

Award 2

\$2,002,000.00 (up to 50 percent of the amount authorized under Section 18004(a)(1) of the CARES Act) to Clayton State University (“Recipient”).

Section 18004(c) of the CARES Act allows Recipient to use up to 50 percent of the funds received to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus so long as such costs do not include payment to contractors for the provision of pre-enrollment recruitment activities, including marketing and advertising; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship (collectively referred to as “Recipient’s Institutional Costs”). Section 18004(c) also requires Recipient to use no less than fifty percent of the funds received to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to the coronavirus (including eligible expenses under a student’s cost of attendance such as food, housing, course materials, technology, health care, and child care). This Certification and Agreement solely concerns Recipient’s Institutional Costs, as defined above.

These funds can only be used for costs first incurred on or after March 13, 2020 and must have “a reasoned basis for concluding such costs have a clear nexus to significant changes to the delivery of instruction due to the coronavirus.” Further, these funds must be used no later than one year after submitting Funding Certification and Agreement. Institutions must have already submitted their student grant aid funding certification prior to submitting their institutional funding certification and the president or president’s designee must sign the form.

The System Office recommends that these funds be expended by June 30, 2020 for eligible uses as outlined below. Funds should only be carried over into FY 2021 if the aid amount exceeds eligible uses.

Following is a summary of specific “do’s and don’ts” issued by U.S. Department of Education:

- Institutional Funds **CAN** be used for:
 - Refunds to students for room and board, tuition, and other fees as a result of significant changes to the delivery of instruction, including refunds to students for housing, food, or other services that institutions could no longer provide. This includes allowing institutions to reimburse themselves for COVID-19 related refunds that were provided to students on or after March 13, 2020.
 - Other costs that have a “clear nexus to significant changes to the delivery of instruction due to the coronavirus.”

- Costs to purchase equipment or software, pay for online licensing fees, or pay for internet service to enable students to transition to distance learning to include reimbursements to the institutions for hardware, software, or internet connectivity that institutions may have purchased on behalf of students or provided to students.
- Payment of a per-student fee to a third-party service provider, including an Online Program Management (OPM), for each additional student using a distance learning platform, learning management system, online resources, or other support services; however, institutions may **not** use funds to pay third-party recruiters or OPMs for recruiting or enrolling new students at the institution.
- Additional Student Grants using the same process and requirements as for the prior round of Student Grants.
- Institutional Funds **CANNOT** be used for:
 - Payment to contractors for the provision of pre-enrollment recruitment activities.
 - Endowments.
 - Capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.
 - Senior administrator and/or executive salaries, benefits, bonuses, contracts, incentives, cash, or other benefit.

Institutions should keep detailed records for how the Institutional funds are used. Please note that the Department of Education likely will publish instructions on reporting at a future date. Reporting will likely include at least: 1) accounting for reimbursements for refunds made to students for housing, food, or other services that an institution could no longer provide, and 2) descriptions of any internal controls the institution has in place to ensure that funds were used for allowable purposes and in accordance with cash management principles.

Institutions should record the CARES Act Institutional fund revenue in the same manner as the Emergency Student Aid funds:

Account: 491110 - Fed CARES Grants-Non-Operating

Fund: 20000 – Sponsored

Program: 16100 – Institutional Support

Class: 61000 - Sponsored - Federal

Project ID: “CARES” embedded in Project id, but unique from Student aid portion

Additional accounting and reporting guidance will be provided separately.

Finally, please note that the receipt of these funds in FY2020 and the level of funding means that institutions should anticipate these funds being subject to audit coverage as a part of the FY2020 financial audit engagement.

Institutions must submit for approval their proposed plans for distributing these funds to me at tracey.cook@usg.edu.