

HEERF Update: Where are the “Gotchas”?

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7.15.21



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Serving Nonprofit and Higher Education Clients Nationwide



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Our Higher Education Expertise

Demographics



95
Institutions

served during 2020



5th Most
Active Firm

in private college
submissions to FAC
in 2019



96 UG
Engagements

71 higher-education
related

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HEERF – FASB ASUs and ASCs

- ASU 2014-09 Revenue From Contracts With Customers (Topic 606)
 - [NACUBO Advisory Reports](#)
- ASU 2018-08 NFP Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made

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Lessons from HEERF Audits

- Rules and interpretations are subject to change
 - i.e., FAQs from May 24, 2021, likely not the last update
- HEERF is not FSA but is subject to Uniform Guidance
 - i.e., Matrix of Compliance requirements A-N

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Lessons from HEERF Audits

- Uniform Guidance experience
 - [Compliance Supplement August 2020](#)
 - [Compliance Supplement Addendum December 2020](#)
 - Procurement Suspension & Debarment

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Lessons from HEERF Audits

- Uniform Guidance expectation
 - Compliance Supplement 2021
 - Compliance Supplement Addendum 2021
 - Cash Management audit requirements TBD

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Lessons from HEERF Audits – Resources

- [Cares Act HEERF I ED website](#)
- [CRRSAA HEERF II ED website](#)
- [ARP HEERF III ED website](#) – latest information and guidance
 - Check this site often

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Higher Education Emergency Relief Fund Overview

CARES Act	CAA/CRRSAA	ARP
March 2020	December 2020	March 2021
HEERF I	HEERF II	HEERF III
\$14B	\$22.7B	\$40B

- [NASFAA HEERF Comparison Chart](#)
- [NACUBO COVID-19 HEERF Resource Center](#)
- [NASFAA Coronavirus \(COVID-19\) Web Center](#)

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HEERF – Student Allowable Expenditures Overview

HEERF I	HEERF II	HEERF III
<ul style="list-style-type: none"> • Cost of attendance (COA) eligible expenses 	<ul style="list-style-type: none"> • Any component of student's COA • Emergency costs due to pandemic 	<ul style="list-style-type: none"> • Same

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HEERF – Institution Allowable Expenditures Overview

HEERF I	HEERF II	HEERF III
<ul style="list-style-type: none">• Due to significant changes to delivery of instruction• Additional emergency grants to students	<ul style="list-style-type: none">• Associated with the pandemic• Student support activities authorized by Higher Education Act (HEA)• Additional grants to students	<ul style="list-style-type: none">• Associated with the pandemic• Additional grants to students• Must use a portion to monitor and suppress coronavirus and direct communication or outreach to students

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HEERF II – Institution Allowable Expenditures

- Lost revenue
- Reimbursement for expenses already incurred
- Technology costs associated with transition to distance education
- Faculty and staff training
- Payroll – pandemic-related hires and non-working employees

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HEERF II – Institution Allowable Expenditures

- Student support activities authorized by HEA addressing needs related to coronavirus
- Additional financial aid grants to students

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HEERF III – Institution Allowable Expenditures

- HEERF II allowable expenditures
- Institutions must expend some funds to:
 - Monitor and suppress coronavirus using evidence-based practices in accordance with local public health guidelines
 - Direct outreach to SFA applicants re: opportunity for additional financial aid

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LOST REVENUE

- Revenue otherwise expected but that was reduced or eliminated as a result of the novel coronavirus 2019 (COVID-19) pandemic. As such, lost revenues can only be estimated. [ED Lost Revenue FAQ March 19, 2021](#)
 - Institutional portion only
 - Includes student debt discharge

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LOST REVENUE

- Student revenues
 - ED lost revenue FAQ uses gross tuition x rate
 - Base and budget year methodologies likely use net tuition
 - [NACUBO HEERF Resource Center](#)

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STUDENT DEBT DISCHARGE

- Obtain written consent from the student to use a grant to discharge their debt. Must disclose to student that they do not have to use those funds to pay down balance.
- Write off remaining balance and charge it to Lost Revenue to be reimbursed with HEERF.
 - [HEERF III FAQ 26](#)

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STUDENT DEBT DISCHARGE

- Question 26 HEERF FAQs updated May 24, 2021
 - Transcript withholding
 - Enrollment hold
 - Transfer student

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Two New HEERF III Required Activities

- Document how the amount of the HEERF grant spent on the two required activities was reasonable and necessary given the unique needs and circumstances
 - [HEERF III FAQ 35](#)
 - Enrollment and headcount
 - Geographic location
 - Proportion of disadvantaged students

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Direct Outreach

- Manner and extent of the direct outreach to financial aid applicants
 - Document the nature and frequency of student communications
 - Document measures responding to returned mail and email

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Evidenced-Based Practices

- Strategies used to monitor and suppress COVID-19
- Evidence used to support those strategies
- Link to public health guidelines

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HEERF Reporting Requirements

- Quarterly on institutional website within 10 days of end of quarter
- [Quarterly Institutional Public Reporting Form](#)
- [Quarterly Student Public Reporting Requirement](#) (no form is provided at present, only a listing of required content)

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HEERF Reporting Requirements

- Q1 2021 HEERF I & II separately
- Q2 2021 – institutions encouraged to submit student and institution report to ED at:

HEERFreporting@ed.gov

- [HEERF III FAQ 26](#)

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HEERF III – Heard on the Street

- Incremental draw-downs
- Only as necessary
- Cash management 3 days and 15 days
- Demonstrate an intent to use the funds with 90 days
- August 11

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Questions?



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Thank you!

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