

Updated March 26, 2021

## CARES ACT, HEERF STUDENT EMERGENCY RELIEF PROGRAM

The U.S. Department of Education is requiring institutions that are receiving funds from the CARES Act, to disclose the following information:

### **Certification and Agreement:**

Section 18004(a)(1) of the CARES Act, Pub. L. No. 116-136 (March 27, 2020), authorizes the Secretary of Education to allocate formula grant funds in the amount \$328,351 to Leon's Beauty School.

Under Section 18004(c) of the CARES Act, Leon's Beauty School will 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 coronavirus (including eligible expenses under a student's cost of attendance such as food, housing, course materials, technology, health care, and child care).

Section 18004(c) of the CARES Act allows Leon's Beauty School to use up to fifty percent of the funds received to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus.

Leon's Beauty School signed and returned the certification and agreement form to the United States Department of Education for emergency grant funding for students under the Coronavirus Aid, Relief, and Economic Security (CARES) Act on July 31, 2020.

In addition, Leon's Beauty School signed and returned the certification and agreement form to the United States Department of Education to receive support under the Institutional Portion of

the Higher Education Emergency Relief (HEERF) section of the CARES Act on July 31, 2020.

**Amount of Funds:**

Leon's has been allocated **\$164,176.00** in emergency financial aid grants to students for their expenses related to the disruption of campus operations due to COVID-19, such as food, housing, technology, health care, and child care.

**Amount Distributed to Students:**

As of **March 5, 2021**, Leon's Beauty School has awarded **\$158,125** to Title IV eligible students. Please contact the Office of Financial Aid or the Registrar's Office if you wish to apply for an emergency financial aid grant or to check the status of your award.

**Estimated Total Number of Eligible Students Under Section 484 in Title IV of the Higher Education Act of 1965:**

We estimate approximately **223** clock-hours students are Title IV eligible and may receive an emergency assistance grant under the CARES Act.

Only students who are eligible to participate in federal Title IV aid may receive emergency financial aid grants.

**Total Number of Emergency Grants Awarded:**

As of **March 5, 2021**, Leon's has awarded approximately 225 emergency financial aid grants to Title IV eligible students under the CARES Act. This includes clock-hour students for whom enrollment and/or attendance started up to 3/5/2021. Some eligible students were awarded more than one.

## Methodology:

- a. On August 20, 2020, Leon's Beauty School made announcements to all students in each class that CARES Act, HEERF funds were available, student eligibility requirements, eligible expenses, and of the process to apply (application available on website).
- b. On September 15, 2020 all eligible students were notified by SMS message of CARES Act funding available student eligibility requirements, eligible expenses, and of the process to apply.
- c. On August 28, 2020, institutional website was updated with HEERF Disclosure and link to application.
- d. Institutional website updated concerning student portion of HEERF: A summary of date and amounts of Emergency Grant disbursements follows.
- e. Students that completed an application, and met requirements, were assigned a level based on their Expected Family Contribution.

Level 1: EFC = 1500 or less

Level 2: EFC = 1501 – 3500

Level 3: EFC = 3500 – 5500

Level 4: EFC = greater than 5500

- f. For the initial disbursements, base amounts of \$800 and \$500 was determined without consideration of EFC. Each student application is considered individually.
- g. For subsequent disbursements and applications in which the student has already received an Emergency Financial Aid Grant, the student eligible expenses, Level and EFC will be considered. The Level 1 base amount is \$900. The base amounts for Level 2, 3, and 4 were determined by decreasing the Level 1 amount by increments of 25%. Each student application is considered individually.

- h. On September 30, 2020, a second SMS message notification was sent to all eligible students whom have not yet submitted an application.
- i. Disbursement of funds for student emergency financial aid grants is delivered by paper checks.

Funds will be awarded to eligible students once they certify and attest they have incurred or will incur expenses relation to the disruption of campus operations due to coronavirus. Students must certify and attest that they incurred or will incur expenses related to food, housing, course materials, technology, health care, or childcare. Funding amounts are based upon an institutional matrix that considers the EFC and/or the student's itemized request for assistance.

### **Instructions, Directions, and Guidance for Students:**

**Applications** may be found in the Office of Financial Aid. If you have additional questions regarding CARES ACT Emergency Financial Aid Grants for students, please contact: [charles@leonsbeauty.com](mailto:charles@leonsbeauty.com) or call (336) 274-4601, EXT 13. Office Hours for students are Tuesday-Friday, 1pm – 3pm.

In order to be eligible for CARES Act funding, students must be Title IV eligible. Eligible students will be contacted, via class announcement, and/or email, to determine if they incurred or will incur expenses related to disruption of campus operations due to coronavirus. Eligible expenses under a student's cost of attendance include: food, housing, course materials, technology, health care , child care, and transportation.

Eligible students who certify and attest that they have incurred or will incur eligible expenses will receive an emergency grant via physical check.

Students requesting (additional) support from the federal CARES Act Student Emergency Relief Program may submit a subsequent application. This application is critical to highlight how students were impacted by the COVID-19 pandemic and will assist in awarding funds to students who have incurred or will incur additional eligible expenses. Emergency assistance for eligible expenses will be provided in accordance with institutional policy and guidance from the U.S. Department of Education. Please understand that funds are limited and therefore, we are unable to guarantee requests for additional funding. Students interested in requesting additional funds should email: [charles@leonsbeauty.com](mailto:charles@leonsbeauty.com) and enter "CARES ACT, Emergency Financial Aid Grant" in the subject line.

Should you have additional questions regarding the CARES Act emergency assistance for students, please contact: [charles@leonsbeauty.com](mailto:charles@leonsbeauty.com) or call (336) 274-4601, EXT 13.

### **Eligibility for Title IV Aid:**

According to federal regulations (Section 484 in Title IV of the Higher Education Act of 1965, as amended (HEA)) a student is *eligible for federal Title IV financial aid* if all of the following criteria are met:

1. Be enrolled in a degree, certificate or other recognized educational credential (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) – that is, a regular student under 34 CFR 600.2);

2. Not be enrolled in elementary or secondary school and have a high school diploma or its recognized equivalent;
3. Be maintaining satisfactory academic progress (SAP);
4. Not owe an overpayment (refund) on Title IV grants;
5. Not be in default on a Title IV loan;
6. File with ED “as part of the original financial aid application process” a certification (Statement of Educational Purpose) that includes: a) A statement of educational purpose, and b) The student’s Social Security Number (SSN);
7. Be a U.S citizen or national, a permanent resident, or an eligible noncitizen;
8. Have returned any fraudulently obtained Title IV funds, if the student is convicted of or pled guilty or no contest to charges;
9. Not have fraudulently received Title IV loans in excess of annual or aggregate limits;
10. Have repaid any Title IV loan overpayment amounts in excess of annual or aggregate limits, if obtained inadvertently;
11. Have his Selective Service registration verified (the Title IV aid ineligibility for failure to register is actually in the Selective Service Act §3811(f));
12. Have a valid SSN, except for residents of the Federated States of Micronesia, Republic of the Marshall Islands, or the Republic of Palau; and
13. Not have a federal or state conviction for drug possession or sale, with certain time limitations.

Per IRS website:

**Q1: If I receive an emergency financial aid grant under section 3504, 18004, or 18008 of the CARES Act for unexpected expenses, unmet financial need, or expenses related to the disruption of campus operations on account of the COVID-19 pandemic. Is this grant includible in my gross income?**

A1: No. Emergency financial aid grants under the CARES Act for unexpected expenses, unmet financial need, or expenses related to the disruption of campus operations on account of the COVID-19 pandemic, such as unexpected expenses for food, housing, course materials, technology, health care, or childcare, are qualified disaster relief payments under section 139 of the Internal Revenue Code. This grant is not includible in your gross income.

**Q2: I received an emergency financial aid grant under the CARES Act and used some of it to pay for course materials that are now required for online learning because my college or university campus is closed. Can I claim a tuition and fees deduction for the cost of these materials, or treat the cost of materials as a qualifying education expense for purposes of claiming the American Opportunity Credit or Lifetime Learning Credit?**

A1: No. Because the emergency financial aid grant is not includible in your gross income, you cannot claim any deduction or credit for expenses paid with the grant including the tuition and fees deduction, the American Opportunity Credit or the Lifetime Learning Credit. See section 139(h) of the Internal Revenue Code.

Thank you for your attention to this matter. If you have any questions, please contact me at [charles@leonsbeauty.com](mailto:charles@leonsbeauty.com) or (336) 274-4601.

Sincerely,

Parker Washburn  
President

Leon's Beauty School, Inc.  
**HEERF Grant Summary**

**HEERF Award #P42SE205607**  
**Emergency Student Aid**  
**Award Amount \$164,176**

| <u>Date</u>       | <u>Amount</u> | <u>Cumulative</u> |
|-------------------|---------------|-------------------|
| 8/28/2020         | 22,500.00     | 22,500.00         |
| 9/15/2020         | 17,700.00     | 40,200.00         |
| 10/7/2020         | 22,300.00     | 62,500.00         |
| 11/9/2020         | 22,400.00     | 84,900.00         |
| 11/12/2020        | 2,700.00      | 87,600.00         |
| 12/3/2020         | 9,350.00      | 96,950.00         |
| 12/17/2020        | 8,100.00      | 105,050.00        |
| 1/7/2021          | 9,950.00      | 115,000.00        |
| 2/3/2021          | 16,600.00     | 131,600.00        |
| 2/4/2021          | 1,200.00      | 132,800.00        |
| 3/3/2021          | 22,200.00     | 155,000.00        |
| 3/4/2021          | 1,025.00      | 156,025.00        |
| 3/5/2021          | 2,100.00      | <u>158,125.00</u> |
| Balance Remaining |               | 6,051.00          |

**HEERF Award #P425F204810**  
**Aid for Institutional Costs due to Coronavirus**  
**Award Amount \$164,175**

| <u>Date</u>       | <u>Amount</u> | <u>Cumulative</u> |
|-------------------|---------------|-------------------|
| 9/24/2020         | 70,876.23     | 70,876.23         |
| 11/12/2020        | 32,834.48     | 103,710.71        |
| 12/29/2020        | 7,553.65      | 111,264.36        |
| 2/4/2021          | 52,910.64     | <u>164,175.00</u> |
| Balance Remaining |               | -                 |

**Institutional Costs Breakdown**

|   |   |
|---|---|
| Employment Training                         | 14,700.00   |
| Employee Technology Assistance              | 9,900.00  |
| Reimbursed Absent Hours during temporary DE | 79,110.71   |
| Technology Upgrades for Remote Instruction  | <u>61,512.68</u>  |
|   | <u>165,223.39</u> <i>Overage of \$1,048.39 paid from normal operating funds</i> |

 3/17/2021

Stephen Lilley, Comptroller  
 Leon's Beauty School, Inc.