

Managing COVID-19 Disruption: ED Updates and Consolidates Guidance

April 9, 2020

On April 3, the US Department of Education released additional [guidance](#) for institutions responding to the COVID-19 pandemic. The guidance provides some new information but primarily consolidates much of the previous information in ED's March 5 [electronic announcement](#) and other publications, which we covered in [prior blog posts](#). In several categories, ED simply stated that further guidance will be provided in the future.

The guidance also reminds institutions that certain requirements remain in full effect, such as FERPA and the Americans with Disabilities Act provisions, as well as existing rules that may be helpful to schools, such as consortium agreements and professional judgment.

This post focuses on the new information and notification instructions covered in the guidance.

The key areas of new guidance include:

- **Verification:** ED relaxed student identity verification documentation requirements to allow for documents provided electronically, relaxed parent signature requirements in instances where parents are unable to sign and is postponing the incomplete verification award "deobligation" process.
- **Leave of absence:** Institutions with a suspension of coursework or clinical/externship placements may place students on an approved leave of absence.
- **Audit submission:** For nonprofit and public institutions, the single audit submission due dates have been extended.
- **Cash management:** ED provided procedures for documenting non-compliance with existing cash management requirements.
- **Need analysis:** COVID-19 pandemic-related student aid will not be reportable income on a subsequent award year FAFSA.

Notification guidance:

- **Academic year reduction notice requirement:** ED updated instructions for institutions to request approval for the reduction in the weeks in an academic year.
- **Federal work study community service:** Institutions that anticipate falling short of the community service requirement are encouraged to request a waiver.
- **Federal reporting:** Institutions experiencing challenges meeting certain federal reporting requirements are encouraged to contact their case team.

Additional information for each area of guidance:

Verification: Under the existing requirements for the V4 and V5 verification groups, students must provide proof of identity, either in person or via a signed notarized statement. The new guidance relaxes these requirements and allows institutions to accept the documentation electronically from the student by uploading a photo of the documentation to a secure school portal. The guidance also allows the student to submit expired documentation, if the expiration date is after March 1, 2020.

For dependent students selected for verification, the guidance also allows a required parent signature to be waived if a parent is unable to provide it. Schools must document the reason why neither parent was able to sign the verification documents.

In cases where an institution has students with incomplete verification and who have received an interim disbursement with a verification status of "W" or "without documentation" reported to ED, the standard deobligation process normally begins in April. The deobligation process requires institutions to update the student's status to a completed verification code or it will require a return of any disbursed Title IV funds. ED is postponing the deobligation process until July 2020 at the earliest.

Leave of absence: Typically, institutions cannot place a student on a leave of absence (LOA) when coursework or a clinical/externship experience is unavailable. The new guidance lifts this prohibition for the period of the COVID-19 pandemic and permits institutions to place a student on an “approved” LOA until coursework can resume or a clinical/externship placement can be found. Students are not required to return from the LOA within the same payment period. An approved LOA is one that is recognized as an interruption of studies and not a withdrawal for Title IV purposes.

Audit submission: For nonprofit and public institutions, the single audit submission deadline to the Federal Audit Clearinghouse has been extended by six months beyond the normal due date for fiscal years that end before June 30, 2020. ED has not published a similar due date extension for for-profit institution audits. The only audit [guidance](#) issued for for-profits lifts the campus site visit requirement and the use of alternative procedures.

Cash management: The guidance does not waive any institutional cash management requirements. However, ED provides guidance on how to document an institution's inability to comply with the regulatory requirements on: 1) borrower requests for loan cancellation; 2) excess cash; and 3) notices and authorizations.

Need analysis: Emergency aid received by students in the form of grants and low interest loans, emergency aid and stimulus funds will not be reportable in a subsequent year FAFSA and the corresponding calculation of the student's estimated family contribution. The emergency aid funds will not impact a student's Title IV aid eligibility in future award years.

Academic year reduction approval request requirements: If an institution reduces their academic year to less than 30 instructional weeks in response to the COVID-19 pandemic, ED included the following specific guidance on submitting the request:

- The request should be emailed to CaseTeams@ed.gov. Include the institution's name, OPEID and state in the subject line
- Include the programs for which the institution has a reduced academic year and the requested number of instructional weeks
- Address the reason for the reduction in the academic year, even though it might seem obvious

Federal work study community service: Under the current rules, 7% of federal work study funds must be used to pay students in community service jobs. ED encourages institutions that are unable to meet this requirement due to COVID-19 to apply for a waiver by calling the Campus-Based Call Center at +1 800 848 0978.

Federal reporting: Institutions are required to report the disbursement and refund of federal funds to ED's COD systems within 15 days. Additionally, the federal Pell Grant program final expenditures for a given award year must be made and reconciled by September 30, after the close of the award year. The guidance addresses challenges institutions may face in meeting the 15-day COD disbursement reporting and award year closeout requirements. The guidance does not provide a waiver of these requirements, but rather suggests an institution experiencing COD reporting delays contact their Department of Education regional case team and institutions anticipating challenges in meeting the final 2019 – 2020 Pell Grant award year closeout to contact the COD School Relations Center at +1 800 474 7268 or by email at <https://cod.ed.gov>.

Rebecca Flake focuses on federal student financial aid matters. She has been in the financial aid industry for 20+ years in the capacities of a financial aid advisor, financial aid director and compliance auditor.

Kate Lee Carey focuses on the legal, accreditation, administrative and regulatory aspects of regionally and nationally accredited higher education institutions and companies that provide services to the education industry.

Paul Thompson counsels schools and technology companies that provide services to schools on regulatory challenges in the education sector.

any information you provide to us confidential. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our [AI Principles](#), may be considered Attorney Advertising and is subject to our [legal notices](#). Copyright © 2026