



TO: Diane Newton, Vice President for Finance and Administration
FROM: Drew Courtway, Director of Compliance for Finance and Administration
CC: Amy Whitehead, Chief of Staff
Terri Canino, Associate Vice President for Finance
DATE: August 31, 2020
RE: CARES Act Funding Interim Report

Background

According to the U.S. Department of Education, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was passed by Congress and signed by President Donald Trump on March 27, 2020. This legislation allocated a total of \$14 billion to the Office of Postsecondary Education as the Higher Education Emergency Relief Fund (HEERF).

As part of the CARES Act, Congress created different formula and discretionary allocations for HEERF funds. This determined how much institution received in each of the respective HEERF programs.

The University received a total of \$10,074,457 through three HEERF programs. Specifically, this was comprised of:

- \$4,802,462 from HEERF Student Aid (“CARES Part A”)
- \$4,802,462 from HEERF Institutional Relief (“CARES Part B”)
- \$469,533 from HEERF Strengthening Institutions Program (“CARES Part C”)

The Department of Education stipulated numerous restrictions and requirements on the usage of and reporting on HEERF funds. This included specifying what students were eligible for HEERF student aid, how the funds could be distributed to students, eligible uses, etc. Two important notes are that the HEERF Student Aid was required to be provided directly to students (i.e. the University could not purchase something for a student or on behalf of a student) and that institutions must not use more in Institutional Relief funds than are disbursed in Student Aid.

Additionally, the State of Arkansas allocated a total of \$28.2 million from the Arkansas CARES Act Fund to state institutions of higher education to assist with expenses associated with COVID-19 testing, contact tracing and surveillance, and COVID-19 related supplies and personal protective equipment (PPE). Of this, UCA was allocated \$977,365.97 (“CARES Part D”). The University was notified of these funds in June 2020. These funds



must be expended by December 31, 2020, and only certain PPE items are pre-approved for reimbursement. Additionally, institutions may submit reimbursement requests for PPE previously approved by providing invoices to the Arkansas Division of Higher Education (ADHE).

The following sections provide more detail on how the University has spent, as of August 28, 2020, CARES funding it has been allocated. Appendix A contains a table detailing how the University has allocated CARES Act funding as of August 28, 2020.

CARES Part A – HEERF Student Aid

As mentioned above, the University was allocated \$4,802,462 in HEERF student aid. The University completed the Student Aid Certification and Agreement required by the Department of Education on May 16, 2020. In the Certification and Agreement, the University agrees to abide by all requirements regarding appropriate usage of funds.

As of August 28, 2020, the University had disbursed a total of \$4,226,121 in HEERF Student Aid to CARES-eligible UCA students. Please note students were eligible to receive funding through more than one program. This was disbursed to students in five initiatives (amount disbursed and brief description below):

- Spring balance grant – 795 students who were enrolled in the Spring 2020 semester and had a student account balance due to institutional charges as of April 9, 2020, each received a \$600 grant. This totaled \$477,000.
- Summer grant – 2,514 students who were enrolled in the Spring 2020 semester and enrolled in at least one 3 credit-hour course in a Summer 2020 term each received a \$600 grant. This totaled \$1,508,400.
- Technology grant phase 1 – 2,956 students who were enrolled in the Spring 2020 semester and received a Pell grant in the spring semester each received a \$400 grant. This totaled \$1,182,400.
- Technology grant phase 2 – 2,015 students who were enrolled in the Spring 2020 semester, had not received the Technology grant phase 1, and had received federal student aid (e.g., Federal Work Study, Subsidized/Unsubsidized Loan, etc.) in the spring semester each received a \$400 grant. This totaled \$806,000.
- Student Support and Resource Center (SSRC) grants – \$500,000 of UCA’s CARES HEERF Student Aid allocation has been designated for distribution by SSRC. Students may request funds by completing an online application and



documenting the need for assistance, which is then reviewed by a committee representing various departments, such as Student Support, Financial Aid, and Student Accounts. This is still in process, but as of August 28, 2020, 476 students have received a total of \$252,321.

As of August 28, 2020, the University has approximately \$328,000 in HEERF Student Aid funds remaining. Additional uses are being evaluated and it is anticipated proposals for distribution of the remaining funding will be developed soon.

CARES Part B – HEERF Institutional Relief

As mentioned above, the University was allocated \$4,802,462 in HEERF institutional relief funding. The University completed the Institutional Relief Certification and Agreement required by the Department of Education on April 22, 2020. In the Certification and Agreement, the University agrees to abide by all requirements regarding appropriate usage of funds.

As of August 28, 2020, the University had identified uses for the entire \$4,802,462 allocation and had drawn down a total of \$2,788,648 in HEERF Institutional Relief funds. The primary uses for these funds (in descending order, not exhaustive) are:

- \$2,740,932 in room and board refunds related to the disruption of campus operations during the Spring 2020 semester (net of scholarship reductions);
- \$1,524,172 in purchases made via purchase orders and procurement cards for expenses related to transitions in instruction, work environment, etc. due to disruptions resulting from COVID-19. Examples include PPE, cleaning supplies, and technology for academic areas and University departments. This also includes the purchase of laptops for subsequent distribution through SSRC to Fall 2020 entering students who may not have the financial resources to purchase one;
- \$450,000 reserved for use by the Division of Information Technology for purchases of technology (e.g., computers, cameras, etc.) for classroom use; and,
- \$402,328 related to the purchase of summer meals for students residing on campus.

The University will draw down additional HEERF Institutional Relief funds as permissible based on CARES Act guidelines. The CARES Working Group continues to evaluate any items identified for reimbursement with Institutional Relief funds that may be covered by the allocation from the Arkansas CARES Act fund.



CARES Part C – HEERF Strengthening Institutions Program

The University was allocated \$469,533 in HEERF Strengthening Institutions Program funding. The University completed the Certification and Agreement required by the Department of Education on June 5, 2020. In the Certification and Agreement, the University agrees to abide by all requirements regarding appropriate usage of funds.

The funding allocated through the Strengthening Institutions Program is different from the Institutional Relief funding in that it may be used toward lost revenue. This provides more flexibility in terms of what expenses may be used as support for drawing down these funds.

As of August 28, 2020, the University has identified three uses for the entire allocation (listed below) but has not yet drawn down funding. This is to ensure appropriate support for the funding utilized is in place prior to processing the funding request.

- Estimated foregone room and board revenue from Summer 2020 (due to UCA students and summer camps);
- Commissions that would have been paid to the University from a vendor as a result of revenues generated during the Spring 2020 semester except for the disruption to campus operations resulting from COVID-19; and,
- Rent that would have been paid to the University pursuant to a contract during the Spring 2020 semester except for the disruption to campus operations.

CARES Part D – Arkansas CARES Act Funds

The University has been allocated over \$977,000 from the Arkansas CARES Act fund to assist with expenses related to COVID-19 testing, contact tracing, and for PPE. As of August 28, 2020, the University has an estimated \$180,869 remaining in these funds. It is estimated because the remaining balance will be updated based on actual PPE received (all ordered may not be received and the amount may vary due to discounts available due to purchasing through the State) and approved for reimbursement. Through this allocation, the University has received \$235,857 in PPE ordered and submitted reimbursement requests for \$107,944 (July) and \$452,695 (August). It is anticipated that some of the uses for which CARES Part B (Institutional Relief) funding had earlier been identified will subsequently be reimbursed through this allocation.

Summary

The University has distributed most of CARES HEERF Student Aid and continues to work to identify a use(s) for remaining funding, has identified uses for the entire Institutional Relief and SIP allocations, and plans to use the remaining Arkansas CARES Act fund



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allocation as reimbursement for previously purchased PPE. The CARES Act Working Group is focused on ensuring these funds are used appropriately, required documentation is retained, and reporting requirements are satisfied.

A subsequent report on the University's use of CARES Act funding will be completed upon management request or following distribution of all CARES Act funding, whichever occurs first.



Appendix A – UCA CARES Act Funding as of August 28, 2020

| UCA CARES Act Funding Interim Report – Current as of August 28, 2020 | | | | | |
|---|------------------|------------------|----------------|----------------|-------------------|
| | CARES-A | CARES-B | CARES-C | CARES-AR | Total |
| Allotment | 4,802,462 | 4,802,462 | 469,533 | 977,366 | 11,051,823 |
| Uses | | | | | |
| Spring Balance Grant | 477,000 | | | | 477,000 |
| Summer Grant | 1,508,400 | | | | 1,508,400 |
| Student Support & Resource Center Grants | 500,000 | | | | 500,000 |
| Technology Grant - Phase 1 | 1,182,400 | | | | 1,182,400 |
| Technology Grant - Phase 2 | 806,000 | | | | 806,000 |
| Spring 2020 Room and Board reimbursements | | 2,740,932 | | | 2,740,932 |
| Summer meal program | | 402,328 | | | 402,328 |
| Study Abroad refunds | | 33,686 | | | 33,686 |
| Honors TAG nonrefundable exp | | 1,275 | | | 1,275 |
| PPE purchases/reimbursements | | 1,524,172 | | 796,497 | 2,320,669 |
| Online delivery technology (IT) | | 450,000 | | | 450,000 |
| Snow Fine Arts - Additional Music Instrument lockers | | 49,739 | | | 49,739 |
| Medicat Interface for COVID Lab testing | | 7,000 | | | 7,000 |
| COVID testing | | 2,000 | | | 2,000 |
| Lost rev (sum R/B; coke com; MS rent) | | | 469,533 | | 469,533 |
| Total expenditures/obligations | 4,473,800 | 5,211,132 | 469,533 | 796,497 | 10,950,962 |
| Remaining | 328,662 | -408,670 | 0 | 180,869 | 100,861 |