Bonniejean Zitske 10:14 AM

Is the unpaid student balances only for students who have a need?

No. Guidance states “unpaid balance”. Target neediest, but ok, to pay others as well.

Corey Robinson 10:14 AM

I think department of Ed is setting time limits that would be before 9/30/23 so that ED can ensure funds are spent by that timeline. Schools will still need to apply for the extension if they wish to push the spending past the GAN dates. Does that seem accurate?

No thoughts...thought was 1 year after notification, but all MUST be spend by 9/30/2023

Angie KISTNER 10:15 AM

When you allow your discharge of student balances from institutional funds do you make any distinction about it being contingent of students continuing enrollment

No. You aren't permitted to do so.

Madeline Wagner 10:15 AM

I assume using the Intuitionial dollars to pay down accounts for students who stopped out cannot be contingent on them re-enrolling? Because that would be recruitment?

See above.

dwarner 10:17 AM

What about the outstanding balances prior to 3/14/20? Students often owe for prior semesters when enrolling.

We believe you can.

Kevin Culler 10:18 AM

If you choose to apply institutional funds to unpaid student balances, do you still need to obtain student permission (authorization) to apply funds to their account, as you would if you were applying the Student Portion or awarding a FA Grant to Student with Institutional Portion funds?

No, if using Institutional funds. But, you should at least let them know.

Brenda Schumacher 10:18 AM

Can we claim lost revenue on lost state aid due to decreased enrollments?

Same question as with state appropriations, if it is an appropriation cut, then yes (probably), but like in Michigan the state gave this funding back, so if you have replacement revenue, then no.

Lisa Faulkner 10:19 AM

How are universities posting the lost revenue on the grant fund to reconcile to the draws made from the U.S. Dept. of Education? Will Ed expect these to be reflected on the SEFA?
Yes, will need to be on SEFA. Will probably need additional disclosures in the SEFA footnotes. Work with your auditors/CPA to determine correct posting.

Chris Bowman 10:20 AM

I received communication from the DOE that lost state appropriations can be included as lost revenues, have you heard anything to the contrary?

Nothing specific, get clarification from DOE.

Stephen Olson 10:22 AM

Since we can go back prior to 12/27/20 for expenses, I assume we can go all the way back to spring 2020. We provided room/board refunds of 3.5M in spring 2020. We claimed 500K of this using CARES institutional funds. Safe to assume that we can claim up to another 3.0M using CRRSAA and ARPA funds, right?

Yes, just don’t double dip.

Michael Moss 10:22 AM

Can you clarify "fees related to debt service activities cannot be claimed"? A portion of our student fees are used to pay debt service on the Auxiliary facilities (student centers). Does that have to be excluded?

Yes, we believe it should be excluded.

Richard Hampton 10:23 AM

Is the Marketing exclusion specific to marketing of our University? In other words, does it exclude company marketing such as a soft drink contract or a company advertising on our baseball field wall?

Yes, specific to the University.

Pete Ugo 10:25 AM

NACUBO released an updated tutorial on HEERF II rev rec on their website yesterday - related to the approach Marty is referring to right now

GREAT!

Brenda Schumacher 10:27 AM

The SEFA only shows federal expenses and there are no expenses that offset that lost revenue so nothing would show up on the SEFA I don’t believe. Please clarify how we should record lost revenue since we have no expenses to offset.

It doesn’t seem to matter that you aren’t recording as an ‘expense’, it is still expected to be on the SEFA!

Anonymous Attendee 10:28 AM
Has anyone considered using the funds for debt service. Not fees related to but the actual debt service?

*See previous question.*  
Angela Carron 10:30 AM

Are you considering lost revenue as non-operating revenue?

*Under GASB (33), yes.*

Sue Menditto 10:30 AM

Where is the guidance on the allowability of "siloing" to calculate lost revenue coming from. DOE hasn't said this and many auditors don't believe this to be true.

*Interpretation of the rules, not in black & white. This seems like an acceptable method of calculation.*

paula donohue 10:30 AM

Do I understand that we should not draw down any HEERF II institutional share until we spend HEERF II Student share

*No, you can draw as you spend it, it is just the revenue recognition portion.*

Conya Wampler 10:30 AM

Do we have a ninety days from receiving the GAN to start drawing HEERF 2 funds?

*Yes, you do.*

Dorey Diab 10:30 AM

Can you use institutional dollars to incentivize student completion at the end of the semester?

*We have seen no guidance on this.*

Doris Dumas 10:30 AM

Can you elaborate on DACA students and the Institutional portion? I know it is not clear, but repeating it helps. We have Minority Serving funds too. thank you

*Based on current knowledge, should exclude, but still waiting guidance.*

Jill Houghton 10:31 AM

Have other institutions received their 314(a)(2) SIP funding yet? Our funding amount is available on the ED website, but, we have not gotten funding.

*Yes, some have.*

Anonymous Attendee 10:31 AM

It appears indirect costs are allowable on the institutional portion of the award. Can indirect costs be calculated on lost revenue?

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We understand some CPA firms are recommending holding off on applying to Lost Revenue as it doesn’t seem “reasonable”.

Corey Robinson 10:31 AM

Can you discuss the difference between the timing of SEFA expenditure reporting and the timing for revenue recognition given this might be different?

Would be different – for the institutional portion, should recognize based on the percentage of the student portion expended; but do need to include on SEFA. Lost revenue from prior period, should be picked up, even though the revenue was recognized in prior year as an expenditure on SEFA. Important to have footnotes on the SEFA.

Anonymous Attendee 10:32 AM

On a previous HEERF webinar you included HVAC improvements that improve indoor air quality in alignment ASHRAE and CDC guidance for HVAC systems in light of COVID-19. Would fall under the "Used for sanitation, personal protective equipment, or other expenses associated with general health and safety of the campus environment" in the CRRSA for Higher Education. Is that still your understanding?

It depends, if it is repair & maintenance, no prior approval needed. But if it is a capital improvement, check with your auditors.

Anonymous Attendee 10:32 AM

If you do a year-over-year comparison to calculate lost revenue for FY21 and do not charge the HEERF grant award until FY22, which SEFA do you report it on?

FY22 – when you charge the grant.

Anonymous Attendee 10:33 AM

So we would record the lost revenue as grant revenue, and not record associated expenses?

Yes

Anonymous Attendee 10:34 AM

Can you confirm that funds have to be sent to students 15 days from draw down? did that change from the original guidance of 90 days?

Yes, this is correct on the student portion. The 90 days were to draw down to ‘accept’ HEERF II.

MLC 10:35 AM

Are you required to reduce lost revenue by the amount of expenses that were reduced related to that revenue? For example, is lost dorm revenue required to be reduced by savings in food service and lower utilities?

We do not believe you need to offset expenses, but don’t double dip!
Anonymous Attendee 10:36 AM

**Can we apply lost revenues against reduced bookstore commissions due to impacts of COVID.**

*Check with your auditors.*

Angela Carron 10:37 AM

**Could the institutional portion of the HEERF grant be comprised of both operating revenues and non-operating revenues. For example, if the funds are being used to cover COVID safety supplies would that be considered operating revenue/expense, as compared to lost revenue which would be non-operating revenues?**

*Unsure of the question, please check with your auditors.*

Sally Gazza 10:37 AM

For lost revenue, do you need to take into considerations the expenses that did not incur from the revenue event also and calculate lost net profit for the activity being canceled?

*We do not believe you need to offset expenses, but don’t double dip!*

Brenda Thompson 10:45 AM

**Would the lost conference revenue be gross revenue or net profit?**

*We do not believe you need to offset expenses, but don’t double dip!*

Anonymous Attendee 10:45 AM

**Can you please clarify...when calculating lost revenue, do we need to offset it by average scholarships?**

*Yes, we believe so.*

Ryan Hawkins 10:46 AM

Ryan mentioned, net received from students. The FAQ issued by DOE in Question 8 indicates that "an institution does not need to subtract replacement revenue (net revenue) the institution received in calculating its amount of lost revenue (gross revenue)". Can you explain how this should be applied?

*We do not believe you need to offset expenses, but don’t double dip!*

Chris Lambert 10:47 AM

**Would it be considered double-dipping if an institution used lost revenue to receive 2nd PPP loan and used (a)(3) funds to replace the lost revenue?**

*Great question! Check with your auditors.*

Anonymous Attendee 10:48 AM

**If all of our HEERF I funds are spent and we did not claim any indirect costs, can we use HEERF II funds to claim indirect costs related to HEERF I expenses?**

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Unsure, potentially can, but best to check with your auditors.

Sue 10:49 AM

We have a negotiated ICR rate but due to lost revenue, the 10% could be better for us. We feel like we are required to use our rate. What are your thoughts?

We believe you just need to be consistent in the application of the rate.

Anonymous Attendee 10:49 AM

Are you charging the full indirect rate on campus cleaning and IT expenses if those expenses are generally included in grant awards as indirect expenses?

No, this seems to be double dipping, but seek outside advice.

Joe Sjuts 10:51 AM

I missed the answer but can IDC be applied to lost revenue?

See above.

Anonymous Attendee 10:51 AM

If lost revenue is calculated for a fiscal year ending June 30, 2021 and charged to the grant after June 30, 2021 and therefore drawn after June 30, 2021, would it be grant revenue on the financials for FY end June 30, 2021, or the next fiscal year which is when it was drawn?

We believe the revenue would be recorded in the year it was drawn.

Anonymous Attendee 10:52 AM

How about utilizing Cooperative Purchasing for procurement?

If this question is related to the federal requirements for purchasing, then please check with your DoE Director to ensure if your Cooperative agreement applies.

Loree Watson 10:53 AM

Can we take IDC on HEERF I institutional grant out of the HEERF II award?

See above.

Loree Watson 10:54 AM

Can we take IDC on the MSI portion of the institutional HEERF grants?

We believe you can.

Anonymous Attendee 10:55 AM

Our HEERFII award is reduced by 50% due to the payment of the Endowment Excise Tax. We tried to submit a waiver and did not receive a response. Have you heard anything more about this process?

We have not.

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Anonymous Attendee 10:57 AM

Just to confirm, the phrase "No need to assign specific costs against lost revenue estimate" does not apply to student financial aid, i.e. you can only claim against federal funds net student tuition revenue, not gross student tuition revenue (before institutional student aid/grants)?

**Correct, this does not apply to student financial aid. Waiting on clarification on gross vs. net.**

Monte Kramer 11:02 AM

I think I understood the response on payroll from Bryan to be that if a person was budgeted, even if their duties changed due to COVID, the cost cannot be claimed. I struggle how this is not COVID related.

**Guidance is unclear. Check with your auditors.**

Anonymous Attendee 11:03 AM

We installed automatic door openers in several halls and campus buildings due to COVID. Would this be allowable since it is related to construction?

**Minor renovations related to COVID-19, like converting classrooms, are allowable. I would think this falls under that category.**

Zach Greenlee 11:04 AM

What about the 90-day rule for SIP shares, also, which were awarded at a later date than the student/institutional shares?

**We are unclear on this. Check with Department of Education.**

Anonymous Attendee 11:05 AM

Related to the 90 day drawdown - is this separate for the student and institutional portion? If we drewdown the student funds but have not started the institutional funds - does that meet this requirement?

**Probably best to draw down a small portion from both to be covered.**

Anonymous Attendee 11:06 AM

What should we do if we did not receive our HEERF II distribution yet? We contacted our previous contracts from HEERF I and have not received a response.

**Reach out to Dept of Education contact.**

Anonymous Attendee 11:08 AM

Is there any guidance related to the HEERF II waiver process related to institutions that pay an endowment excise tax?

**We have not seen anything on this.**
I am thinking of the Lost Revenue slides, indicating that we could report the lost revenue on the SEFA. This has me thinking we are using 'lost revenue' and 'expense' interchangeably in this case. I will consult our auditors, of course, though I am wondering how to portray this lost revenue on the SEFA. Perhaps it will have a specific line item rolled into the CFDA number category related to these HEERF funds? Much gratitude to you folks for any insight.

See above.

Anonymous Attendee 11:10 AM

We used room and board refunds that we issued in March 20 as our institutional reimbursement for HEERF I for F20. If we use those room and board refunds for the institutional portion for HEERF II or III, which we are planning to draw down in F21 and since we issued significantly more than we received, what is the accounting impact if we use that for our institutional portion in F21?

Unsure of the question. Check with your Auditors.

Anonymous Attendee 11:10 AM

Has there been formal guidance for revenue recognition and the amount of institutional funds that can be on SEFA for upcoming fiscal year close ending 6/30/21? There was mention that amount of student funds used will impact the amount of institutional allowed on the SEFA

See above.

Marilyn Smith 11:11 AM

We have a nurse that has worked half time for years. Since COVID she has worked additional hours to do contact tracing. Can we charge any hours and fringes over 20 hours per week to the institutional grant?

Yes, we believe you can.

Katie Still 11:15 AM

Regarding block grant awards vs. awards based on an application process: Is an EFC adequate documentation to document need, when awarding student awards in a block grant manner? For round 1 HEERF, our auditor required evidence of financial impact from Covid from students, in addition to the determination of awards from their EFC.

Yes, it seems to us this would be sufficient. Check with your auditor if unsure.

Anonymous Attendee 11:16 AM

If all HEERF I student aid has been spent, is it ok to use remaining Institutional HEERF I balances for student grants, prior to awarding from HEERF II student aid? - Yes

Anonymous Attendee 11:17 AM

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As long as your not claiming lost revenue, would such costs such as utilities and debt service be allowable? So no double dipping happening. All of these answers are assuming that lost revenue is being claimed.

All expenses claimed must be directly tied to COVID. Not sure how that would work with utilities and debt service.

Nicole Davis 11:18 AM

Sorry if this was addressed. Can we use GROSS tuition in calculating lost revenue (do we have to use discount rate).

We believe you need to net out gross tuition with scholarships, etc.

Gene McWilliams 11:19 AM

90 day draw down requirement - would drawing down $1.00 to $2.00 satisfy the 90 day? Yes

Anonymous Attendee 11:19 AM

Do you have to follow Student funds rules for the Institutional Grants used on Students? What if you offer to pay off balance as long as they intend to return the next semester?

If you use institutional award for student grants, yes, should follow Student share rules. If you use Institutional share to pay off balances, we have not seen the requirement that the student must return, as that would be a conditional award.

Anonymous Attendee 11:20 AM

Would telling students factually that HEERF 1 & 2 both relied on FAFSA being filed AND being enrolled at the time we awarded funds (at our school), so while we haven't decided on HEERF 3, those same conditions will be things we consider. We want to make sure this doesn't explicitly tie receiving the funds, but it at least nudges them to take steps that will make them eligible no matter what directions the school considers in the future?

Unsure of the question.

jodi.ost 11:21 AM

Can an institution choose to use the 10% rate instead of their IDC rate. We have one rate and it applies to salary only. Our institution has not been using HEERF funds for payroll.

We believe you can.

Anonymous Attendee 11:21 AM

If you do a year-over-year comparison to calculate lost revenue for FY21 and do not charge HEERF grant award until FY22, which SEFA do you report it on FY21 or FY22?

FY22.

Anonymous Attendee 11:22 AM
If the CARES is applied against student accounts (to pay for account balance) - will this amount be considered in the calculation of financial aid package, reducing the total financial aid eligibility?

No, we don’t believe so.

Anonymous Attendee 11:24 AM

We drawdown funds via Department of Education's G5 on a reimbursement basis, we spend it first before we drawdown - will the 90-day drawdown apply for this?

Yes, we believe it does.

Diane Stallmann 11:25 AM

In contrast to what was just said, NACUBO's latest guidance suggested that schools did not have to focus on net revenue as we had originally thought. Is this another area where we should rely on our auditor's perspective?

Yes, please reach out to your auditor.

Anonymous Attendee 11:26 AM

On yesterday's webinar done by Crowe Higher Education, which included NACUBO's Sue Menditto as a panelist, they said that you did not need to reduce lost revenue by any type of reduction in expenses.

We do not believe you have to reduce by expenses, but don’t double dip.

Jane Wilhelm 11:28 AM

are you sure we need to use the net?

Please check with your auditor.

Ben Hunholz 11:29 AM

This is the first i am hearing of using net revenue versus gross. It seems all the guidance i have seen to date has definitively said use gross revenue.

Lots of discussion on this, again we recommend reaching out to your auditor.

Corey Robinson 11:30 AM

Funds that cover costs don’t have to offset your lost revenues. Some programs had lost revenues and increased costs. In this case you can still take lost revenues even if you had other funds that covered costs. - See above.

Sue Menditto 11:30 AM NACUBO has heard from ED (not in writing) that lost revenue is a gross calculation. The AICPA GAQC has had the same conversation with the Department of ED

ALL – this statement is from Sue Menditto with NACUBO.

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