

**Higher Education Emergency Relief Fund (HEERF) II
Public and Private Nonprofit Institution (a)(2) Programs (CFDAs 84.425K)
Frequently Asked Questions¹
Coronavirus Response and Relief Supplemental Appropriations Act, 2021**

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On December 27, 2020, the President signed the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) (P.L. 116-260). This new law gives the U.S. Department of Education (Department) approximately \$22.7 billion to distribute to institutions of higher education in order to prevent, prepare for, and respond to coronavirus through the HEERF. Below are some Frequently Asked Questions that pertain to CRRSAA funding.

Question: When should my institution draw down funds once they have been obligated by the Department?

Answer: Although the entire amount of a grantee's CRRSAA Student Aid Portion or Institutional Portion grant award or supplemental award will be available to the grantee as soon as it has been obligated by the Department, under [2 CFR § 200.305\(b\)](#), HEERF grantees are under an obligation to minimize the time between drawing down funds from G5 and paying obligations incurred by the grantee (liquidation). If a HEERF grantee is using HEERF grant funds to make financial aid grants to students, the Department may evaluate for compliance with the rule grantees who have not drawn down the funds from G5 and not paid the obligations (the financial aid grants to students) to the students within fifteen calendar days. For all other allowable uses, the Department may evaluate grantees who have not taken these steps within three calendar days. This enhanced flexibility for student grant programs is because students may not accept and draw down their financial aid grants from grantees' accounts within the three-day window, or an institution may experience difficulties in contacting eligible students due to factors related to the pandemic.

Question: Can my institution charge indirect costs to its HEERF grants?

Answer: Indirect costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any Student Portion grant awards because the student allocation represents an amount of funds that must be distributed to students. Generally, this indirect cost rate will be the on-campus rate specified in an institution's negotiated indirect cost rate agreement. If an institution does not have a current negotiated indirect cost rate with its cognizant agency for indirect costs, it may appropriately charge the *de minimis* rate of ten percent of Modified Total Direct Costs (MTDC).¹

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](#).

Question: Can my institution charge direct administrative costs to its HEERF grants?

Answer: Reasonable direct administrative costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any Student Portion grant awards because the student allocation represents an amount of funds that must be distributed to students.

Any direct administrative costs charged to the grant must be documented and, as with all costs, must be reasonable and necessary for the performance of the grant per the Cost Principles of the Uniform Guidance, [2 CFR part 200 subpart E](#).

Question: Under the Uniform Guidance requirements, institutions must receive [prior written approval](#) (prior approval) for many types of costs under [2 CFR § 200.407](#). Is that prior approval required for HEERF grants?

Answer: Generally, no. This FAQ constitutes notice that due to the COVID-19 pandemic, the Department is providing its prior approval for the following cost items for all formula grants under the HEERF program from March 13, 2020 through the period of grant performance specified under your institution's GANs for all HEERF grants, whether awarded under section 18004 of the CARES Act or section 314 of the CRRSAA:

- [§ 200.308 Revision of budget and program plans](#)
- [§ 200.313 Equipment](#)
- [§ 200.430 Compensation—personal services, paragraph \(h\)](#)
- [§ 200.431 Compensation—fringe benefits](#)
- [§ 200.456 Participant support costs](#) (defined at [§ 200.75](#))
- [§ 200.458 Pre-award costs](#)
- [§ 200.475 Travel costs](#)

All cost items charged under these categories must be documented and, as with all costs, must be reasonable and necessary for the performance of the grant per the Cost Principles of the Uniform Guidance, [2 CFR part 200 subpart E](#).

Please note that, per the Certification and Agreements and Supplemental Agreements for the HEERF program and under section 314(d)(3) of the CRRSAA, senior administrator and executive salaries, benefits, bonuses, contracts, and incentives; stock buybacks, shareholder dividends, capital distributions, and stock options; and any other cash or other benefit for a senior administrator or executive are not allowable costs under the HEERF program. Other cost items listed in [2 CFR § 200.407](#) that require prior approval continue to require the institution to seek approval from the Department prior to charging those cost items to your HEERF grant. Please email of your assigned education program officer contact as indicated by Box 3 in your GAN with any questions.

Question: Where can I obtain more information about the HEERF program?

Answer: Institutions should regularly check our [HEERF II CRRSAA website](#) for the latest CRRSAA information and program guidance. For earlier CARES Act information and program guidance, please check our [HEERF CARES Act website](#) here

1 Please see “[Direct and Indirect \(F&A\) Costs](#)” in the Uniform Guidance, 2 CFR part 200, for more information.