Lead-up to NJCU's Financial Emergency

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MARCH 2021

NJCU notified it will receive a third federal Higher Education Emergency Relief Fund (HEERF) grant totaling \$25 million.

JUNE 28, 2021

Senior administrators present budget that uses nearly \$14 million in HEERF for existing scholarship program, but do not disclose that such use was impermissible. Board approves the budget.

JULY 5-8 2021

Emails with "legal opinion: re Uses of HEERF funding" circulate.

FALL 2021

NJCU begins to fund its scholarships with funds from its cash reserve, not HEERF funds.

DECEMBER 2021

CFO tells the President for the third time that they should not use HEERF to fund the University's existing scholarship program.

APRIL 2022

Interim CFO hired.

MAY 2021

Emails inquiring about allowable uses of HEERF. CFO tells President and other senior administrators they should not use funds for existing scholarship program. Senior administrators seem to agree not to use HEERF funds for that purpose.

JUNE 29, 2021

CFO asks external auditor about allowable uses of HEERF. Auditor declines to opine; suggests CFO obtain legal advice.

JULY 29, 2021

CFO again tells the President and other senior administrators that HEERF funds should not be used to pay for the existing scholarship program.

NOVEMBER 2021

Senior administrators provide memo to Board showing NJCU scholarships would be funded with HEERF grants.

MARCH 2022

CFO leaves NJCU.

JUNE 2022

President resigns. Interim CFO tells Board that NJCU will end the fiscal year with a projected \$13.8 million deficit. Emergency declared.

