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CARES Act Criteria of Eligibility

Overview

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) includes a Higher Education Emergency Relief Fund (HEERF) that provides more than \$14 billion in emergency funding to higher education. Of those funds, more than \$6 billion must go directly to students in the form of emergency financial aid grants (HEERF-student share) for expenses related to the disruption of campus operations due to the COVID-19 crisis. On April 9, 2020, the ED published a list of individual institutional [allocations](#), a [certification form](#) that must be signed and returned in order to access the funds, and a [letter](#) from Secretary Betsy DeVos outlining ED's implementation of the CARES Act program. On April 21, 2020, ED released [additional clarification](#) on student eligibility and allowable uses of HEERF-student share funds.

On May 21, [ED announced](#) that they will not be enforcing previous guidance that required students to be Title IV eligible to receive HEERF Grants, because the guidance lacks “the force and effect of law.”

Then, on June 17, ED issued a preview of its interim final rule regarding the distribution of coronavirus emergency relief grants to students, doubling down on its position that only Title IV-eligible students can receive the funding.

ED clarified in the rule that enforcement of the Title IV eligibility interpretation will not be retroactive before the date of publication in the Federal Register, but reminded institutions of its prior guidance regarding funds issued to individuals living in the country illegally, those enrolled in the Deferred Action for Childhood Arrivals (DACA) program, and international students.

Using ED's guidance, along with the CARES Act legislative language, NASFAA developed the following resource to assist institutions in determining eligibility and allowable uses for the HEERF-student share. NASFAA's analysis of the [institutional portion](#) of the HEERF funds can be found [here](#).

Fast Facts

- **Not Title IV Aid, but Title IV Eligibility Required:** While HEERF-student share dollars are not Title IV aid, ED's final rule published June 17 states that

students must meet Title IV eligibility requirements in order to receive HEERF emergency grants.

- **Expense v. Need:** HEERF-student share dollars are to aid students for *expenses* related to the disruption of campus operations due to the coronavirus; this is different than a change in a student's *financial need* due to COVID-19, which could be a result of a loss of income rather than new expenses.
- **Direct to Students:** Institutions must pay HEERF-student share emergency grants directly to students and may not apply the grants toward outstanding institutional charges.

Frequently Asked Questions and Answers

Q: Which students are eligible to receive HEERF-student emergency funds?

A: The April 21 guidance, as well as the June 17 final rule, states that students must meet Title IV eligibility requirements in order to receive HEERF emergency funds. After confirming the Title IV eligibility requirements, the institution retains discretion over which students will receive HEERF-student share funds. According to the certification agreement, institutions are required to comply with "all applicable laws including non-discrimination laws" when determining who will receive the emergency grants. Beyond that stipulation, there are no further prohibitions of specific students in the certification agreement. Therefore, any Title IV-eligible student may receive HEERF-student share funds, unless prohibited by another law, which would include DACA students, undocumented students and international students.

There have been many questions about awarding HEERF-student share funds to international students, online students, and undocumented students.

International and Undocumented Students: ED's April 21 guidance states that students must meet Title IV eligibility requirements in order to receive HEERF-student share funds. Therefore, international and undocumented students are not eligible to receive emergency grants.

Online Students: Students who were enrolled exclusively in online programs on March 13 (the date of President Trump's national emergency proclamation) are not eligible for HEERF-student share funds, per ED's April 21 guidance.

Q: Do we have to have a student's Free Application for Federal Student Aid (FAFSA) on file in order to disburse HEERF-student funds to students?

A: While ED's guidance does not require a FAFSA, having one on file would be the only practicable way for an institution to determine that a student is eligible to participate in the Title IV programs and meet all of applicable student eligibility requirements. Without having a FAFSA on file, schools would need to verify that a student meets the Title IV eligibility criteria. In its [HEERF FAQ document](#), ED states the following: "The criteria to participate in programs under Section 484 of the [Higher Education Act (HEA)] include but are not limited to the following: U.S. citizenship or eligible noncitizen; a valid Social Security number; registration with

Selective Service (if the student is male); and a high school diploma, GED, or completion of high school in an approved homeschool setting." Beyond this guidance, a school will need to make its own decisions on how to document if a student is or could be Title IV-eligible when awarding HEERF grants to students.

Institutions that choose to take advantage of ED's non-enforcement policy applicable for disbursements prior to June 17 and not limit eligibility only to students who meet the Section 484 student eligibility requirements must still consider, with the assistance of legal counsel, the applicability of the [Personal Responsibility and Work Opportunity Reconciliation Act](#), and whether and how they will document student citizenship status.

Q: What eligibility criteria are in section 484 of the Higher Education Act (HEA)?

A: Section 484 of the HEA states that Title IV eligible students must:

- - Be enrolled or accepted for enrollment in a degree or certificate program.
 - Not be enrolled in elementary or secondary school.
 - For currently enrolled students, be making satisfactory academic progress.
 - Not owe an overpayment on Title IV grants or loans.
 - Not be in default on a Title IV loan.
 - File "as part of the original financial aid application process" a certification that includes
 - A statement of educational purpose.
 - Student's SSN.
 - Be a U.S. citizen or national, permanent resident, or other eligible noncitizen.
 - Have returned fraudulently obtained Title IV funds if convicted of or pled guilty or no contest to charges.
 - Not have fraudulently received Title IV loans in excess of annual or aggregate limits.
 - Have repaid Title IV loan amounts in excess of annual or aggregate limits if obtained inadvertently.
 - Have Selective Service registration verified.
 - Have Social Security Number verified.
 - Not have a federal or state conviction for drug possession or sale, with certain time limitations.

Q: Is verification a student eligibility requirement under section 484 of the HEA?

A: The verification requirements are not included in HEA Section 484, however, the V4 and V5 selection groups include re-submission of the statement of educational purpose, which is in Section 484.

Q: Given all the uncertainty over the student eligibility requirements, how should we proceed?

A: Lacking further guidance, the most conservative approach for institutions seeking to distribute HEERF dollars within the near future would be to limit eligibility to students who have already met all Title IV eligibility requirements by completing a FAFSA and resolving all C codes and completing verification, if selected by ED.

Institutions that choose to take advantage of ED's non-enforcement policy applicable for disbursements prior to June 17 and not limit eligibility only to students who meet the Section 484 student eligibility requirements must still consider, with the assistance of legal counsel, the applicability of the [Personal Responsibility and Work Opportunity Reconciliation Act](#).

Q: Can a school reimburse itself for any funds it has spent on students related to COVID-19, including refunds for room and board?

A: Institutions may not use the student portion of the HEERF funds to reimburse themselves for tuition or room and board refunds. Schools may use the institutional portion of the HEERF funds to reimburse themselves for refunds made to students on or after March 13, 2020, issued for room and board, tuition, and other fees as a result of significant changes to the delivery of instruction, due to the novel coronavirus.

Q: Can schools apply student emergency grants to a student's account in order to pay off outstanding balances?

A: ED has made clear that the emergency cash grants to students *cannot* be applied toward outstanding balances, and must be disbursed directly to students, using means such as check, electronic funds transfer, payment app, or pre-loaded debit card. Additionally, HEERF-student funds may pass through an institution's student information system/student accounts system as long as the funds are set up as to not pay the student's account balance.

Q: Can institutions use HEERF-student funds to reimburse themselves for emergency cash grants that a school has already disbursed to students?

A: Institutions may use HEERF-student funds to reimburse themselves if they provided an emergency grant to a student that meets the same eligibility criteria of HEERF grant funds on or after March 27 — the day the CARES Act became law. In such instances, ED would consider the institution to have made an advance payment of HEERF dollars to students in anticipation of receipt of the federal deposit.

Q: Can schools use HEERF-student funds to cover the cost of resources the school provided directly to students, such as giving a student a computer or internet hotspot or filling an on-campus food pantry?

A: No, the HEERF funds must be distributed to students in the form of cash grants. The funds must go from the school to the student, and the student can then use their grant to cover coronavirus-related expenses.

Q: By what date must HEERF-student funds be distributed? Can an institution save funds for award year 2020-21?

A: All institutions were given 1 calendar year (365 days) from the date of award in their HEERF Grant Award Notification (GAN) to complete the performance of their HEERF grant. For example, if a grantee received a GAN on April 7, 2020, the one calendar year period of performance for their HEERF grant would be through April 6, 2021.

Q: How should an institution determine which students receive emergency grants and the amount of each grant?

A: Institutions must identify students who have incurred expenses related to the disruption of campus operations due to the novel coronavirus. This can be achieved either through an application form, or by identifying groups of students who have incurred the same expense due to the campus disruption, such as students enrolled in an art class who must now purchase their own supplies. ED encourages institutions to prioritize awarding of emergency grants to students with the greatest need, and suggests using the maximum annual Pell Grant amount as the maximum emergency grant, but these are not requirements; institutions have discretion in this area.

Q: What are the reporting requirements for the HEERF-student funds?

A: Students who receive funding from their institutions are not required to record or track how it is spent. Schools, however, will be required to report:

- - An acknowledgement that the institution signed and returned the certification and agreement form and that the institution has used, or intends to use the funds to provide the mandated amount of at least 50% of the emergency financial aid grants to students.
 - The total amount of funds that the institution will receive, or has received under the HEERF student portion.
 - Of those funds, the total amount that has been distributed to students as of the date of reporting (i.e. the first 30-day deadline, and then every 45 days thereafter).
 - The estimated total number of students at the institution eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965 and therefore eligible to receive an emergency financial aid grant.
 - The total number of students who have received an emergency financial aid grant.
 - How the institution determined which students did, or will receive emergency financial aid grants and how much funding they did, or will receive.
 - Any instructions, directions, or guidance provided by the institution to students concerning the emergency financial aid grants.

The first report was generally due 30 days after the Department originally obligated funds to the institution for the Section 18004(a)(1) Student Portion.

Subsequent reports are due quarterly and must be posted no later than 10 days after the calendar quarter (October 10, January 10, April 10, July 10).

Institutions should make this information easily accessible to the public via the institution's website.

NASFAA has created a one-pager which summarizes [reporting guidelines](#) for all three HEERF (CARES, CRRSA, ARP) grants.

Q: Will HEERF emergency grants be counted as income for the calculation of Expected Family Contribution (EFC) or estimated financial assistance (EFA)?

A: No. ED's April 3 [Electronic Announcement](#) clarifies that any aid received by victims of an emergency by either a federal or state entity for purposes of providing financial relief will not be counted as income for the calculation of EFC, or as EFA.

Q: The certification agreement says that schools, as part of the reporting requirement, have to document and report that they've continued to pay all employees/contractors to "the greatest extent practicable, explaining in detail all specific actions and decisions related thereto." Does this mean an institution will be at risk of losing funds if employees are furloughed or laid off? Does "all employees" include Federal Work-Study (FWS) and non-FWS student employees?

A: NASFAA's interpretation is that the language "to the greatest extent practicable" is an acknowledgement by ED that it is unreasonable to expect an institution to continue to pay all employees/contractors during a national crisis. If an institution is making a good faith effort to pay employees to the extent possible, and can document accordingly, the institution should not be concerned about this provision.

Q: Are institutions required to determine all student eligibility requirements in HEA Section 484, or just the citizenship requirement?

A: HEERF funds are not Title IV federal student aid funds, but only students who are or could be eligible to participate the Title IV programs under [Section 484 in Title IV of the Higher Education Act of 1965](#), as amended (HEA) [20 USC 1091(a)] may receive these funds.

- - Be enrolled or accepted for enrollment in a degree or certificate program.
 - Not be enrolled in elementary or secondary school.
 - For currently enrolled students, be making satisfactory academic progress.
 - Not owe an overpayment on Title IV grants or loans.

- Not be in default on a Title IV loan.
- File "as part of the original financial aid application process" a certification that includes
 - A statement of educational purpose.
 - Student's SSN.
- Be a U.S. citizen or national, permanent resident, or other eligible noncitizen.
- Have returned fraudulently obtained Title IV funds if convicted of or pled guilty or no contest to charges.
- Not have fraudulently received Title IV loans in excess of annual or aggregate limits.
- Have repaid Title IV loan amounts in excess of annual or aggregate limits if obtained inadvertently.
- Have Selective Service registration verified.
- Have Social Security Number verified.
- Not have a federal or state conviction for drug possession or sale, with certain time limitations.

Q: How can institutions confirm that their students meet the eligibility requirements in HEA section 484 without collecting the FAFSA?

A: While the Interim Final Rule and ED's guidance do not require a FAFSA to demonstrate Title IV eligibility, having a FAFSA on file would be the most practicable way for an institution to determine that a student is eligible to participate in the Title IV federal student aid programs and meets all general student eligibility criteria in Section 484 of the HEA. The Interim Final Rule is unclear on whether a prior-year FAFSA is acceptable; therefore, accepting one is at the school's discretion. Just remember that a prior year's FAFSA will not have updated default and overpayment information, Statement of Educational Purpose, etc.

Without having a FAFSA on file, the school would need to confirm by some other method that a student meets all of the Title IV eligibility criteria. Under the Interim Final Rule, a student who chooses not to fill out a FAFSA but who otherwise meets the Title IV eligibility criteria, may self-certify his, her, or their eligibility by completing an application designed by the institution in which the student attests under the penalty of perjury to meeting the requirements of Section 484 of the HEA. It is entirely up to the school to decide whether it implements such a self-certification and whether it wants to assume any potential liability for conflicting information that might arise if a FAFSA is later submitted.

Q: Must verification be completed before awarding HEERF-student funds to students who complete the FAFSA?

A: We cannot answer whether verification would be required, but it is our understanding that verification would not be required because:

1) HEERF grants are not need-based funds under the CARES Act; and 2) verification is not a general student eligibility requirement under Section 484 of the HEA.

However, the V4 and V5 Verification Tracking Groups include re-submission of the Statement of Educational Purpose, which is in Section 484.

About the Higher Education Emergency Relief Fund (HEERF): Spring 2021

HEERF I	HEERF II
Student Eligibility	
Students must be eligible for Title IV Aid (FAFSA, EFC, and meet all other Title IV eligibility)	Students need a FAFSA and an Official EFC for Financial Aid Year 2020-21
Enrolled in Spring, Summer, Fall 2020	Enrolled as of March 19, 2021 (Spring 2021)
Students enrolled in exclusively online programs not eligible	Students enrolled in an exclusively online program are now eligible
DACA, undocumented and International students not eligible to receive funds	Same as HEERF I
MacCormac's Process for Distribution of Funds	
Eligible Expenses incurred beginning March 13, 2020 and related to the disruption of campus operations due to COVID	Financial aid grants for students 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.

Amount of award based on the amount of eligible expenses submitted and supported and EFC Category	Amount of award based on Official EFC category
Award must be paid directly to student and cannot be applied against a student account balance	At student's request, the award may be applied towards the student's account balance owed to the University

In January, the U.S. Department of Education (ED) announced additional funding available to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic. This funding is allocated to the Higher Education Emergency Relief Fund II (HEERF II) by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), which was signed into law on December 27, 2020.

For a direct comparison of HEERF I and HEERF II, please see the chart below.

CRRSAA requires that institutions prioritize students with exceptional need. The College has concluded that the only practicable way to determine a student's financial need is if the student has a completed FAFSA, and has an official EFC on file for the 2020-2021 Financial Aid Year. Based on the number of Eligible Applications received and available HEERF II Student Share Grant funds, the College determined a grant amount (per student) for each of the following EFC categories:

EFC Category	EFC Range	Award Amount
1	Less than or equal to \$5,711	\$2,250
2	More than \$5,711 but less than or equal to \$10,000	\$1,450
3	More than \$10,000 but less than or equal to \$40,000	\$1,000
4	More than \$40,000	\$650

