

Fund Report HEERF Institutional Funds September 30, 2020

As explained in the Funding Certification and Agreement documents for the Institutional Portion and the Minority-Serving Portion of the Higher Education Emergency Relief Fund, an institution must report the use of the funds for the institution's Costs, demonstrating such use was in accordance with Section 18004(c) of the CARES ACT. This report provides public information about Washington Adventist University's (WAU) participation in the CARES Act and the use of the HEERF Institutional Portion and Minority-Serving Institution Portion. It accounts for the reimbursements for costs related to refunds made to students for housing, food, or other eligible services WAU could no longer provide. The report also describes internal controls WAU has in place to ensure that funds were used for allowable purposes and following cash management principles.

Section 18004(c) of the CARES Act allows an institution 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. The expenses cannot 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. Section 18004(c) also requires institutions to use no less than fifty percent of the funds received to provide emergency financial aid grants to eligible 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).

WAU received a total allocation of \$805,558. Of the \$805,558, 50 percent (\$402,779) of the funds received are being used to provide emergency financial aid cash grants to eligible students with allowable expenses. WAU may use up to 50 percent of the remaining HEERF funds for institutional costs associated with significant changes to the delivery of instruction due to the coronavirus.

Additionally, WAU received \$57,489 because of its status as a Minority-Serving Institution. Under Section 18004(a)(2) of the CARES Act, WAU may use this award to defray expenses incurred by the institution, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, and payroll. The funds are not subject to the 50 percent provision required for the institutional portion.

Visit [ED.GOV](https://www.ed.gov) to review WAU's grant allocations received under the CARES Act.

Acknowledgment

WAU acknowledges:

- Signing and returning to the U. S. Department of Education the Certification and Agreement for Higher Education Emergency Relief Fund-Institutional Portion under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and assures that it intends to use the funds received as permitted under Section 18004(a)(1) of the CARES Act
- Signing and returning to the U. S. Department of Education the Certification and Agreement for Higher Education Emergency Relief Fund-Minority-Serving Institutions under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and assures that it intends to use the funds received as permitted under Section 18004(a)(2) of the CARES Act
- None of the institution's costs included 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
- Paying all employees and contractors during any disruptions or closures related to the coronavirus, to the greatest extent practical
- Expenses first incurred on or after March 13, 2020, the date of the Proclamation of National Emergency
- Using the funds promptly and to the greatest extent practicable for institutional costs by one year from the date of the signed Certification and Agreement
- Cooperation with any examination of records concerning the funds for expenses and student grants by making records and authorized individuals available when requested, whether by (i) the U.S. Department of Education and its Inspector General; or (ii) any other federal agency, commission, or department in the lawful exercise of its jurisdiction and authority

Amount of Funds Received

WAU received the full HEERF allocation of \$805,558 and the additional allocation of \$57,489 as a Minority-Serving Institution. On May 12, 2020, WAU received \$402,779 to be used exclusively to provide emergency financial aid cash grants to eligible students. The allocation of the institutional portion (\$402,779) was received on June 9, 2020. WAU received the Minority-Serving Institution of \$57,489 on July 8, 2020.

Purpose of Funds

The purpose of the funds is to cover any costs associated with lost revenue or significant changes to the delivery of instruction due to the coronavirus. The funds may also, but are not required, to be used to provide additional emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus.

Amount of Institutional Aid Expended

As of September 30, 2020, the total amount WAU has expended was \$239,708.45.

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| Student refunds for residence halls and meals | \$188,818.40 |
| Face shields for students | \$15,106.79 |
| Cleaning and sanitation supplies | \$3,574.34 |
| Additional Equipment/software distance learning | \$25,117.13 |
| Support the delivery of online instruction | \$2,100 |
| Address Coronavirus related hygiene requirements and cleaning | \$4,991.79 |
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| Total spent: | \$239,708.45 |

WAU will use the remaining funds to:

- Support the delivery of online instruction
- Address coronavirus-related hygiene requirements and cleaning
- Other eligible expenses

Internal Controls

Internal controls are in place to ensure funds are drawn for allowable expenses. Expenses for the Emergency Student Grants, Institutional Portion, and Minority-Serving Institution funds are tracked separately by the Accounting Office. Draws are initiated in the Department of Education's G5 by the Director of Student Accounts. All requests for Institutional Portion and Minority-Serving Institution Portion funds are submitted to the Executive Vice President for Finance, who reviews the requests with the President before approval. The Accounting Office reconciles the funding received, banking records, and accounting transactions.

For additional information about the CARES Act HEERF, please visit ED's webpage at <https://www2.ed.gov/about/offices/list/ope/caresact.html>.

For any questions regarding the report, please contact Patrick Farley, Executive Vice President for Finance, at pfarley@wau.edu.