

“COVID-19 and Federal Student Aid: The Latest Information” Webinar

Recorded April 17, 2020

*** Please note, to make it easier to scan and find questions while reading this transcript, we have highlighted each question below in yellow. ***

Margot O'Meara:

Welcome, everyone. Thank you so much for joining us this afternoon for the COVID-19 and Federal Student Aid: The Latest Information webinar. My name is Margot O'Meara and I am the webinar producer here at NASFAA. I will be kicking us off with just a few housekeeping notes.

Audio is streaming through your computer speakers, so go ahead and adjust the volume to whatever level you need to hear us best. We do not have a dial in option for this webinar. The audio will only come in through your computer speakers. Like most of you, many of our presenters are joining us remotely from home and relying on personal WiFi. We will do our very best to stay connected and apologize in advance for any technical difficulties we encounter. If you lose audio or it appears your slides aren't advancing during the webinar, please refresh your browser. That normally will resolve most of the issues you've run into.

If refreshing your browser doesn't help, you can go ahead and reach out to us in the Q&A box for assistance. We'll be monitoring that throughout. And you can also email at webinars@nasfaa.org.

If you haven't already, go ahead and download the handout, which includes the slides for today's presentation. You can download it from the Handouts and Resources widget, which is located to the left of your slides. Over to the left of the slides is also a Certificate of Attendance, which will be available to download 60 minutes into the presentation. We'll remind you at the end of the webinar to go ahead and download that too. And finally, please complete the webinar survey to provide your feedback. It will launch automatically at the end of the webinar or you can click the icon to provide your feedback prior to the end. And with that I will turn things over to Justin.

Justin Draeger:

Hello, everyone. Thanks for joining us for another webinar. Webinars like these are made possible by NASFAA members, so we want to thank all of the members who have helped contribute to these webinars through their questions, answers, and of course, through joining the association. For those who are not members, you can go to nasfaa.org/join.

Let's go through who's here with me today. I've got Karen McCarthy, who is our Director of Policy Analysis. Jill Desjean, who is a Policy Analyst in our Policy and Advocacy Department. And David Futrell, who's our knowledge AskRegs Manager.

As for our agenda today, we're going to try to keep the presenting a little more brief than we've done in the past so we can spend more time on the questions that are coming in. Just as a reminder, please only submit your question once. We do have over 8500 registrants for this webinar, so there are only so many questions we'll be able to answer. And please stay tuned to all of our other resources, like our podcasts, future webinars and our nasfaa.org/covid19 Web Center that has all of the documents, guidance and publications that we're putting out.

Today we're going to be talking about CARES Act, emergency stabilization grant distribution. We'll talk about new ED guidance that's come out since April 3rd, and maybe most important for this webinar upfront, is just to let you know that we do have some new information about CARES act distribution. We'll get to that in just a few minutes. So, with that I'm going to turn it over to Jill who's going to talk about the emergency relief funds. Jill.

Jill Desjean:

Thanks, Justin. So, the CARES Act made roughly \$14 billion available for colleges and universities to help address the impacts on campuses from the COVID-19 outbreak. About \$6 billion of that is earmarked for direct cash grants to students. And last Friday the Department of Education released institutional allocation amounts and opened up the process by which institutions could request their share of that \$6 billion. This is a reminder that there is a second round of funding as well. The other half of this Higher Education Emergency Relief Act that the CARES Act specifies is for institutions to cover any cost associated with significant changes to the delivery of instruction due to the coronavirus.

So, the first half is for these direct grants to students, and the second half that is as yet to be determined, as far as when and how it will be distributed, is for institutions to use for their own COVID-19 related costs. So, the process by which schools can request that second pot of funding has not yet been announced, nor has guidance been issued on this portion of HEERF funding, but it appears it has some wide latitude in the law as to how institutions can use these funds.

So, for schools to request these funds that are for direct grants to students, they need to complete a certification agreement whereby they agree to a certain number of things. One is to use the funding in accordance with all applicable laws, to promptly and to the greatest extent practicable, distribute these funds as emergency grants to students within one year of signing the certification, institutions agreed to not use the money to reimburse themselves for their own expenses, and they agree to award the funds directly to students to cover their expenses related to the COVID-19 disruption to campus operations. The certification lists some examples of such expenses, including but not limited to food, housing, healthcare, technology, course materials and childcare.

The [link](#) you see at the bottom of this page will take you to the [webpage](#) where you can find the text that you see displayed on the slide here. This page includes the information that went out last Friday from the Department of Education about allocation amounts and the certification form. It also includes some help for using the [grants.gov](#) site to submit certifications, because for many schools this is their first time using the system. So, please refer back to this if you're struggling to figure out how to actually submit the certification. There's some helpful information in there. Now Justin is going to walk us through some considerations for how schools might be permitted to distribute these funds.

Justin Draeger:

Thanks, Jill. Just as a reminder to folks, we are moving through this at a pretty good clip, and this will be available for download in just an hour or two after we're finished with the webinar. So, we'd encourage you to revisit and we might hit some of this information again in the Q&A. Here's some of the new information that we have for you. One is that we are expecting more guidance to come from the Department of Education. That could come as early as today, it could come next week, but we are expecting more information about the distribution of these funds.

Another point, as of this morning at least, we are not aware of any institution who has actually received funds in their account. Last week, in a stakeholders' call, the Department of Education said some funds

could be made available as early as this week, and today we're not aware of any schools that have received that money.

My third point here is if money does come in, my suggestion would be that you check to see whether the Department has posted any additional guidance about distribution of these funds. As of right now, we do not see any safe harbors in terms of if you send out money and it's crosswise with the Department of Education guidance that comes out that there are any safe harbors. We're certainly advocating for these things, but as of today, if money comes in, I would check for additional guidance.

My fourth point, having additional guidance is a mixed bag. The good thing is that we might have additional clarity about how these funds can be distributed to the students. So, we will hopefully hear things about some student eligibility requirements that people have had a lot of questions on. The bad news is the guidance might not be what institutions want to hear. Let me use this example that's on this slide to illustrate that.

So, one of the things that we hear most often is, can these funds be used in any way to offset student account balances? So, if we think about where the Department of Education could come down on this... One, maybe they would say schools are permitted to apply funds directly to a student's account balance if they have an outstanding a balance. I think the odds of that are slim to none. So, they could say it, but I don't think they will. Congress has been very clear from the beginning that these are meant as cash grants made to students for emergency expenditures. The second thing they could say is that schools are permitted to apply the funds directly to a student's account balance, but only with some sort of explicit permission from the students. So, the default option wouldn't be to offset expenses. And as NASFAA looks at the law, we've been thinking that, yeah, if a student tells you, "No, don't send it to me. I prefer it to be made available to a balance", that that would be at the student's discretion. But there are other options.

The third option is that the schools might not be permitted to apply funds directly to a student's account balance under any circumstances. That would include if a student even told you to. That's certainly a possibility, although, one that might seem awfully nonsensical from an operational standpoint. And then of course, maybe the Department says something in between any one of those. So, if I were a school, what would I be doing right now? I would be modeling various scenarios based on what this guidance could say. And if I were you, I would be looking at options two and three. I don't think option one is going to be on the table.

The other thing if I were you... I'm assuming most of you are listening from financial aid offices. We understand that a lot of different people on a campus might be looking at these funds; financial aid office, student accounts, your CFO, your legal counsel, the president's office, your boards of trustees. I would just say from an aid administrator standpoint, if I were you, and you're getting this guidance from NASFAA and the Department of Education, I would just make sure that as you are making your case about these funds going to students that you document the guidance that you've received and your advice to your institution. Ultimately, the decision might not be yours, but I would just make sure that you've documented the various conversations and guidance that you're receiving as you craft your policies. So, I know we'll have lots of questions on that, but in the interest of moving through some of the Department guidance, David, let me turn it over to you.

David Futrell:

All right, thank you. All right. So, since our last webinar, the Department published the April 3, 2020 Electronic Announcement. It includes a fair amount of guidance. Some of it repeats existing guidance from the March 5th Electronic Announcement or it expands upon guidance in the March 5th Electronic Announcement. So, you kind of have to look at both and compare the two.

The big thing here is that the Department expanded upon the effective dates. Previous guidance in the March 5th Electronic Announcement applied to students enrolled in payment periods that began on or after March 5th and begin on or before June 20th. That guidance is now effective under those same conditions but runs all the way through June 30, 2020. So, for those payment periods that begin June 1st, before June 1st, and run through June 30th. If the school's summer payment period is assigned to the 19-20 award year and crosses over July 1st, we all know that's a crossover payment period, that guidance still continues to apply through the end of the crossover payment period. So, it could be into August at that point.

All right. So, the big ticket item that everybody was looking for in that guidance was verification and identity/statement of educational purpose. Unfortunately, there are some hang-ups there. But for now, a student is not required to appear in person to a school official and is not required to appear before a notary. So, there's no notary signature requirement. The student can sign and submit in person, sign and submit the statement and the ID in person, by secure email, uploading photos, a secure web portal, or even a secure Dropbox service. NASFAA doesn't make security of systems determinations. You'll have to talk to your IT Department or your legal counsel for clearance of those processes. And that guidance said you can accept a copy of an expired ID under the conditions listed on the slide.

It also waives parent's signatures on the verification worksheet, but notice that that only applies to household size and number in college if the parent is unable to sign that statement. It doesn't expand to everything that needs a signature under verification, unfortunately, and it doesn't go over into the student eligibility, clearance of C-codes on the ISIR.

We are clear that this guidance does apply to the 19-20 award year. What we're not clear about is about the 20-21 award year. We sent this question to the Department immediately after that Electronic Announcement went out and we just haven't heard back yet. So for right now, don't use it to complete 20-21 verification.

The Electronic Announcement also provides guidance on emergency aid in the form of grants or low interest loans from a federal or state entity. It is not counted as income when calculating the EFC or as Estimated Financial Assistance when you're packaging the student. We did clarify with guidance from the Department that does say a state school is not a state entity for this purpose. So, emergency aid from the institution is EFA. It might even be income if it meets the tax thresholds for grants that exceed the student's tuition fees, room and board. That's an IRS question but that's when it might be income. So, you have to ask your Payroll Department about the taxability of it.

All right. Nothing new related to reducing the length of your academic year to less than 30 weeks, except that there's now a third different way to submit your request to the Department. That email address is now CaseTeams@ed.gov and it stipulates the specific information that you must include in your request, so you'll want to look at the Electronic Announcement for the information you have to submit. Schools that temporarily close won't lose their eligibility. Schools that are unable to comply with cash management regulations can document why they're not able to comply and the requirement that

they're not able to comply with. The Electronic Announcement also addresses several other provisions. We're not going to go through all of them today, but it does include information about Perkins Loan servicing. We were getting a lot of questions on that.

All right, the last few things I want to highlight here are in that Electronic Announcement, return of Title IV funds. There was confusion in the beginning. An R2T4 calculation is not waived. The R2T4 calculation still must be done, but neither the school nor the student has to return any unearned aid that results from that calculation. So, the school doesn't have to return any unearned aid that remains on the student's bill, or a student's ledger account, and the student doesn't have to return any grant funds. The student didn't have to return any loan funds in the first place. Parents didn't have to return any loan funds in the first place either. So, you have to do calc, you don't have to return unearned aid.

We're going to talk about reporting guidance in a little bit, just a little bit here during this webinar. Satisfactory academic progress is also covered in that Electronic Announcement because it is addressed in the CARES Act, and that is the quantitative component can, not must, can be excluded from the calculation of SAP as a result of a qualifying emergency. There is no waiver for the qualitative, or the grades, component. The Department is planning on issuing more guidance related to how to implement the SAP requirements, but you might want to already start talking with your IT folks or your third-party vendor so that you can start building into your system a way to track these students, identify them and exclude them from the quantitative component when you do your evaluation. This is something you have to do on your campus with your third-party vendor. The Department doesn't manage SAP for schools.

Just want to note here that we do have a couple of upcoming webinars. Just going to do a quick plug, shameless as it may be. We have a SAP webinar on April 22nd, we have an R2T4 webinar on May 13th. You can find this information under the Training & Events tab on our website. Just know in advance those are not purely COVID-related webinars. Those are previously existing webinars on important topics across the spectrum and we might touch on some COVID-related issues during those.

And lastly, document everything that you are doing as it relates to COVID-19.

With that, I do believe we'll move into the Q&A.

Justin Draeger:

Thanks, David. Just as a reminder, folks, you can get all of our COVID related information which we have made open and available publicly for the time being at [NASFAA.org/COVID-19](https://nasfaa.org/COVID-19), so out there you can find all of our articles, our statements, our analysis, podcast, webinars, everything that we've put out related to COVID-19. And then for those of you who are looking, one of the things that can perhaps help the most is connecting with your peers. So NASFAA, through Blue Icon Advisors, is putting together a, "Let's Talk" series. You can find more information about that at nasfaa.org/letstalk. Seating is limited, but if you register, you will be put into a meeting with other schools that match your institution type to have conversations about how you are implementing COVID related guidance and programs.

With that, let's go right into our questions and answers, and get to as many of these as possible. Jill, I think this first one might be for you. **There is a statement in the CARES Act certification agreement form that a college must pay all of its employees and contractors to the greatest extent practicable. Does that include Work-Study students? And any guidance in that area?**

Jill Desjean:

Sure. So, the certification does say all employees and contractors. So, we take that to mean to include also work-study and non-work-study student employees. While this is a question for your school's legal counsel, we believe the phrase, "to the great extent practicable", gives institutions a good deal of flexibility.

Justin Draeger:

Okay. So, let's move on to our next one here. Jill, I think this one's also for you. **Can DACA and international students receive emergency funds under the CARES Act?**

Jill Desjean:

I'll answer the easy part of that first. For the emergency FSEOG funds, the answer is no. Those are Title IV aid funds, and so all of the student eligibility rules apply for Title IV Student Aid, not for the FSEOG. The Higher Education Emergency Relief Fund under the CARES Act, those funds are not Title IV funds, so the Title IV student eligibility rules genuinely do not apply. CARES also doesn't specify categories of students who either are or are not eligible for these funds. However, there is some ongoing debate about whether undocumented students, which include DACA students, are eligible for this student share of the Higher Ed Emergency Relief Fund. This is going back to something, the 1996 Welfare Reform Law, which denied federal public benefits to non-qualified aliens. There were some emergency related exceptions in there, but none seemed to apply in this case.

What we're advising schools is until and unless the Department of Education states that international DACA students are eligible, you might want to hold off on awarding these emergency grants from the Higher Education Emergency Relief Funds. Obviously, consult with your school's legal counsel as well.

Justin Draeger:

All right. Thanks Jill. I think this next one is also for you: **A student's COVID-related expenses in this case are relatively modest. This person's having difficulty determining how they will spend all of their allocation. What should they do?**

Jill Desjean:

Okay. Yeah. A few things that you should keep in mind when you're thinking about how you're going to spend your allocation. First, the pool of eligible students is larger than your pool of Title IV eligible students because there isn't that restriction aside from what I just mentioned, possibly for DACA students, so you should definitely consider including your entire student population and not just your Title IV eligible population in that pool of eligible students. The amount of the funds is at your discretion.

The Secretary's letter from Friday where she announced the availability of these funds suggested the Pell Grant maximum award as the maximum amount you would award students from this Higher Education Emergency Relief Fund. But that is not required. So you could give students more than that and less. But, if you were having trouble spending all of your allocation, and you had some students with very big expenses, you could spend it that way.

You also have a year to spend these funds. So, if you can't spend the funds right now, it doesn't mean that your students may not present with emergency expenses in the future. So you've got a lot of time to still identify students who might be eligible, who you may not think are eligible at this time. And finally, if you truly cannot get rid of these funds, the Secretaries' letter does suggest that schools consider giving their funds to other needier institutions. If your students simply don't demonstrate the

need and you can't justify the spending. We are awaiting further guidance from the Department on how that process would take place to reallocate funds.

Justin Draeger:

All right, thank you, Jill. I'm going to stick with CARES Act questions for a little while here, Jill. So strap in. We've got several more here. This gets to something I think we touched on slightly, but: **Are schools allowed to use the CARES Act emergency fund to help students cover their own remaining balances owed to the school. And then the add-on here is about the emergency SEOG and then can that be used to cover unmet financial need, and can those funds be used to help a student pay off any balance owed to the school?**

Jill Desjean:

Sure. I'll start with SEOG again because that's what I did before. The emergency SEOG funds can be used to cover unmet need. These are again Title IV funds. So the cash management rules still apply. So, the school is permitted to apply those funds to the student's account to pay tuition fees and institutionally contracted room and board. It can also be applied to pay other allowable education-related expenses as long as you have the student's permission to do so. So just like any other Title IV funds in the way that you apply them to students' accounts, that would apply to the emergency SEOG. That said, you probably do want to think about the reasons that you're awarding your emergency FSEOG and whether the student is best served by applying the funds to the student's account instead of releasing it directly to them.

If the student's claim was that they were having trouble paying rent and they had a balance due for their tuition, if you just applied it toward their tuition, they would still be having a problem paying their rent. So, just something to consider when you're thinking about using the FSEOG funds on students' accounts.

As for the Higher Education Emergency Relief Funds, those funds are specifically intended in the law to go directly to students for their expenses related to the disruption of campus operations due to coronavirus. Congress' intent was that this was going to be direct aid to student so that the student decides how to spend it. Not that the school does.

So, we know that schools cannot automatically apply any of these funds to any charges at the school. And as Justin mentioned earlier, we're waiting on guidance from the Department for exactly how schools can distribute these funds. Such as, whether the school might be able to credit the funds if the student opted in to allow that, for example. But that is very much up in the air. So, we are waiting on Department of ED guidance, so we can give a clear answer on that piece.

Justin Draeger:

Following up with those emergency relief funds Jill, **this person has a question about whether they need to create an application for those funds and then do they have to document this, how they awarded those funds on a student-by-student basis and then they have another question about professional judgment in terms of selecting the grant recipients.**

Jill Desjean:

Okay. As far as the application, whether you want to create an application or not is up to the school. There was no requirement that you need to do it. But when you start thinking about how you are going to distribute these funds, it's probably necessary for you to have some sort of application, however simple that might be. Even if you were thinking about awarding the student grants to all students versus

doing case-by-case process, and the Secretary did allow for that in the cover letter to the guidance that came out last Friday, you have to be able to justify your decision that every single student has an expense related to the campus disruption as a result of COVID-19. If you could do that, then you should not need a form. It just may be difficult to come up with a justification that would apply broadly enough to every single student.

You may just need a form to be able to identify students who had qualifying expenses. It might be easy for you to identify groups of students that you know had specific expenses. An example we came up with the other day with students, say in a fine arts program, who had been using school issued supplies and now need to go out and purchase their own supplies to be able to continue. If the school could just identify those students broadly and document that expense itself, you probably wouldn't need an application for that group of students. When you talk about awarding funds on a student-by-student basis, there's no requirement that individual circumstances be documented by the institution. If you're using any kind of group process, we would just recommend documenting each student that is part of that group and that's because schools are going to have to report to the Department how each grant was awarded to students, how the amount of each grant was calculated and any instructions or directions that were given to students about the grants.

On that, the last piece about PJ, the Higher Education Emergency Relief Funds are not Title IV funds again, so PJ requirements don't apply. I can see where confusion has arisen because of the certification agreement for them or the cover letter, I can't remember which one. The HEERF did refer to PJ as it relates to the calculation of the student's EFC, but that doesn't quite mesh with what we learned from the Department's April 3rd Electronic Announcement, which specifically excluded federal emergency aid, as well, but in this case federal emergency aid as income for the EFC calculation, so PJ should not be necessary. We did pose a question to the Department to ask them why that language is in there, just given the fact that it may conflict with the April 3rd guidance. So we will let our members know when we hear back.

Justin Draeger:

All right, thanks Jill. **This next question is about how schools should be documenting that they have an eligible expense under the emergency relief funds. Like, do they collect receipts or some other form of documentation or how do they document**

Jill Desjean:

Collecting receipts seems to be above and beyond what you would need to do. I mentioned a couple of examples before about, if you identified a group of students and a certain expense that you felt that they all incurred, just documenting for each of them, how you came about that decision. Or if you were doing a case-by-case process, you would have an application and you would ask them what is your expense? That seems adequate. There's certainly no requirement in the law and there doesn't seem to be any other reason why you would have to go to the level of collecting receipts. That's probably too burdensome for students.

Justin Draeger:

I think this next one is for you as well, Jill. The question here is, **"Do the payments of the CARES Act grants need to be included on the 1098-T form as scholarships or grants and while these aren't Title IV funds, I think the question is still, should they be considered grants from the institution?"**

Jill Desjean:

Yeah, we are not sure on that yet. We've heard that these grants may be exempt from the 1098-T reporting and exempt from taxation altogether. But we don't know. We've been in touch with NACUBO, which is the association of business officers, as well as other higher education associations. We've sent a letter altogether to the Department of Treasury asking for clarification on this issue. So we don't know right now.

Justin Draeger:

Okay, so we'll let people know when we have a definitive answer on that. Another question on student eligibility here. **For the students who are eligible for the emergency grants, we had talked about international DACA, but they're asking more specifically about students that were exclusively online before this started. So, these are students not in a regular program or other students that aren't Title IV eligible, people who haven't filed a FAFSA. I think they're hitting several categories here, Jill, what do you think?**

Jill Desjean:

Yeah, there are no groups of students that are excluded from eligibility in the CARES Act. Even students who are exclusively online, students who aren't Title IV eligible, none of them are addressed. DACA students even aren't addressed in CARES. The DACA issue actually comes from a separate law and because of the agreement form for the Higher Education Emergency Relief Funds that says that you will comply with all applicable laws. So, in the CARES Act, as far as restricting eligibility of certain types of students, there is nothing in there that would restrict any of those aside from that separate issue of DACA, which is only tangentially related to CARES.

Justin Draeger:

All right. Another question here. **This is about Title IV disbursement rules and how those might be applied to these emergency relief funds. Jill, you want to take this one?**

Jill Desjean:

Sure. This is a quick one. They're not Title IV funds, so they do not need to be disbursed in accordance to the Title IV disbursement roles.

Justin Draeger:

Okay. I think this next one might be for you David. **How do I know if a student's withdrawal was due to COVID-19 for the R2T4 regulatory flexibility you mentioned earlier?**

David Futrell:

Unfortunately, we don't have an answer to this one yet. We have proposed to the Department that a school be allowed to assume that all withdrawals after a certain date are due to COVID-19. We certainly pray that you don't have to go back and retroactively determine whether students withdrew due to COVID-19. We hope and pray that doesn't happen. So, we've been preemptive on this one with our request to ED. This is of course, unless you have conflicting information and then you'll have to do some follow up to find out whether it's COVID related. We'll post a Q & A on the COVID-19 Web Center as soon as we hear back from ED.

Justin Draeger:

Sticking with R2T4 for just a second. This person's asking how the reporting will work. How will schools report back to the Department about R2T4 for determinations?

David Futrell:

Within the CARES Act, schools will have to report the number of affected recipients, the amount of grant or loan associated with each of those recipients, and the total amount of grant or loan assistance for which each institution has not returned as allowed under the CARES Act. The April 3rd Electronic Announcement does say the Department plans to release further guidance on this one. So, we're all at the mercy of the Department's guidance right now.

Justin Draeger:

David, I think this one's still with you. **According to the IRS website, and I've seen this sent a couple of times today, they've stopped processing transcript requests by mail until further notice. The question here is whether there'll be relief from ED when students and parents are unable to obtain their tax transcripts to complete verification.**

David Futrell:

NASFAA has requested regulatory relief on required tax documents, but ED has not issued any specific relief on this yet. ED has been telling schools that the electronic process for requesting Tax Return Transcripts or alternative tax transcripts still works if the student or parent tax filer can complete the IRS registration and login process and can use Get Transcript Online to download a PDF copy of the tax transcript. If that doesn't work, schools are reminded that the student or parent can still provide a signed copy of the tax return that was filed with the IRS in order to complete verification. If this goes on much longer, ED may publish some additional guidance. But for right now, we're at the mercy of that guidance and the two alternatives that currently exist.

Justin Draeger:

Okay. We have a question that I think Jill might go to you and maybe if Karen wants to weigh in, **this person has said their president has expressed concern about reserving some of the funds to assist students this fall. The president is concerned that might disqualify them for potential future funding if they still have CARES funds remaining. And let me just talk about that Phase Four. So, Congress is in conversations right now about providing additional stimulus funding and emergency funding. As we've been engaged with the Hill, it sounds like they might use these newly created vehicles to do that. So, if we go through this entire process for emergency relief funding for schools and students, the idea would be that Congress might appropriate additional funds through those same existing vehicles. Jill, do you want to perhaps offer any thoughts about whether this might hurt a school in the future?**

Jill Desjean:

Aside from, I guess starting by saying we don't know for sure; schools do have a year from when they sign the certification form to spend the money. It doesn't seem quite right to then penalize them for using that amount of time. So, we don't think... we haven't heard that there would be any negative impact if you didn't spend all of your first allocation before Phase Four funding became available.

Justin Draeger:

Okay. Jill, let me ask you this one as well. **If this school has determined that their neediest students (Pell Grant recipients), are most impacted by COVID-19 financially, could they allocate the funds to those students only? And then I think the follow-up question here is, wouldn't this eliminate the need for a formal appeal or request or application process?**

Jill Desjean:

Yeah, I think this question kind of gets at what I hinted at before about identifying groups of students, you know I'd mentioned maybe art students as people who might have an expense that you could easily identify that they all share. The thing is, you have to remember that for, I assume we're talking about the HEERF funds, therefore expenses related to the campus disruption. So, the funds would still have to go to students for expenses. But as far as once you've identified that, if you wanted to prioritize your Pell Grant recipients as the neediest, that would be appropriate.

Justin Draeger:

Okay. Jill, let me ask another question. **I don't think we've talked a lot about this, but this question is do you think we'll be able to use the institutional portion of the CARES funding for additional staffing in the financial aid office? And it might be helpful to sort of just touch on the second tranch of funding that we expect and what some of the uses in the law are for those. Do you want to take that one?**

Jill Desjean:

Sure. The exact language in the law for that is for the institutional portion of the stabilization funds. Any costs associated with significant changes to the delivery of instruction due to the coronavirus. So, I think it's pretty broad. I think institutions could find a lot of ways to associate expenses they've had with the changes to the delivery of instruction due to coronavirus. But we don't have guidance yet. So the only guidance that's come up from last Friday was about the student share. So, we should definitely wait to see what the Department comes up with as far as the process for requesting the funds and what sort of guidelines they put around that.

Justin Draeger:

Yeah. And then Jill, **we have a follow-up question to that second tranch of funding as well, that other 50%, whether it could be used and applied to a scholarship endowment....**I think there are probably a lot of questions in the 1,002 questions that are in the queue right now along these lines about the second tranch of funding...and it appears to us in the law, just to reiterate something that Jill said, that there would be significant flexibility as long as it's tied to the disruption related to COVID-19. That said, the Department could, in its review process that it is going through certainly with the Office of Postsecondary Education, leadership, probably general counsel, maybe the Office of Management and Budget and in some cases the White House. It could be that the administration takes a narrower view than the flexibilities that we believe exists in law.

So, on that second tranch as Jill just said, we're going to have to wait and see. But the law seems to indicate, and Congress appears to have intended that there would be some flexibility around that second tranch of funding as long as it's related to that disruption. **Jill, anything you need to clarify or take issue with in there?**

Jill Desjean:

Yeah, I do want to note that the law does specifically exclude endowments.

Justin Draeger:

So, if the scholarship is part of the endowment, it is specifically excluded from usage?

Jill Desjean:

Yes.

Justin Draeger:

Jill, another question here about online students, and maybe David as well, because I think this is referring back to an AskRegs question where they heard that online students would not qualify. And can you expand on that. Maybe David first, since you oversee AskRegs.

David Futrell:

Yep, I can tackle this one. So the reason for the confusion is because of the way the funds were calculated, the amount that goes to the institutions was calculated versus availability of funds to award directly to students because of the outbreak. The law says when you're apportioning the funds, you're basing it on the relative share of full time equivalent enrollment of Pell Grant recipients who are not exclusively enrolled in distance education courses prior to the Corona virus emergency. I think the base assumption there might be that these students weren't overly impacted by coronavirus. They were already online in the first place and they can stay online, that's an assumption of mine not knowing what Congress was thinking, but that was in the apportioning of funds to schools under the Higher Education Emergency Relief Fund. That does not mean that students who are purely online students at your campus can't get grants. They can. They can be awarded grants like any other student under the HEERF pot of money.

Justin Draeger:

Okay. David, let me stick with you for just a second here. **The question is, can institutions apply for a waiver of the community service requirements for Federal Work-Study still for the 19-20 year.**

David Futrell:

Right now that process is not open. The Department did say in the April 3rd Electronic Announcement that if you wanted to apply for the waiver, either complete the waiver request process, which is only available for 20-21 through April 20th, I think. So, you'd get those if you haven't already, or call your campus-based call center. Well, there is no longer a campus-based call center. It's actually the COD School Relations Center. So call them and ask that question.

Justin Draeger:

Okay. I'm not sure if David or Jill who will answer this one, but **how are schools being notified about emergency SEOG? Is that automatic or is there an application process?**

David Futrell:

How schools are being notified about the amount of funding they're getting?

Justin Draeger:

Right.

David Futrell:

There is no notification to schools. Schools simply, if you have [Federal] Work-Study that you haven't expended for the award year, you may simply reallocate those funds into SEOG, no conditions attached, no strings attached. Well, there is one, and I'll talk about in a minute. Once you've converted the funds to SEOG, you may spend any of your SEOG money as the emergency SEOG money. You might want to create a separate award code so that you can track these students for reporting purposes later, but there is no application, there is no notification to schools. Schools can simply do it already.

In the reallocation of Work-Study funds, the off-campus, for-profit, public or private organization that employs students still must provide the non-federal share. That's the only exception to your ability to move Work-Study funds to SEOG.

Justin Draeger:

Jill, do students have to sign anything to receive CARES money? And I assume they're talking about the emergency relief funds?

Jill Desjean:

No, schools aren't required to have an application so there may be nothing to sign similar to the receipt thing. There's no requirement for anything like that.

Justin Draeger:

Jill, let me stick with you for just a second here and I'm recognizing that, as we noted earlier, we are expecting additional guidance on those emergency relief funds. There is a question here about whether we can require a student to opt out of paying their balance with CARES Act funds or should we instead require them to opt in? Jill, you want to take a first cut at it?

Jill Desjean:

Sure. We don't even know if schools will be allowed to use CARES funds to pay students balances, period. Probably, the most generous treatment we're expecting would be an opt-in. I can't imagine that an opt-out would be something that the Department is considering.

Justin Draeger:

Yeah, and I'll just back that up and say we laid out those scenarios on slide 9, I think it is. We think that applying it to a student's balance without their consent as the default option is...I mean that the odds of that are very low just based on very clear congressional intent and the conversations that we're having with our folks over at the Department. That said, the Department has confirmed to us that they are working on additional guidance. So, we will see.

The question here about student eligibility, Jill, can VA students also qualify for the CARES Act funds?

Jill Desjean:

There's no exclusion in the CARES Act for VA students, so our assumption would be that yes, they can qualify.

Justin Draeger:

David, I think this question is going to be for you. **Can we request Title IV back if we found out after returning the funds via R2T4 for that they had a qualifying emergency that is, they returned funds... they did the calculation, returned funds and now they want those funds back.**

David Futrell:

That's on the list that's going over to the Department. We don't think that you can undo an R2T4 calculation that was done correctly in the first place, number one, that's in the *FSA Handbook*. But number two, those would be late disbursements now. We've been saying all along, there have been no waivers about the cash management requirements. Cash management late disbursement, says those funds needed to be disbursed within 180 days, so you might not necessarily be up against that 180 days,

but there are cash management late disbursement rules that will still apply. So, you might not be able to, but we simply don't know. We don't know definitively yet.

Justin Draeger:

And this would be part of the reason why, since we don't have guidance out of the Department yet, we would suggest not returning funds for those COVID-related R2T4s; hang on to them until we have the guidance.

David Futrell:

We know that you might be up against the deadlines within the R2T4 regulations but so is the Department, so I hope that they're taking them in consideration and getting some guidance out soon.

Justin Draeger:

Okay. Question here is, can we use PJs for the 20-21 year that are related to COVID unemployment, and this doesn't sound like it's related to anything around the campus disruptions per se. And if yes, can we include entering new students who are not on campus during spring 2020? David, you want to tackle that?

David Futrell:

Nothing about professional judgment has changed because of COVID 19. The amount of students and parents that will be appealing will obviously jump dramatically, but nothing about PJ has changed. So, if you have unemployment for the end of this year and there's still time where it would make a difference in the calculation, you could do PJ now for the end of the academic year for 19-20. You could also do PJ going into 20-21 and use unemployment as a reason for doing PJ for 20-21. You can do it for both award years. You get to pick what 12-month period of income you use to replace what's reported on the FAFSA when you exercise professional judgment. But again, nothing has changed about professional judgment.

Justin Draeger:

And we'd also just add that I think it's very reasonable to expect that schools will see increased requests for professional judgment given the number of unemployment claims that are being submitted every week. So probably good to be thinking about the PJ processes on your campus now to gear up for those eventual requests.

Justin Draeger:

All right. In our podcast Off the Cuff, episode 144, it was mentioned that there is a distinct separation between need and costs associated with disruption of education as a result of COVID 19. What guidance is available from NASFAA, if any, on getting university stakeholders to veer away from the Title IV methodology as a way to determine which students to award these emergency relief funds to? Jill? You want to take that one?

Jill Desjean:

Sure, yeah. Trying to think out how exactly to answer this, sorry.

Justin Draeger:

Yeah, so I guess a couple of things I would suggest is, the point this person is making is that the emergency relief funds are meant to cover expenses related to the campus disruptions a student has faced. That is different from need. In the cover letter the secretary asked that schools try to prioritize by need, but Title IV eligibility is not a prerequisite to receive these emergency relief funds, and so the

expense is the piece that really has to be met for schools to receive these funds. That's in the law and that statute is available on our website, and then David, maybe if we have any AskRegs, we can get those to Margot, that focus on this and those can also go into the podcast notes. So, we'll maybe do a follow up.

David Futrell:

I'll back through and see if there's anything there.

Justin Draeger:

Jill, anything more you want to add there or should we move on?

Jill Desjean:

No, thanks, I didn't understand the question, but yeah, we can move on. That's good.

Justin Draeger:

The question here is can schools automatically override unmet need to post maximum emergency CARES Act relief funds without collecting documentation from students? So, Jill do you want to try to tackle that one? I guess what they're getting at is, is this EFA? And David, if you feel like you're anxious to jump in.

David Futrell:

When you're awarding the emergency FSEOG, there is no determination of need involved in the calculation for emergency FSEOG, so you can override unmet need, you can cover EFC. It is not EFA. You could even go beyond the cost of attendance, and remember the question you have to ask is, are these costs that you're covering with grants – you're not adding to the cost of attendance, you're not adjusting the cost with attendance. If you're awarding the grants, you can even award them over EFC, over cost of attendance and Title IV awarding rules generally don't apply.

Justin Draeger:

Anything you want to add on to that, Jill?

Jill Desjean:

Yeah, just to make it broader, just to cover not just the circumstance David described, but the April 3rd Electronic Announcement from the Department specifically stated that any emergency aid received by a federal or state government is exempt from EFA. So HEERF funds that are dedicated to students, the emergency SEOG – none of them count as Estimated Financial Aid. So, the need part of the calculation doesn't need to be a factor there.

Justin Draeger:

Yeah. And whether you could collect documentation is at your discretion, just like HEERF.

David Futrell:

Yeah. And the only other thing I would add is there might be some system questions in there, and just remember system isn't the same as federal policy. And so, if your system is somehow preventing you from awarding these funds because it's showing that they're going over cost of attendance, that's a system limitation and issue that would need to be addressed. That doesn't necessarily mean that's de facto federal policy, in this instance.

Justin Draeger:

Yeah, we're seeing through AskRegs that a lot of schools are having trouble with that number that says over award. You've got to modify your systems to remove this from the packaging calculation.

David, I think this next one, I'm going to point to you for just a second. See, if a college summer session starts June 24th and will be a header for 20-21 and online, do they have to receive a special permission from the Department of Education for that distance learning? I think this is going back to the April 3rd or March guidance.

David Futrell:

The Department has hasn't extended the guidance beyond payment periods that start on or before June 1st, correct me if I'm wrong here, Jill, but for the period that starts after June 1st, new rules would apply, and I do believe you will have to get approval for that.

Justin Draeger:

Yeah. Jill, do you want to add on to that?

Jill Desjean:

Yeah, I guess if you would have been required otherwise, right, because not every school needs permission.

David Futrell:

Fair enough. Fair enough. This is addressed in the April 3rd Electronic Announcement though.

Justin Draeger:

Right, and I think they do say you have to go through your accreditor, but they are urging the accreditors to expedite approvals and make it as easy as possible for schools that need to stay online going into summer and next fall. Okay.

Next question. Can schools issue a blanket sum to all students who are disrupted on-campus, and Jill, I think they're talking about the emergency relief funds here. Do you want to try to tackle that?

Jill Desjean:

Yeah, assuming they mean the emergency relief funds for students. There isn't anything prohibiting that. You know, the Secretary's cover letter said that a school could choose to give the emergency aid funds to all students, that was an option and so there's enough, there are no requirements as to the amount either, aside from that suggested maximum of the maximum Pell Grant award. I think the thing, I mentioned this before, I think the thing you need to be thinking about is that those funds are to be expended on students with expenses related to the campus disruption due to coronavirus. So, you do need to be able to justify that that sum that you're giving it to all students, all of those students were incurred an expense that fits that category, but otherwise there's nothing preventing you from doing that.

Justin Draeger:

Question here about the certification agreement, Jill. Their question is, who should be signing it on campus?

Jill Desjean:

There isn't any one individual who should sign it. It should be somebody who is authorized to take on an obligation on your institution's behalf. So whoever that might be, it's not likely to be the financial aid director. Could be a president, could be a CFO, but your institution's leadership should know who can sign such things.

Justin Draeger:

Right. And your development office might be the office that's working through the grants.gov website or your research department. So that's an institutional decision.

Another question here, David, this one I think we might be sending your direction. **Has there been any update to the failure to register with Selective Service requirements and the delay in getting the letter from selective service?**

David Futrell:

No, unfortunately no, NASFAA included this in a letter that we sent over to the Department on April 3rd. We have received no response to that from the Department yet.

Justin Draeger:

Couple other questions here about withdrawals and R2T4; let me start with this one. **What documentation is needed to determine that a student withdrew for reasons related to COVID-19?**

David Futrell:

That is not yet specified, but unless ED specifies otherwise, you get to determine what documentation you collect from these individuals. I wouldn't consider making it rigorous, just make it reliable. But this would be up to the institution unless the forthcoming guidance from the Department says otherwise.

Justin Draeger:

I'm sticking with this for just a second. **It says the R2T4 does not need to return funds. Is this only for COVID-related withdrawals or is it for any withdrawal after that specific date?**

David Futrell:

It is withdrawals after that date and are related to the national emergency. So, COVID related and after the effective date.

Justin Draeger:

Right. And we just wanted to point out one of the questions we have for the Department is can a school just assume any withdrawal after this date, or perhaps after like the campus closed, could just qualify for that? So that's an outstanding question.

David Futrell:

And we also have the question over there, just jump on this as well, the Electronic Announcement from April 3rd does say the President declared the national emergency on March 13th, effective back to March 1st, so we're not sure what the cutoff date would be right now. We keep hearing March 13th, but that EA might lead you to believe it could be March 1st, so even if they allow a cutoff, we're not sure right now which date to use.

Justin Draeger:

This school is asking why would a school need to complete an R2T4 calculation if they're not sending money back?

David Futrell:

The student might be doing a post-withdrawal disbursement.

Justin Draeger:

Okay. Let's see here. **One of the earlier slides mentioned using the funds towards healthcare and childcare expenses related to COVID-19; however, aren't childcare centers closed and healthcare related to COVID-19 now covered. Jill, you want to take a stab at that one?**

Jill Desjean:

Sure, I can't speak specifically to what healthcare cost would be covered due to COVID-19, but people could still have childcare expenses that aren't in a childcare center, especially if you have a childcare center that closed. You know, for example, we've been using our neighbor who's home from college because her campus is closed when we need to fill in gaps at home and we're paying her. That could be an allowable childcare expense and again, I don't know which specific healthcare expenses are covered, but I can't imagine that every single healthcare expense that someone could incur would be covered due to the CARES Act or any other relief. So, I think that there could be healthcare expenses that arise from COVID-19.

Justin Draeger:

David, they're questioning whether the parent's signature is waived specifically for the verification worksheet for this year yet.

David Futrell:

Yeah, it's for either the verification worksheet or the signed statement that you accept that verifies household size and number in college. It's whatever written statement that you use.

Justin Draeger:

David, could you repeat or slightly expand on this concept of what is secure email?

David Futrell:

This is something you'll have to talk over with your information technology department, but the latest guidance that we have from the Department of ED is in an AskRegs question and answer, so just search on "email security." In a frequently asked questions about cybersecurity compliance document that the Department previously made available and then pulled off of the IFAP website, so we don't know if it's still in effect or not, but it's the latest we have from the Department and that is, "secure" means it could include an appropriately safeguarded fax, a secure web portal to upload data and documents, or it can be an email account that encrypts communications to at least AES-256 bit level encryption. It could also be separately encrypted attachments that you could send the documents into the school with.

So, that is the best we have right now, but we are not cybersecurity electronic signature experts. This is a question for your information technology office. I cannot emphasize that enough. You have to ask your IT department or your legal counsel.

Justin Draeger:

Okay, thanks David. **Jill, this person's leadership team is questioning the quote, "promptness of distribution" and their plan was to hold a portion of the funds back for emergency requests and then distribute the request as soon as it's received. I think they're asking whether that would be an allowable process.**

Jill Desjean:

Yeah, I couldn't say for sure, but the fact that schools have a year to spend the funds, it's not as though someone's talking about holding back 100% of the funds to wait until next December to see if students have needs. That seems like a reasonable plan.

Justin Draeger:

Okay. **Speaking of distribution of funds, this person's questioning just because of the sheer volume of payments, their school is discussing use of debit cards and if they use debit cards, would they need to follow the guidance in the FSA Handbook regarding third-party debit cards? Jill, how about I take a stab and then you correct me?**

Jill Desjean:

Sure.

Justin Draeger:

So, our assumption is that this additional guidance that's coming from the Department of Education will include information specific about how the funds should be distributed. Our other assumption is that if they offer up as one of the ways to distribute these funds, the debit cards, that the Department's expectation could very well be that it adhere to the existing requirements around debit cards, that they be zero fee for students and all of those rules. But we are waiting for the additional guidance from the Department of Education to see what that looks like. What do you have to amend there, Jill?

Jill Desjean:

Yeah. Nothing to amend. I think just because these aren't Title IV funds doesn't mean the Department might not decide to apply some sensible rules borrowed from Title IV to them. So what Justin said seems to make sense to me.

Justin Draeger:

Jill, let's go to the reporting requirements with those emergency relief funds. The only question that this person has is whether the reporting will be student-specific or general overall, and they're pointing out that this could impact how they distribute the funds.

Jill Desjean:

Yeah, we think that it will be student-specific, but we have heard from schools who've dealt with disaster relief funding before that it doesn't usually involve a lot of student-specific information reporting, so typically a student ID number and then the dollar amount of the funds that they got. So we don't know exactly, that's to be announced. But if we can rely on past disaster relief funding and how the reporting worked for that, it may go something that way.

Justin Draeger:

All right. David, I think you wanted to revisit a question.

David Futrell:

Yeah, just wanted to jump back on that: **Why do we need to report or complete an R2T4 calculation if we don't have to return any unearned funds?** I had a short answer. It's not the complete answer.

Yes, they might due a post-withdrawal disbursement, but even if they're not, due a post-withdrawal disbursement, remember the reporting requirements I mentioned earlier... You will have to report, and this is sad that the reporting requirements might drive the policy here, but you'll have to report the number of affected students, the amount of grant or loan assistance associated with each recipient, and the total amount of grant or loan assistance for which each institution has not returned. So, you will need to do the calculation of earned versus unearned in order to be able to report the accurate measurements later. So, there's the full answer.

Justin Draeger:

Yeah. Jill, you might've said this already, but if they're reporting back on a student-by-student basis, like this is the amount this student got or that student, that doesn't necessarily mean that they're passing over any student identifiable information. We are counting students, but not handing over student information necessarily back to the federal government.

David Futrell:

Providing aggregated data, not student-specific data, right?

Justin Draeger:

David, can you touch on this one again, which is, can you review the amount that they are allowed to transfer between Work-Study and FSEOG? Can we move Federal Work-Study funds to FSEOG at a greater amount than the FISAP usually allows?

David Futrell:

There is no limitation, except that it's only unexpended Federal Work-Study funds, so unexpended Work-Study funds, no other limitation. Those can go over to SEOG and that will exceed what the FISAP usually allows, but we are assuming they will amend the FISAP to accommodate... and please don't kill me ED folks... I would assume they'll amend FISAP to account for all of this.

Justin Draeger:

Okay, so TBD.

David Futrell:

TBD.

Justin Draeger:

David, the verification relief that we've received right now, is that going to be in place for 20-21 as well or just for 19-20?

David Futrell:

We don't know. We have asked the Department about 20-21 since the April 3rd Electronic Announcement came out. We just haven't heard back yet.

Justin Draeger:

Okay. David, let's stick with you for a second. **If a student requests a PJ because the parents were laid off because of COVID-related issues, what parameters should a school be using to determine ability to pay for the upcoming year? This is more of a PJ question. I mean, this would apply to all sorts of job loss, whether it's COVID-related or not.**

David Futrell:

Yeah. The primary factor here is that you would take into account the loss of income. I don't know what parameters you would use other than that. You would take into account the loss of income. If they have unemployment compensation, you obviously might want to add that back in because that's income for whatever 12-month period. Again, you get to choose which 12-month period. Whether that's the 2020 tax year or the 19-20 calendar year or the 20-21 calendar year, you get to pick the 12-month period. It could be in the middle of each, but you would look at all of the income, all of the adjusted income for the individual. That is the amount earned before they were laid off, any unemployment compensation that they received by virtue of being laid off, and if they regained their job, you would add the projected income for their coming months within that 12-month period. It's entirely up to the school. Again, this is professional judgment. That's just one way of doing it.

Justin Draeger:

Okay. Jill, we might've touched on this... Well, we have touched on this in a couple of different ways, but I think it's because this is such a topic of debate on campuses everywhere. **The question from this school is in establishing our student distribution plan, is there any stipulation that schools cannot use the payments as credit towards upcoming term charges?**

Jill Desjean:

There is not a stipulation that schools cannot, but it is clear from the language in the law, and also just from congressional intent that these funds were meant to be direct funds to students. As Justin mentioned earlier, we're expecting some guidance from the Department that is going to be clearer about whether and how these funds might be able to ever be applied to student accounts, but treating them as credits toward upcoming term charges does not seem to be consistent with what these funds' intended use was.

Justin Draeger:

Yeah, so if I was modeling this out and a school wants to hang on to a shred of hope that they could do this, so be it, but I would be modeling other distribution models that do not apply any of these funds to your accounts.

Jill Desjean:

Yeah, make a plan B.

Justin Draeger:

All right. David, with the IRS not mailing docs to anyone, are we able to accept an institutionally developed statement of non-filing from students?

David Futrell:

The verification of non-filing requirement also has not changed. There is already the ability to provide a signed statement when the individual has tried, but is unable to obtain the verification of non-filing from the IRS. So just to read the guidance, "As long as the student has made a good-faith effort to obtain the

verification of non-filing from the IRS or the relevant tax authority and the school has no reason to question that individual's good faith effort."

We know the IRS is closed and they might not be able to get it. That sounds like a good-faith effort to me. The school may accept as a replacement for verification or confirmation of non-filing a signed statement certifying that the individual attempted to get one, has not filed and is not required to file a tax return, and lists the sources and amounts from each source of income for the tax year being verify. You would also need copies of W-2s or equivalent documents from the employer for each source of employment income received by that individual for the tax year that is being verified.

So, you determine what is a good-faith effort, and then you can accept a signed statement. This is one of the top articles. If you go to the NASFAA [AskRegs Knowledgebase](#) on the very first page, it's the fifth article listed as most popular because everybody wants an exception, and that verification of non-filing edit already exists for you.

Justin Draeger:

Margot, we might just go a few minutes past the scheduled end, which I think was supposed to be in just about three or four minutes. I just wanted to make sure we're okay if we go over that time a little bit then.

Margot O'Meara:

Yes, that's fine.

Justin Draeger:

Okay. I've got a couple of other questions here. Then, Karen, because I know you've been sorting all of these, after I get through these next few, I'm going to turn to you to see what other questions are being asked most often. **David, this question here is: there seems to be some confusion of whether or not the campus-based institutional match has been waived. Has the match been waived for all schools, or is this only something that the Secretary can do?**

David Futrell:

The institutional match has been waived for all of... Let me just check.

Jill Desjean:

I'll chime in. I think the question is because the Department's guidance from April 3rd. The CARES Act waived the institutional match, but then the Department's April 3rd guidance implied that they may do it, not that they shall do it. So, it seemed very clear cut to us that that was waived, and then the April 3rd guidance kind of made it seem like the Department was looking at that as something they could choose to do.

David Futrell:

Thank you, Jill. I appreciate that.

Justin Draeger:

So, we may have a disagreement about where the Department is coming down on this, but they haven't said one way or the other just yet, right?

Jill Desjean:

Right. They just said that they were going to be coming out with guidance soon. So we have a question out to them questioning why their interpretation of the "shall" is a "may", essentially.

Justin Draeger:

Okay.

Karen McCarthy:

Hey, Justin.

Justin Draeger:

Yeah.

Karen McCarthy:

We did actually recently get a response from the Department on that question because we politely pointed out the discrepancy like, "Hey, the CARES Act says that you "shall" do this, but your guidance is saying that you will consider doing it." The response that they got back to us is, "Yes, we are correct, NASFAA and everybody else who spotted the error, that the CARES Act does require them to waive that," and they are looking at how they will go about doing it. They did admit that they made an error there, and they will comply with what the CARES Act requires.

Justin Draeger:

Thank you, Karen. I'm sure the politeness made all the difference. Let's keep moving here. **Can someone provide instructions on where you would upload the certification form on grants.gov for these Emergency Stabilization Funds? Let me just say we do have that [link](#) in one of our articles but, Margot, can we just make a note to go ahead and make sure that makes it into the webinar notes as well so that we can push that out to attendees?**

Margot O'Meara:

Yeah, definitely.

- <https://www.grants.gov/web/grants/applicants/apply-for-grants.html>
 - Grant Opportunity #
 - ED-GRANTS-042120-004 - institutional share
 - ED-GRANTS-041020-003 - student emergency aid share

Justin Draeger:

Okay, thank you. **Jill, there are several questions here, and I'm not going to highlight any single one about can schools use these Emergency Relief Funds for students who have become unemployed or underemployed, or if they don't have housing on campus, can they still use it for their students? Could you just talk for just a second about sort of the broad nature that schools will have in identifying groups of students again?**

Jill Desjean:

Sure. So, for the HEERF funds, they are exclusive to expenses incurred to the disruption in campus operations due to coronavirus. Sorry, I feel like I've said that 5 times, 10 times maybe. I encourage schools to think broadly about that. Just because a student lost their job, doesn't mean that they don't also have coronavirus-related expenses due to the disruption on campus.

Someone who commutes from home and has their own laptop and always has, you might say, "Well, the disruption on campus really didn't impact them at all." But if they usually came to campus and used electricity there to plug in their laptop and their phone, they turned their heat down low at home because they were on campus all day, and they're suddenly at home all day, they probably do have expenses related to that disruption even though they weren't living in campus housing, even though they already had their technology set up. So, even though the usage of funds is limited to expenses related to these campus disruptions, I think almost everyone, ourselves included, can find some expense that we've incurred as result of COVID-19. So, I just encourage you to think more broadly about what expenses those might be.

Justin Draeger:

One add-on to that, Jill, what about new students coming in for next year? These would be students who were not on campus the last couple months.

Jill Desjean:

Yeah, I think you could find a way to justify that they had expenses related to the disruption. They had made plans for how they were going to enroll in the fall based on a pre-COVID world, presumably. Now that they may be looking at enrolling in distance ed instead, depending on what your campus's situation is and where we are as a nation, they could have COVID-19 related expenses due to the disruption on campus. So they're not excluded. You could potentially find a way to say that they have those expenses.

Justin Draeger:

We have lots of questions about how we would go about determining our groups, or how would we determine the criteria for certain groups of students. I would just encourage people to talk to peers, sign up for one of our peer sessions that we're having at NASFAA.org/LetsTalk, and also our [Off The Cuff Podcast Episode 143](#) that had three aid directors who talked about how they were identifying students. The applications, as nominal as some of them were, that they were thinking about including just name and did you incur any of the following expenses, check all that apply. So there are lots of ways for you to be thinking about doing that. I'd encourage you to talk to your peers, sign up for our Let's Talk, and listen to 143 of our podcast. David?

David Futrell:

And make sure you're doing this with the involvement of all your other affected campus officials who might have authority in deciding how these monies are going to be spent. You don't want to be a financial administrator who comes up with all of these procedures, and then all that work gets thrown out the window when the VP hears about it.

Justin Draeger:

Karen, let me turn to you because we're now pressing up against the hard deadline and we want to wrap up here in the next few minutes. What questions are you seeing most asked that we might want to hit on here?

Karen McCarthy:

I think you've covered a lot of the biggies. We have a lot of repeat questions in here as well. **There were a few questions asking about, within the institution, who should be involved... I know, Justin, you like these kinds of questions, so maybe you could kick off this one... in terms of does the aid office need to be the one awarding these funds? Does anybody need to tell us about it? Can it be another office who's running this whole show, or should it be another office that's running this whole show?**

Justin Draeger:

Yeah, it's a great question, Karen. This is going to differ campus by campus. I sure hope that aid offices are involved in these conversations when it comes to doing things like figuring out their expenses and potentially ranking some of the need for these emergency funds. I really hope that aid offices have a voice in that conversation.

That said, beyond advising and giving technical assistance, if your school did not want the aid office to be involved in distributing these funds or collecting information for reporting, that is not required in this instance. So if for example, your grants office, outside of student grants, was going to be the one doing all of the reporting on grants.gov and your business office was going to be doing all of the disbursing, having the funds hit the student's account, not scrub up against any institutional student balances, and just giving the funds directly out to students via your method of payment; I don't know that the aid office necessarily has to be in the middle of that process. So, they don't have to be, but I sure hope you have voice even if you're not directly involved in the process and may not even know for every student who has been awarded those funds.

Karen, can I hit one other question that I just saw here, and then I'm going to give the last question back to you. **There's a question in here about sort of the evolving nature of these emergency relief funds and some of the... They use the word tone.** What I would say is I'll go back to what I talked about back on slide nine, which is we are trying to provide as best we can guidance about what we see as lawmakers' intent when they wrote the law and signed it and the president signed it.

Now as it's going through umpteen different iterations and approvals over at the Department of Education, I think what you are seeing is in our conversations with federal colleagues, we are seeing a tightening of the interpretation around how these funds can be used for things like balances, even if the students want it to be used for balances at the institution. We are seeing as Jill pointed out earlier, while there was no restriction in the CARES Act about this going to DACA students, we are seeing in the certification form this "all applicable laws" language that points to laws that if you just got into financial aid or if you've been in for 10 years, it goes back to a '96 law about public benefit dollar usage.

So, this is evolving and changing, and this gets back to another question I see a lot of: **when is the money coming?** I don't know. It doesn't appear to have hit any schools' accounts as of today, but if it comes to your account, I would certainly pause and look to see if the Department has issued any other guidance before you distribute the funds. The changing tone is coming from conversations about the Department might be taking a more restrictive view about these funds than it appears would exist in the law. So we'll continue to watch and notify you as soon as we see it. Karen, in the closing minute here, you've got the final question.

Karen McCarthy:

I can't top that. That was a great summary. I think you should just move on. We're done with the questions and move on and wrap it up. I think that was a great concluding statement.

Justin Draeger:

Okay. We want to say that we recognize the frustration that we are hearing from you all, very justified frustration in the lack of guidance. I do want to just point out that it's been just over four weeks since the president declared a national emergency. It feels like it's been a lot longer, but we are working as hard as we can on your behalf to make sure you're getting the guidance you need to at least be thinking

about these things on campus... You can hit the ground running when the money comes... then obviously to keep you informed on the Department guidance that's already come out.

Please remember to download your certificate of attendance. Please remember to complete the survey that does guide future webinars, including whether we should continue to have them on an every two-week schedule.

Thank you for joining us, and most importantly, thank you for everything that you all are doing for students, for all the extra work hours, sweat, tears, and know that we're going to be here with you every step of the way. Take care, everyone.