

Higher Education Emergency Relief Fund Report

Emergency Financial Aid Grants to Students

12/31/2021 Final Report

On March 27, 2020 the Federal government enacted the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), Public Law No: 116-136, providing funds to institutions of higher education from the Higher Education Emergency Relief Fund (HEERF) to make Emergency Financial Aid Grants to students related to the disruption of campus operations due to the coronavirus for expenses under a student’s cost of attendance such as food, course materials, technology, health care and child care. This Fund Report applies to the student portion received under the Higher Education Emergency Relief Fund that is designated exclusively for emergency financial aid grants to students. The institution is making the below information available for transparency purposes and in compliance with the U.S. Department of Education’s (“Department”) Electronic Announcement of May 6, 2020. ¹ See: <https://ifap.ed.gov/electronic-announcements/050620HigherEdEmergencyReliefFundRptg>

- 1.** The institution signed and returned to the Department the Certification and Agreement for Emergency Financial Aid Grants to Students. The institution has used, or intends to use, no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide emergency financial aid grants to students.
- 2.** The total amount of funds that the institution has received from the Department pursuant to the institution’s Certification and Agreement for Emergency Financial Aid Grants to Students is \$14,614.
- 3.** The total amount of emergency financial aid grants distributed to students under Section 18004(a)(1) of the CARES Act as of the date of this Fund Report is \$14,614.
- 4.** The estimated total number of students at the institution eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965, and thus eligible to receive emergency financial aid grants under Section 18004(a)(1) of the CARES Act, as of the date of this Fund Report is 11.
- 5.** The total number of students who have received an emergency financial aid grant under Section 18004(a)(1) of the CARES Act as of the date of this Fund Report is 11.
- 6.** The methods used by the institution to determine which students receive emergency financial aid grants and how much they would receive under Section 18004(a)(1) of the CARES Act:

What Students Are Eligible?

- Students that have filed a Free Application for Federal Student Aid (FAFSA);
- meet all CARES Act requirements;
- are pursuing a certificate programs and enrolled at LSO;
- submitted a LSO HEERF application.

All students received a grant application via email and responded they were applying and applied. As of June 10, 2020, Leon Studio One school of beauty knowledge (LSO) 11 students enrolled met the eligibility of the HEERF Grant. LSO has taken the position that all students who are eligible based upon the above guidelines and acknowledge their financial need under the CARES Act, should qualify for Higher Education Emergency Relief Funds (“HEERF”). As it is difficult to quickly and fairly assess each students’ individual circumstances and relative financial needs in adopting to the COVID pandemic without a cumbersome, time consuming and in depth student needs analysis process, LSO is treating each eligible student as having equivalent need. LSO has disbursed a total of \$14614 HEERF student funds to all of the 11 students eligible. Each student will receive an equivalent amount of HEERF funds, or \$1328.55 per student.

7. Any instructions, directions, or guidance provided by the institution to students concerning the Emergency Financial Aid Grants.

The CARES Act established and funds the Higher Education Emergency Relief Fund (HEERF). Leon Studio One school of beauty knowledge (LSO) applied and has received funds under the Higher Education Emergency Relief Fund (HEERF) to provide emergency grants to students for cost of attendance expenses related to the disruption of campus operations due to COVID-19. These expenses include food, housing, course materials, technology, health care, child care.

What Students Are Eligible?

- Students that have filed a Free Application for Federal Student Aid (FAFSA);
- meet all CARES Act requirements;
- are pursuing a certificate programs and enrolled at LSO;
- submitted a LSO HEERF application.

Q1: Do I need to repay back emergency funding from the CARES Act?

A1: You do not have to repay the amount awarded to you. The CARES Act emergency fund is a grant.

Q2: I am a student who received 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?

A2: 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.

Q3: 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 these materials as a qualifying education expense for purposes of claiming the American Opportunity Credit or the Lifetime Learning Credit?

A3: 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.

Q4: Can the school apply my grant to my account to cover any tuition expenses not covered by my loans and grants?

A4: No LSO cannot automatically apply the student emergency grant to your account. LSO has to issue you a check. Should you wish to use it for that the student will have to deposit the check and then write a check to LSO or use a debit/credit card to make a payment on the students account. The school encourages you to use the money for other cost of attendance items related to the disruption of campus operations due to the coronavirus.

Q5: What expenses can I receive grant funds for?

A5: You can request grant funds to help towards expenses related to the disruption of campus operations due to coronavirus. This includes, but is not limited to, eligible expenses under a student's cost of attendance as determined by the Financial Aid Office, such as food, housing, course materials, technology, health care, and child care.

Food Expenses may include unexpected grocery expenses or increased grocery expenses for a student supporting dependent children now home due to their school or child care closure.

Course Materials may include, but are not limited to, general use supplies such as writing utensils and notebooks; and course-specific supplies such as calculators, lab equipment, rental of equipment, unexpectedly required to be purchased due to campus disruption of regular operations.

Technology Expenses may include computer equipment, internet access expenses, printer supplies, etc. required for student success when transitioning to an online format from the traditional in-person class structure.

Healthcare Expenses may include the cost of unanticipated or unusual medical expenses due to coronavirus or its effects.

Child Care/Dependent Care Expenses may include the cost of unanticipated or unusual care expenses for a student's child or other dependents in the independent (based on FAFSA) student's household.

Transportation Expenses may include the cost of unanticipated or unusual travel expenses related to the disruption of campus operations. This may include additional trips to LSO to retrieve personal belongings.

Housing Expenses may include unanticipated expenses in securing housing and/or rent. This may also include difficulty in making rent or mortgage payments due to income loss from this economic disruption.

Q6: Do I need to keep track of how I use the emergency grant aid I receive?

A6: No, students who receive HEERF/CARES Act funds are not required to record or track how it is spent.