure authority may need to be requested.