



# Accounting Tutorial

## 2021 HEERF Annual Reporting

### Background

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA) provide budgetary relief to higher education institutions through numerous provisions. The Department of Education (ED) is administering all Higher Education Emergency Relief Fund (HEERF) allocations passed by Congress to date: those contained under CARES (\$13.95 billion), CRRSAA (\$22.7 Billion), and ARPA (\$40 billion). General information about the three relief programs is available in a [separate tutorial](#).

### Data Collection

All institutions that received HEERF funding are required to report annually for ED review. The 2021 (and beyond) annual reporting form was updated in March 2022 ([OMB No. 1840-0850, expires 1/31/2025](#)). The applicable reporting period is calendar year 2021 (January 1 – December 31). Institutions must file their 2021 annual report by close of business May 6, 2022, to remain eligible to receive remaining unspent HEERF grant funds. Filing is completed through a portal.

### Purpose of the Tutorial

This accounting tutorial addresses quantitative information required for the 2021 calendar year annual HEERF report. Consequently, this tutorial covers questions 8, 9, and 10, and seeks to clarify report ambiguity in the interest of sector consistency for non-profit and public colleges and universities.

### General observations and recommendations

#### Emergency student aid

Reporting for HEERF (a)(1) funds is bifurcated by institutional portion funds (if any) used in addition to student aid portion funds used to provide emergency aid to students.

#### Question 8a

Institutions that used (a)(1) Institutional portion funds for emergency student aid grants and did not track emergency student aid by funding source (Institutional versus Student portions) should use an allocation methodology to provide aid disbursement information. The methodology should be documented.

Requested amounts used to cover a student's outstanding account balance for costs such as debt forgiveness, room, board, tuition, or fees, *are amounts for which the institution received permission from the student to relieve active account balances* (in lieu of a direct payment via checks, direct deposit, payment apps, debit cards, and so forth).

Question 8a only relates to emergency student aid grants (and not account balance forgiveness allowable under the Institutional portion lost revenue rules).

## **Questions 8b – 8f**

All are marked with an asterisk.

Institutions have the option of taking an additional year and reporting the information requested in early 2023, when the third annual report is due for calendar year 2022. Institutions that opt to take this extension will separately report calendar 2021 information and calendar 2022 information for 8b – 8f in early 2023 (due date pending and not provided at this time).

## **Institutional Portion HEERF**

### **Question 9**

*Part a* – addresses how and when institutions expect to use any remaining Institutional Portion funds (not yet drawn from G5). Because 9a is somewhat qualitative, it will be covered following parts b and c in this document.

*Part b* – asks for the allowable use of HEERF funds drawn from G5. Allowable uses are established by ED and documented in the certification agreements and FAQs. Funds drawn for an allowable use are considered expended by the institution under the terms of the HEERF grant.

*Part c* – addresses the types of lost revenue amounts claimed; the total amounts by category must agree to the lost revenue amount indicated in the “replacing lost revenue from all sources” line in Part b.

### **Part b:**

Institutions must indicate all allowable uses of HEERF Institutional Portion funds that were drawn from G5 during calendar 2021.

The table parallels 2021 quarterly reporting with a few exceptions:

- The line for Student room and board refunds has been eliminated
- The line for tuition discounts has been eliminated
- Lost revenue from academic sources and lost revenue from auxiliary sources has been combined into lost revenue from all sources
- A line for “Implementing evidence-based practices...” has been added

### **Recommendations: From the quarterly report to the annual report**

Institutions that reported room and board refunds and / or tuition discounts should report those items under “other uses....” In this way, there is a clear mapping from those categories to other, and remaining line items will not be compromised when going from the quarterly reports (by line item) to the annual report. Institutions should document what they report under “Other uses....”

Lost revenue from all sources should agree with the sum of lost revenue from academic and auxiliary sources reported for all calendar quarters in 2021.

All individual line items should agree with the corresponding quarterly reporting line items when all quarterly reports in 2021 are aggregated.

Institutions that may have reported discharging unpaid student account balances under “other uses...” of funds on their quarterly reports should ensure that all lost revenue claims are reported on the appropriate lost revenue line in the annual report.

The cost of COVID vaccine distribution should be reported as “Implementing evidence-based....” Any such expenditures reported in other lines on the institution’s quarterly reports should be moved to this category.

### **Part c:**

Institutions must report the type of lost revenue by allowable category on appropriate line items. All categories are addressed in the ED [March 19, 2021 lost revenue FAQ](#).

Again, any student account balances that were discharged are reported on the appropriate line item in this section and not in Question 8a.

**Part a:**

Unlike Parts b and c, Question 9a relates to the institution's plans for HEERF Institutional Portion funds it has *not yet drawn down*. ED is requesting this information to determine how much of its allocation the institution has spent (Questions 9b and 9c) and intends to spend before the extended grant expenditure deadline in 2023 (Question 9a).

**Question 9a.** If the institution 1) has already utilized its entire Institutional Aid portion, 2) has no plans to spend any remaining balance, or 3) intends to spend the remaining balance but has no specific designated purposes at this time, answer "No" and complete Question 9a1.

Otherwise, answer "Yes" and complete question 9a2.

**Question 9a 1**

Question 9a 1 asks whether the institution still intends to use its remaining HEERF funds. If so, and the institution has "set aside" some or all of the remaining funds for expected, but unspecified, expenditures or lost revenue, answer "Yes", and move to Question 9b. Otherwise, answer "No" and complete question 9a1.i.

**Question 9a1.i**

If none of its remaining HEERF funds are being "set aside" for future use, the institution must give a brief description of how it intends to identify future expenditures or lost revenue. Examples of possible responses:

*The institution has already utilized its entire HEERF Institutional allocation.*

*The institution will monitor expenditures and potential lost revenue to identify allowable uses of HEERF funds and will draw down funds accordingly.*

*Although the institution has not designated or reserved HEERF funds for specific purposes, it expects additional COVID-related expenditures will be necessary in the future. As those expenditures are incurred, the institution will draw down funds accordingly.*

**Question 9a 2**

If the institution responded "Yes" to Question 9a, complete the table to show the amount designated by 1) calendar year in which the expenditure or lost revenue is expected to occur, and 2) the HEERF program fund from which funds will be drawn.

**Other Questions that allow an additional year allowed for reporting**

Question 10: Demographic information requested by unduplicated student count is deferred for every category *except* total undergraduate and graduate student counts by degree status (in the first line). Consequently, institutions can elect to report 2021 calendar year information in early 2023, when the calendar 2022 annual report is due.