

**Office of the Secretary of Higher Education (OSHE)**  
**Coronavirus Relief Fund (CRF)**  
**Frequently Asked Questions**

*Last Updated: September 24, 2020*

The State of New Jersey has received federal funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. A total of \$150 million in Coronavirus Relief Funds (CRF) has been allocated to assist New Jersey's public and private institutions of higher education in offsetting costs incurred as a result of the ongoing COVID-19 pandemic. Institutions of higher education have faced a significant financial burden in continuing to provide high-quality education services due to the unprecedented public health emergency.

The U.S. Department of the Treasury released [guidance](#) that sets forth its interpretation of limitations on the permissible use of CRF payments. These requirements for allowable expenditures also apply to the sub-recipients of CRF grants, such as institutions of higher education receiving CRF from the State of New Jersey. While the federal CRF guidance does not provide a list of potential allowable expenditures for institutions of higher education, it offers guiding principles for institutions to consider. When submitting budgets, institutions should ensure their uses align with the federal guidance.

This document is meant to offer additional clarity and is not exhaustive nor binding. The guidance on use of CRF is ever-evolving and as a result, the OSHE FAQs are subject to change. The Office of the New Jersey State Comptroller (OSC) has also provided resources to assist in compliance:

- [State of New Jersey COVID-19 Compliance and Oversight Taskforce: COVID-19 Compliance Plan](#)

In addition to the above, OSC has already conducted compliance training with all State entities receiving COVID federal funding to guard against common mistakes and to inform agencies about key federal compliance requirements. The webinar is available publicly and is online here: <https://www.youtube.com/watch?v=Syl2hqIc02E>

***What is the Coronavirus Relief Fund (CRF) for Higher Education?***

The State of New Jersey is dedicating at least \$150 million in federal CARES Act funds to New Jersey's public and private colleges and universities. The purpose of these funds is to help offset costs incurred as a result of the ongoing COVID-19 pandemic.

CRF provides relief to States to respond to COVID-19. Payments from CRF may only be used to cover costs that –

1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

***How does CRF differ from the Governor's Emergency Education Relief (GEER) Fund?***

In [May](#), Governor Murphy announced that New Jersey's \$68 million GEER Fund would be dedicated to higher education ([see press release](#)). Flexible, emergency block grants through the GEER Fund were designed to allow governors to decide how best to meet the needs of students, schools, postsecondary institutions, and other education-related organizations in their states.

In August, Governor Murphy announced that the Administration will award \$150 million in CRF to New Jersey’s public and private institutions of higher education ([see press release](#)). CRF is not education-specific and is meant to help offset costs incurred as a result of the ongoing COVID-19 pandemic.

While the funds are similar, GEER Fund allows for more flexibility in use. In addition, institutions are not able to use the two (2) funds to reimburse the same costs or to be used as revenue replacements. For an overview of both funding streams, see below:

### Summary of Funds

GEER (\$68 million)	CRF (\$150 million)
<p><i>Timeframe:</i> Funds can be used for allowable expenditures incurred on or after March 13, 2020. Funds must be obligated by September 30, 2021.</p> <p><i>Purpose:</i> Provide emergency assistance through grants to higher education due to COVID-19</p> <p><i>Examples of uses from the federal Office of Elementary and Secondary Education (OESE):</i></p> <ul style="list-style-type: none"> <li>• “Staff, infrastructure and technology to support distance education or remote learning;</li> <li>• Academic support for libraries, laboratories, and other academic facilities;</li> <li>• Institutional support for activities related to personnel, payroll, security...;</li> <li>• Student services that promote a student’s emotional and physical well-being...;</li> <li>• Student financial aid, such as IHE-sponsored grants &amp; scholarships...”</li> </ul>	<p><i>Timeframe:</i> Funds can be used for expenditures between March 1, 2020 and December 30, 2020. Funds must be incurred by December 30, 2020. The performance or delivery of the goods must occur during the covered period (March 1, 2020 to December 30, 2020).</p> <p><i>Purpose:</i> State provides assistance based on necessary costs due to COVID-19</p> <p><i>Examples of use:</i> (see FAQ below)</p> <ul style="list-style-type: none"> <li>• Cleaning and disinfecting supplies not accounted for in budget most recently approved as of March 27, 2020;</li> <li>• Costs for testing and Personal Protective Equipment (PPE) supplies;</li> <li>• Transition to online learning</li> </ul>

#### ***What expenses are eligible under CRF?***

Expenses reimbursed through CRF must be incurred due to the COVID-19 pandemic. Institutions should consider whether an expense would exist without the COVID-19 pandemic and is necessary to address the public health emergency.

In addition, eligible institutions must apply to receive these funds. As part of the application process, institutions must submit a budget, which will be reviewed. All institutions will receive feedback on whether the expenses are eligible or if budget modifications must be made.

#### ***What if institutions need to modify their proposed budget for CRF?***

In light of the ongoing pandemic, the State recognizes institutions may need to make administrative line-item revisions to their originally proposed budget to carry out the purposes of the CRF. Any modifications to an institution’s budget more than \$10,000 will require advance approval from OSHE via an email with a revised budget and justification to the Grant Project Director.

***What are some examples of how institutions can use CRF? (Please note: this is NOT an exhaustive list).***

CRF can only be used for necessary expenditures incurred due to COVID-19. Examples of potential uses include:

- Purchasing supplies to sanitize and clean the facilities of an institution of higher education not accounted for in most recently approved budget as of March 27, 2020;
- Costs associated with providing COVID-19 tests;
- Personal protective equipment, such as masks, hand soap, sanitizer, and gloves;
- Payroll expenses for employees whose services are *substantially dedicated* to mitigating or responding to COVID-19 (public safety, public health, healthcare, human services, and similar employees);
- Actions to facilitate compliance with public health orders (food delivery, distance learning, etc.);
- Emergency recovery planning;
- Contact tracing;
- Costs associated with increased solid waste capacity, as it relates to the disposal of PPE;
- Expenses for food delivery to residents, including, for example, on-campus residents to enable compliance with COVID-19 public health precautions;
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings, to enable compliance with COVID-19 precautions;
- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions;
- Expenses associated with providing paid sick and paid family and medical leave to public employees substantially dedicated to mitigating or responding to COVID, and the cost of an employee that was allocated to administrative leave is to a greater extent than was expected; or
- Material hardship grants for students, staff and faculty (technology/internet payments, daycare supervision, food pantry, etc.)

***What are some examples of how CRF cannot be used? (Please note: this is NOT an exhaustive list.)***

- Lost revenues, including those associated with cancelled events and travel costs;
- Expenses that have been or will be covered by other federal funding;
- Capital improvement projects not directly related to the public health emergency, including expanding rural broadband connectivity, unless directly related to COVID-19 response;
- Payroll or benefits expenses for public employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency;
- Workforce bonuses other than hazard pay or overtime;
  - Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.
- Costs associated with preparing for a future COVID-19 outbreak
  - Institutions may create a stockpile of PPE or increase Intensive Care Unit (ICU) capacity, etc., to respond to the continued COVID-19 pandemic but not to prepare for long-term, future outbreaks.

***How might the availability and use of CRF differ between a public and private institution?***

The United States Department of Treasury provides descriptions of how and when CRF use may differ between public and private institutions. For example, “[a] recipient would not be permitted to pay for

payroll or benefit expenses of private employees” and the form of financial assistance to private hospitals might differ. Institutions should utilize the United States Department of Treasury website to confirm eligible use of funds.

***Can CRF be used to pay for quarantine housing?***

Yes. Institutions can use funding to pay for reserving rooms for quarantine housing and cleaning service of these rooms, as these are not normal expenses and were made necessary due to the COVID-19 pandemic. Establishing temporary medical facilities and other measures to improve mitigation are eligible costs. Accordingly, expenses associated with quarantining individuals would be an eligible use of CRF. Generally, such costs should represent an increase over normal operating costs for housing students.

***Can CRF be used to purchase furniture or modify spaces to enhance safety and protection?***

Institutions can use funds to purchase furniture to establish six feet of space between students, if the current furniture does not allow it. It can also be used to convert spaces and facilities to accommodate students. It can be used to purchase physical protective barriers (such as plastic dividers,) to help delineate safe social distances, as well as to purchase tape, flags, cones, decals, and other markers for the dedicated use of delineating safe social distances, and only if such purchases are beyond those typically budgeted for such items.

***Can the funds be used to enhance HVAC systems?***

Any use of funds for HVAC enhancements must be above and beyond the expenses typically budgeted. If as a result of COVID, institutions are seeing an added expense in changing filters more often, this could be an allowable use of funds.

***Can CRF be used for student aid?***

Payments to students to cover tuition or tuition reductions without an assessment of individual need would not be an appropriate use of CRF payments. If there is a way to determine individual need directly attributable to the COVID-19 health emergency, tuition reductions for such students may be eligible.

Institutions are able to offer aid in terms of material hardships grants, however, these grants should be evaluated on an individual-basis determining need. For example, purchasing technology for students who need access to remote learning, such as laptops, could be eligible emergency financial assistance.

***Can CRF be used to purchase technology equipment or expand broadband for students or employees who will be learning or working remotely?***

Funds for this use are only permissible if they are necessary to address the public health emergency for its duration. The costs of projects would not be expected to increase capacity to a significant extent after the public health emergency has passed. For example, the funds could be used to establish a temporary laptop loaner program to assist students with their remote learning due to school closure or to establish temporary hotspots to help students secure internet access for classes.

***Can CRF be used to help purchase equipment and resources that limit sharing between people?***

Institutions could use funds to purchase additional shared objects to reduce sharing among students, staff, and faculty, such as textbooks, laboratory supplies, educational technology, or automatic water fountains/no-touch water dispensers.

***Can CRF be used for mental health and student success initiatives, in particular, staffing for initiatives, which may be needed as students face barriers due to COVID-19?***

Yes. To the extent that the services and associated costs are necessary to address the current public health emergency and were not previously budgeted, these would be allowable. Staffing needs are limited to those public employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***Can CRF be used for employee payroll or benefits?***

The cost of benefits or insurance for those that are not typically covered is not an allowable use of the funds. Use of payments from CRF to cover payroll or benefit expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

There are broad classes of employees whose payroll expenses would be eligible expenses under CRF, including public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. “Public safety employees” under CRF would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. “Public health employees” under CRF would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.

Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off, but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to COVID-19, are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures.

In considering whether an instructor’s salary could be covered by the “transition to remote learning,” institutions should keep in mind any new costs. For example, paying for increased time in developing a new course for remote learning would be eligible, but time spent teaching the course would not be considered a new cost.

Recipients are to maintain adequate time and effort records related to their employees’ COVID-19 activities. Supporting documentation needed may include, but not necessarily be limited to, timesheets evidencing 100% of an employee’s time that are signed or verified electronically by the employee and their supervisor, along with documentation of specific time spent on COVID-19 related activities.

***Can CRF be used for childcare funding or grants for faculty/staff?***

If this is a direct payment, in the form of a grant, to employees for childcare expenses, it would not be eligible. Eligible expenses must be necessary and directly connected to the COVID-19 emergency. If an institution wanted to partner with a licensed childcare center to offer supervision for their students in terms of remote learning during the school day, consistent with the childcare center’s license, this would be an eligible expense.

Institutions should also be aware of available opportunities and childcare initiatives within the New Jersey Department of Human Services <https://nj.gov/governor/news/news/562020/approved/20200828a.shtml>.

***Can CRF be used for skill retraining programs for those unemployed?***

Yes. Employment and training programs could be eligible expenses. Such programs should determine need based on the public health emergency and be designed for individuals who were detrimentally impacted by COVID-19, such as furloughed or displaced workers.

***Can CRF be used for costs associated with dining facilities, since one-time-use and to-go items are currently preferred during COVID-19?***

Yes. Increased dining facility and other related costs would be eligible but only to the extent they represent increases over previously budgeted dining/food prep costs.

***Can CRF be used for marketing expenses, such as sharing new course modalities and precautions institutions are taking due to COVID-19?***

Yes. Expenses that are necessary to market or advertise a specific program that the college is implementing due to the public health emergency or publicize the resumption of activities and steps taken to ensure a safe experience are eligible. Eligible expenses could include signs and posters on proper hygiene, hand washing etiquette, social distancing expectations, mask wearing, and signs and symptoms of COVID-19. CRF cannot be used to supplant institutions' marketing budgets finalized before the public health emergency.

***Can CRF be used for COVID-19 research grants?***

These expenses are generally not eligible. Fund payments may be used only for expenditures necessary to address the current COVID-19 emergency.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using CRF to satisfy eligible expenses?***

Fund payments are not required to be used as the funding source of last resort. However, recipients may not use CRF payments to cover expenditures for which they will receive reimbursement or where they may receive funding from another source to cover the same expenditures. Institutions cannot be reimbursed for duplicative expenses. Institutions are encouraged to efficiently use their funding resources.

***How are other states using similar funds?***

To see how other states are using CRF, you may visit the National Conference of State Legislatures State Action [website](#).

***If my institution is receiving reimbursement from the Federal Emergency Management Agency (FEMA), can we use CRF to cover those costs as well?***

FEMA aid may include reimbursing costs related to emergency protective measures conducted as a result of the COVID-19 pandemic. FEMA aid may reimburse 75% of a cost, and the institution is responsible for the remaining 25%. The remaining 25% can be covered by CRF.

***What other resources are available to learn more about CRF?***

- United States Department of Treasury: [Coronavirus Relief Fund, Guidance for State, Territorial, Local, and Tribal Governments](#)

- United States Department of Treasury: [Coronavirus Relief Fund, Frequently Asked Questions](#)

***How will I know institutions of higher education are using CRF appropriately?***

Governor Murphy signed Executive Order [No. 166](#), which established the Governor’s Disaster Recovery Office (GDRO) and COVID-19 Compliance and Oversight Task Force. The GDRO is working to ensure compliance and transparency in the use of federal funds. This includes establishing a transparency website to track use of funds, as well as publishing an annual report summarizing the State’s use of these funds. In addition, institutions that receive the funds must sign an agreement that includes information about documentation and reporting on their use of funds. Institutions as sub-recipients of CRF are subject to the compliance with all federal and state rules and requirements including the [Uniform Guidance](#), which outlines administrative requirements, cost principles, and audit requirements for federal awards.

As noted above, the Office of the State Comptroller has also published compliance guidance and a webinar, which are available here:

- Compliance Plan: [https://www.nj.gov/comptroller/news/docs/compliance\\_plan\\_covid19\\_compliance\\_oversight\\_taskforce.pdf](https://www.nj.gov/comptroller/news/docs/compliance_plan_covid19_compliance_oversight_taskforce.pdf)
- Compliance Webinar: <https://www.youtube.com/watch?v=Syl2hqIc02E>

***Who should I contact if questions remain about CRF for New Jersey higher education?***

Please contact OSHE at [oshe@oshe.nj.gov](mailto:oshe@oshe.nj.gov) if you have any questions related to CRF. OSHE will continue updating this document as information becomes available.