

**Best Practices for Using the Coronavirus Indicator
Attachment to November 2020 Electronic Announcement**

Because a number of events (e.g., loan discharges, usage and eligibility limits) are triggered once the Coronavirus Indicator is selected, and the Coronavirus Indicator cannot be reversed by a school, it is critical that schools only submit the Coronavirus Indicator when no other action is expected to be taken on the disbursement. In this attachment, we provide schools some key information and best practices to consider when selecting the Coronavirus Indicator regardless of the program.

To prevent unintended consequences by incorrectly selecting the Coronavirus Indicator, schools may receive reject edits upon submission of a maintenance to an award or disbursement, particularly if financial changes are made at the same time the Coronavirus Indicator is selected. Again, schools should ensure all award and disbursement maintenance is submitted prior to submitting Coronavirus Indicator maintenance.

Finally, the Coronavirus Indicator on the COD website is separate from the Return to Title IV (R2T4) Coronavirus Indicator. There is no systematic link between the two indicators, and they are used for different purposes. The table below summarizes the key differences between the two indicators.

Indicator	Purpose	Required?
COD web	To indicate that a disbursement was made to a recipient that has withdrawn due to COVID-19. This indicator must be set to trigger the processes for loan discharges, TEACH Grant cancellations, subsidized usage recalculations, and Pell Grant and Iraq and Afghanistan Service Grant Lifetime Eligibility Used (LEU) adjustments.	Yes, for applicable records
R2T4	To perform an R2T4 calculation for a recipient who withdrew due to COVID-19 and report the amount of <i>Title IV</i> loan or grant funds not returned due to the <i>CARES Act</i> provisions.	No, but does satisfy reporting requirements if a school uses it for individual R2T4 calculations

Note: In spring 2021, we plan to update the COD website to provide an additional option for schools to report lump sum amounts of Title IV aid that would have been returned under normal circumstances. Reporting will be by program type and associated schools will report though the OPEID of the main school. More information will be provided in forthcoming electronic announcements in early 2021.

As a reminder, for further details on the conditions needed to select the Coronavirus Indicator, view the attachment titled, “COD System Reporting and Processing for Withdrawn Students Under the *CARES Act* Beginning Aug. 2, 2020 (Phase One)” in the 7/30/20 Electronic announcement.

As noted earlier, the Coronavirus Indicator should not be flagged on a disbursement before it has been confirmed that no further changes will be made to that disbursement.

Best Practices Checklist and Other Questions and Answers

Below is a list of items at program, award, and disbursement level that should be verified before selecting the Coronavirus Indicator. In addition, we provide several questions and answers related to the Coronavirus Indicator.

Program and Award Year-Level Verification

- Verify Reopen/Extended Processing has been requested for the program and award year that requires update if you have already performed a balance confirmation *or* if you are past the data submission (closeout) deadline. **Note:** Reopen/Extended Processing is not necessary for the submission of Coronavirus Indicator and included non-financial fields (e.g., Payment Period Start Date) for Pell Grant or Iraq and Afghanistan Service Grant (IASG) disbursements.

Award Level Verifications

- Verify the award year for the disbursements to be flagged with the Coronavirus Indicator is for 2017–18 Award Year or later. The Coronavirus Indicator is only applicable beginning with the 2017–18 Award Year and is not available for earlier award years.
- Ensure the award amount is accurate. While award-level maintenance may be done after submitting the disbursement-level Coronavirus Indicator, best practices encourage all award-level fields to be accurate and up-to-date prior to submitting the indicator.

Disbursement Level Verifications

- Verify the disbursement date is accurate.
- Verify the disbursement date is not a date in the future.
- Verify the disbursement is an actual disbursement with the Disbursement Release Indicator (DRI) = True.
- Verify the disbursement amount is accurate and greater than zero.
- Verify the student is eligible for all aid that has been re-disbursed per the *CARES Act*. Ensure that this aid has been reported to and accepted by the COD System and is accurate at the time the Coronavirus Indicator is selected.
- Ensure the Payment Period Start Date is a date from Jan. 1, 2018 to Dec. 31, 2020.
- Verify all other disbursement maintenance has been submitted and accepted before selecting the Coronavirus Indicator for the disbursement. No subsequent changes, financial or non-financial, can be made to the disbursement once the indicator is marked, so the disbursement must be in its final state before submitting/selecting the Coronavirus Indicator.

Can schools perform disbursement maintenance after the Coronavirus Indicator is selected?

No. Once the Coronavirus Indicator is set and accepted by the COD System, a school cannot submit any further changes to that disbursement record. This includes non-financial changes, such as changes to the disbursement date, payment period start date, CIP Code, etc. In addition, once the Coronavirus Indicator is checked, it cannot be “unchecked.”

For this reason, it is advisable to follow the checklist above to ensure award and disbursement maintenance is completed prior to submitting/selecting the Coronavirus Indicator.

Why are schools hitting loan limit edits when a student’s disbursement is set with the Coronavirus Indicator?

If the discharge information has not yet been received and processed by the COD System, schools may hit loan limit edits when they try to originate new awards for a borrower. The COD System must receive the Disaster Relief discharge information from the federal loan servicers before the discharged loan amounts can be removed from the loan limit calculation. The federal loan servicers usually complete the processing of a discharge within 10–15 business days from when the Coronavirus Indicator is set.

Before submitting new Direct Loan awards, school users should confirm the discharge has been fully processed; this confirmation can be done using the Additional Eligibility page for the applicable borrower.

How long does it take for the loan discharge to process after applying the Coronavirus Indicator?

Fully processed discharges can take up to 10–15 business days to complete. Coronavirus discharges will be displayed on the National Student Loan Data System (NSLDS®) website with “HC02” type. Once the discharge is processed in the COD System, the awards will be seen on the Additional Eligibility Page under “Discharge Information”.

How long does it take for a Pell Grant Lifetime Eligibility Used (LEU) adjustment to process after applying the Coronavirus Indicator?

The “Disaster Relief” adjustment will be displayed on the LEU History screen within 24 hours of the Coronavirus Indicator being accepted.

Are there any changes to the COD System Edits as a result of the Coronavirus Indicator functionality?

Yes. A new warning edit was added to the COD System and several existing COD System edits were modified as a result of the Coronavirus Indicator functionality. These changes were explained in the July 30, 2020 Electronic Announcement. Information on the new edits can also be found in the latest [COD Technical Reference](#).

What should I do if I determine a student is eligible for additional aid, but I have already processed the Coronavirus Indicator on a disbursement?

Additional disbursements or awards may be reported to the COD System to account for any additional aid for which the student is eligible. **Note:** If the new disbursements are also determined to require the Coronavirus Indicator, schools should wait at least 24 hours after reporting the disbursement information before reporting the Coronavirus Indicator.

What are the requirements for the Payment Period Start Date for the Coronavirus Indicator?

The Payment Period Start Date is a required field when selecting the Coronavirus Indicator. The disbursement’s Payment Period Start Date must be a date from Jan. 1, 2018 to Dec. 31, 2020.

What if I have already completed the balance confirmation process for my school, or if the program/award year has passed the data submission (closeout) deadline and is no longer available for updates?

For the Direct Loan and TEACH Grant programs, schools that have completed the balance confirmation process or where the program/award year has passed the closeout deadline will need to use the Request Reopen/Extended Processing link on the COD website in order to process changes at the disbursement level, including the Coronavirus Indicator. When making this request, the school should select Reason Code “Unusual Circumstances” and include “Updates to Coronavirus Indicator” in the explanation for this request.

For the Pell Grant and Iraq and Afghanistan Service Grant programs, downward disbursement adjustments, changes to records in Pell Overaward Process (POP), and any updates to the Coronavirus Indicator with simultaneously submitted non-financial fields (e.g., Payment Period Start Date) will

process without submitting a request. Increases to disbursement amounts will continue to reject and will require a school to use the Request Reopen/Extended Processing link on the COD website prior to processing.

Note: Programs/Award Years which have passed the data submission deadline currently include Pell Grant 2019–20 and prior; TEACH Grant 2019–20 and prior; Direct Loan 2018–19 and prior.

Requests for Reopen/Extended Processing for the most recent years which have passed the closeout deadline will be expedited for approval, and the school will then be able to enter their changes through the COD website after completing the checklist above.

Where can the latest *CARES Act* information and guidance be found?

Below is a list of some of the Electronic Announcements that provide guidance about the *CARES Act* and other flexibilities due to COVID-19. Schools may also refer to the [Department of Education's COVID-19 resource page](#).

[Sept. 23, 2020](#)

[Aug. 21, 2020](#)

[July 30, 2020](#)

[July 10, 2020](#)

[May 15, 2020](#)

[May 6, 2020](#)

[April 3, 2020](#)

[March 5, 2020](#)