



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

January 14, 2021

Dear Public and Private Nonprofit College and University Presidents:

The ongoing disruption caused by the COVID-19 global pandemic continues to create enormous challenges for colleges throughout the country. Effectively responding to the coronavirus threat and keeping staff and students safe while preserving the learning environment imposes additional costs to both institutions and students. In response to this ongoing crisis, we are working quickly to implement the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Pub. L. 116-260 (Dec. 27, 2020), which provides an additional \$22.7 billion for the Higher Education Emergency Relief Fund (HEERF). Of this amount, over \$20 billion is available for supplements and new formula grants to assist public and private nonprofit colleges and universities in preparing for, preventing, and responding to coronavirus.

The allocation table for awards under section 314(a)(1) of CRRSAA is available [here](#), and the methodology used to implement the CRRSAA-established formula can be found [here](#). Generally, the table identifies the minimum amount each institution must reserve for emergency grants to students, which is the amount institutions will receive under the Student Portion (CFDA 84.425E) supplemental funding opportunity. This amount is the larger of either the amount your institution was required to provide to students under the CARES Act, or the amount your institution is receiving based on its share of students who were enrolled exclusively in distance education prior to the qualifying emergency. These funds must be reserved to provide students with financial aid grants, which may be used for any component of the student's 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. If an institution obtains a student's written (or electronic), affirmative consent, an institution is permitted to apply these grants directly to the student's institutional account; however, students must be informed that they retain the option to receive a direct disbursement of the financial aid grant and that an institution may not require that the grant be applied to the student's account.

Unlike the CARES Act, the CRRSAA requires that institutions prioritize students with *exceptional need*, such as students who receive Pell Grants, in awarding financial aid grants to students. However, students do not need to be Pell recipients or students who are eligible for Pell grants to be identified as having exceptional need. In addition, the CRRSAA explicitly provides that financial aid grants to students may be provided to students exclusively enrolled in distance education. I want to emphasize that institutions can use more than the minimum amount for financial aid grants to students and encourage you to do so. For more information on allowable

400 MARYLAND AVE., S.W., WASHINGTON, DC 20202
www.ed.gov

uses of funds, including the authority to repurpose unspent funds still available under your section 18004(a)(1) CARES Act award, see our [\(a\)\(1\) Frequently Asked Questions document here](#), which can also be accessed by navigating through our [CRRSAA HEERF II webpage](#).

We have endeavored to make accessing these funds as simple as possible and have provided detailed instructions below:

- **Institutions that already have CARES Act-HEERF awards under both the Student Portion (CFDA 84.425E) and Institutional Portion (CFDA 84.425F) funding opportunities** do not need to submit additional applications. Over the next few weeks, the Department will automatically process your additional funding as supplements to your existing grant awards. However, note that the new funds are subject to a different agreement than the original CARES Act Certification and Agreements. As such, we have included language in the Grant Award Notification (GAN) stipulating that drawing down any amount of these supplemental funds constitutes your institution's acceptance of the new Supplemental Agreement for that program. For reference, examples of the new Supplemental Agreements for the Student Aid Portion and Institutional Portion grants are available in our notice announcing the availability of these new funds in our [Federal Register notice here](#) (January 15, 2021) and will be included with the GAN when each supplemental award is made. In addition, your GAN includes language that explains how the CRRSAA has modified your Certifications and Agreements for your existing CARES Act awards, for funds that remain unobligated (unspent) as of December 27, 2020.
- **Institutions with a CARES Act-HEERF award under the Student Portion (CFDA 84.425E) funding opportunity but not under the Institutional Portion (CFDA 84.425F) funding opportunity** will receive the Student Portion of their funding as a supplement. Drawing down any amount of these supplemental funds constitutes your institution's acceptance of the new Supplemental Agreement. To access the Institutional Portion of these funds, institutions will need to submit an application via [Grants.gov](#) for the Institutional Portion. A complete application must include the SF-424, SF-424 supplemental form, the certification and agreement for the Institutional Portion (“[Blue C&A](#)”) of the institution's allocation under section 314(a)(1) and, if applicable, the [Required Notification of Endowment Excise Tax Paid](#) form. These forms can also be found at our [CRRSAA HEERF II webpage](#).
- **Institutions without a CARES Act-HEERF award under either the Student Portion (CFDA 84.425E) or the Institutional Portion (CFDA 84.425F) funding opportunities** will need to apply via [Grants.gov](#) for both awards separately under section 314(a)(1) of the CRRSAA. A complete application consists of a SF-424, SF-424 supplemental form, and certification agreements under each funding opportunity (the “[Gold C&A](#)” and “[Blue C&A](#)”)—one set of forms under the Student Portion and one under the Institutional Portion of the award (and, if applicable, the [Required Notification of Endowment Excise Tax Paid](#) form). These forms can also be found at our [CRRSAA HEERF II webpage](#).

I want to call your attention to a few other key points regarding the timing of obligation of the CRRSAA awards.

- First, for those institutions that will be required to submit applications, please do so as soon as possible. The Department will begin making awards as applications are received and is directed by CRRSAA to reallocate any funds for which institutions have not yet applied within 90 days of the publication of the [notice](#) announcing the availability of funding, which is April 15, 2021.
- Second, if your institution received a grant under the CARES Act, please make sure that you have fulfilled the [HEERF reporting requirements](#). Institutions that have not yet complied with the reporting requirements of the CARES Act may receive delayed supplemental (a)(1) awards and/or may receive awards with a restriction on the ability to drawdown those awarded funds (stop payment status) until the institution has satisfied its CARES Act HEERF reporting obligations.
- Third, if your institution paid or expects to pay the excise tax on endowments for tax year 2019, you must also submit the [Required Notification of Endowment Excise Tax Paid](#) form to the Department within 30 days of making a determination that your institution is required to pay the tax. If receiving a supplemental award, institutions must email the completed form to HEERF@ed.gov and your assigned education program officer contact. If applying for a new award, you must submit the form with your application for grant funds by uploading the form to the “Other Attachments” section of [Grants.gov](#).¹

After the Department obligates these awards, institutions can begin drawing down funds in the G5 system. The Department is also working expeditiously to allocate the remaining funding provided under other provisions of CRRSAA section 314, and we will provide details on how eligible institutions may apply for this additional emergency funding in the coming days. Thank you for your continued work on behalf of America’s students.

Sincerely,



Christopher J. McCaghren, Ed.D.,
Acting Assistant Secretary for
Postsecondary Education

¹ Note that under the CRRSAA, if your institution was required or will be required to pay the endowment excise tax for tax year 2019, your institution’s allocation must be reduced by 50 percent and the funds can only be used for financial aid grants to students (subject to the required minimum “floor” amount that must be provided to students), or for sanitation, personal protective equipment, or other expenses associated with the general health and safety of the campus environment related to the coronavirus emergency. Such institutions must fill out the Required Notification of Endowment Excise Tax Paid form indicating that they paid or will pay the endowment excise tax in tax year 2019 and agree to the conditions for their CRRSAA section 314 funds.