

# Eligibility Manual for School Meals

## Determining and Verifying Eligibility

*School Year 2016-2017*



USDA Food and Nutrition Services  
Child Nutrition Programs

July 29, 2016

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

This institution is an equal opportunity provider.

# Table of Contents

<b>About This Guidance</b> .....	<b>5</b>
<b>Section 1: Getting Started</b> .....	<b>7</b>
Child Nutrition Programs.....	7
Key Requirements.....	7
Policy Statements.....	7
Public Outreach Requirements.....	8
Definitions.....	12
<b>Section 2: The Basis of Eligibility</b> .....	<b>19</b>
<b>THE HOUSEHOLD APPLICATION</b>	
Determining Eligibility Based on Income Applications .....	19
Determining Household Composition - General.....	19
Determining Household Reportable Income - General.....	22
Determining Household Reportable Income - Special Situations.....	23
Income Exclusions .....	26
Determining Categorical Eligibility Using an Application.....	29
Assistance Program Participants.....	29
Other Source Categorically Eligible Program Participants.....	30
<b>DIRECT CERTIFICATION</b>	
The Direct Certification Process.....	31
Assistance Program Participants.....	31
Other Source Categorical Eligibility.....	32
Other Source Categorical Eligibility Descriptions.....	32
<b>Section 3: Establishing Eligibility</b> .....	<b>37</b>
Carryover of Previous Year’s Eligibility .....	37
Transfer of Eligibility .....	38
Transferring Between LEAs .....	39
Processing Applications.....	40
Application Processing Timeframe.....	40
Approved Applications .....	42
Denied Applications.....	45

Special Situations When Determining Eligibility .....	48
Reviewing Applications Based on Income .....	49
Assessing Completeness of Income Applications.....	50
Income Conversions.....	50
Determining Eligibility for Applications Based on Income .....	51
Assessing Completeness of Categorically Eligible Applications .....	52
Determining Eligibility for Categorically Eligible Applications .....	53
Reviewing Direct Certification for Assistance Programs .....	54
Required Documentation for All Direct Certification Options.....	54
Mandatory SNAP Direct Certification.....	55
TANF and FDPIR Direct Certification.....	56
Methods and Frequency of Direct Certification Efforts .....	56
Notification of Eligibility Established Through Direct Certification.....	57
Record Retention .....	57
Applications .....	57
Special Provisions.....	58
Direct Certification Documents .....	58
<b>Section 4: The School Meal Application .....</b>	<b>60</b>
Application Overview .....	60
Application Content .....	60
Application Types.....	62
Application Formats.....	65
<b>Section 5: Confidentiality and Disclosure.....</b>	<b>68</b>
Confidentiality Requirements .....	69
Preventing Overt Identification.....	69
Disclosure Requirements .....	70
“Need to Know” .....	72
Notification and Notice.....	74
Penalties for Improper Disclosure.....	78
<b>Section 6: Verification .....</b>	<b>79</b>
Verification Overview .....	79
Key Verification Terms .....	80
Initial Verification.....	80

Verification for Cause.....	81
Application Selection Procedures .....	83
Available Sample Sizes.....	83
Qualifying to Use an Alternate Sample Size.....	84
Post-Selection Procedures.....	85
Household Notification of Selection.....	86
Sources for Verification.....	87
Direct Verification .....	89
Types of Direct Verification .....	90
Documentation Timeframe .....	91
Verification Follow-Up.....	91
Following Up with Households .....	92
When Verification is Considered Complete .....	93
Record Retention .....	93
Appendix A: Policy Statement.....	95
Appendix B: Prototype Application.....	97
Appendix C: Prototype Agreement for Disclosure of Free and Reduced Price Information.....	98
Appendix D: Policy Memos.....	102
Glossary of Acronyms .....	104
Additional Resources .....	106

## About This Guidance

Millions of children across the nation participate in the Federal Child Nutrition Programs each day, receiving benefits that make an important contribution to their overall nutrition. The *Eligibility Manual for School Meals* provides comprehensive information on Federal requirements, policies, and procedures. This is intended to help State and local educational agencies (LEAs) accurately determine, certify, and verify children's eligibility for free and reduced price school meals and free milk.



The United States Department of Agriculture's (USDA) Food and Nutrition Service (FNS) understands that emphasizing flexibility in how programs are operated, with strong accountability for outcomes, eases access for eligible families, while reducing paperwork and administrative errors in schools. It is critical that State and local procedures encourage and support effective methods, including direct certification, to assist families with children who qualify for free and reduced price meal benefits, but are not participating.

This manual explains the basics that must be addressed by State and local agencies in developing systems for benefit access, simplifying the review of applications, and properly determining and confirming eligibility. The information provides practical guidance to assist State and local agencies in establishing free and reduced price school meal and free milk policies and procedures that are effective, increase Program integrity, and reduce administrative burden, without compromising access for families in need.

While the requirements in this manual are generally directed towards LEAs, FNS recognizes that there is wide variation in the structure of school districts at the local level. As such, in some cases, the school food authority may assume responsibility for certain requirements included in this manual.

Although the requirements outlined in this manual are directed at LEAs, there is information for operators of other Child Nutrition Programs that is useful when eligibility for individual children or adult participants must be established. The sections of this manual on income eligibility, categorical eligibility, confidentiality, and disclosure provide guidance also applicable to the Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP).

The sections of this manual include:

- **Section 1:** An overview of USDA’s Child Nutrition Programs and key issues.
- **Section 2:** Information about determining eligibility based on income or participation in Assistance Programs, and Other Source Categorical Eligibility designations.
- **Section 3:** A guide to processing and reviewing all types of applications, and information about what happens when applications are either approved or denied, including notification requirements.
- **Section 4:** An overview of the application’s content and information about various application types and formats.
- **Section 5:** A guide to confidentiality and disclosure requirements, including when, how, and to whom a student’s eligibility status or other information may be disclosed.
- **Section 6:** An overview of the verification requirements for the School Meal Programs.
- **Appendices:** Additional resources LEAs may use to learn more about making eligibility determinations for the Child Nutrition Programs.

This edition replaces the manual issued in July 2015. FNS’ goal is to issue annual guidance to ensure that Child Nutrition Program operators have current policy information to begin the application and certification process at the start of each school year.

LEAs and other Child Nutrition Program institutions and sponsors should contact the appropriate State agency for additional guidance. State agencies should direct questions to the appropriate FNS Regional Office (FNSRO).

#### **Statutory Authority**

Statutory authority for the Child Nutrition Programs includes the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966 (CNA). The statutory citations are, respectively, 42 United States Code 1751 et seq. and 42 United States Code 1771 et seq.

Regulatory authority is found, as follows, in the Code of Federal Regulations (CFR):

- 7 CFR Part 210, National School Lunch Program (NSLP)
- 7 CFR Part 215, Special Milk Program for Children (SMP)
- 7 CFR Part 220, School Breakfast Program (SBP)
- 7 CFR Part 225, Summer Food Service Program (SFSP)
- 7 CFR Part 226, Child and Adult Care Food Program (CACFP)
- 7 CFR Part 245, Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools

# Section 1: Getting Started

In this section, you will find information on:

- USDA's Child Nutrition Programs,
- Policy requirements for operating the Child Nutrition Programs,
- Public outreach requirements for LEAs, and
- A list of key terms used throughout the manual.

## Child Nutrition Programs

At the Federal level, the Child Nutrition Programs are administered by USDA, FNS. At the State level, the programs are administered by a designated State agency. If State law prevents State administration, programs may be administered by the appropriate FNSRO, often referred to as a Regional Office Administered Program (ROAP).

State agencies that administer the Child Nutrition Programs must issue free and reduced price policy guidance and any other instructions necessary to LEAs and other program sponsors to ensure awareness of Federal and State requirements pertaining to free and reduced price meals and free milk. Participating LEAs must provide free and reduced price meal benefits to eligible children in accordance with the statutory and regulatory requirements as detailed in this manual.



## Key Requirements

All schools participating in NSLP or SBP must make free and reduced price meals available to all eligible children. All schools and institutions participating in the free milk option of the SMP must make free milk available to eligible children.

## Policy Statements

Each LEA participating in the NSLP and the SBP must have an approved free and reduced price policy statement on file at the State agency or the FNSRO if the LEA participates under a ROAP. Each LEA participating in the SMP with the free milk option must have an approved policy statement on file. However, an LEA may submit a single policy statement when some of its schools participate in the SMP and others participate in the NSLP or SBP. If an LEA is just starting its participation in the NSLP, SBP, or SMP it must submit its policy statement to the



State agency for approval as part of the application process. Once approved, the policy statement becomes a permanent document, but must be amended when the LEA makes a substantive change in its free and reduced price policy statement. Specific instructions on the development of the policy statement and policy approval process are provided to LEAs by the State agency. Please see [Appendix A](#) for the requirements for the policy statement and amendments.

## **Public Outreach Requirements**

Near the beginning of each school year, the public must be notified that free and reduced price meals and free milk are available. This notice must include the eligibility criteria for free and reduced price meals or free milk. It must be provided to the local news media, the unemployment office, and any major employers who are contemplating large layoffs in the attendance area of the school.

The State agency may issue the public release on behalf of its LEAs. In this case, the free and reduced price policy statement must specify the responsibilities the State agency will assume, such as sending the public release to the local media and employment offices, and the names of the schools covered under the policy. Copies of the public release must be made available upon request to any interested person.

### ***Public Media Release***

Required information for the public media release includes the same information supplied in the letter to households, except that the public release also must contain Income Eligibility Guidelines (IEGs) for free and reduced price school meals. However, a public release solely for the SMP only provides the free IEGs.

The public release also must explain the following information:

- When known to the LEA, households will be notified of their children’s eligibility for free meals if they are members of households receiving assistance from the:
  - Supplemental Nutrition Assistance Program (SNAP);
  - Food Distribution Program on Indian Reservations (FDPIR); or
  - Temporary Assistance for Needy Families (TANF), if the State program meets Federal standards.
- When known to the LEA, households will be notified of any child’s eligibility for free meals if the individual child is Other Source Categorically Eligible, because the child is categorized, as defined by law as:
  - Homeless,
  - Migrant,
  - Runaway,
  - A foster child,
  - Enrolled in Head Start, or
  - Enrolled in an eligible pre-kindergarten class.

- If children or households receive benefits under Assistance Programs or Other Source Categorically Eligible Programs and are not listed on the notice of eligibility and are not notified by the school of their free meal benefits, the parent or guardian should contact the school or should submit an income application.
- Households notified of their children's eligibility must contact the LEA or school if the household chooses to decline the free meal benefits.

### *Information Letters to Households*

To inform families about the Child Nutrition Programs and that free or reduced price meals or free milk may be available to children, schools must distribute information letters to the households of children attending the school. The information letter must be sent to households either before the beginning of or very early in the school year. Information letters may not be sent home at the end of the school year for the next year, nor can the LEA accept and process applications before the federally defined school year, which begins on July 1. (However, year-round schools may distribute the letters in June.) The letters may be distributed by the postal service, e-mailed to the parent or guardian, or included in information packets provided to students. LEAs are encouraged to inform households that all school-aged children in income-eligible households can receive school meal benefits regardless of the immigration status of household members and information provided by the household will not be used for immigration-related purposes. LEAs also are encouraged to provide applications and information about school meals in routine contacts throughout the school year.

LEAs must ensure that all households receive either a direct certification notification of their child's approval or an application if their child is not directly certified for free meal benefits. When distributing the application materials, LEAs must prevent the overt identification of children who were already determined eligible through the direct certification process and therefore do not need application materials. Notification of a child's eligibility through direct certification may be done through e-mail if the LEA has an e-mail address for a parent or guardian.

The information letters must include:

- IEGs, as follows:
  - For schools participating in the NSLP or SBP only, the reduced price guidelines are provided with an explanation that households with incomes at or below the reduced price limits may be eligible for either free or reduced price meals.
  - For schools participating in the SMP with the free milk option only, the free guidelines are provided.
  - For schools participating in the NSLP or SBP and also participating in the SMP with the free milk option for their split-session kindergarten students, both sets of guidelines are provided.

- Instructions on how to apply for free and reduced price meals or free milk, including local contacts and mailing addresses, prominently displayed, explaining how to submit an application to a school or LEA office and where to direct questions about the process.
- Explanations of the following:
  - General Information:
    - A household may apply for benefits at any time during the school year. Children of parents or guardians who become unemployed may become eligible for free and reduced price meals or free milk at any point during the school year.
    - Only one application is required for all children in the household.
    - No application is necessary if the household was notified by the LEA that all children have been directly certified. If the household is not sure if their children have been directly certified, they should contact the school.
    - Only the last four digits of the Social Security Number of the household's primary wage earner or another adult household member (or an indication of "none") is needed.
    - Information submitted on the application may be subject to verification.
    - Special Supplemental Nutrition Program for Women, Infants and Children (WIC) participants may be eligible for free and reduced price meals through the application process.
  - Assistance Program Households:
    - Categorical eligibility for free benefits is extended to all children in a household when the application lists an Assistance Program's case number for any household member.
    - Households with any member who is currently certified to receive Assistance Program benefits may submit an application for these children with the abbreviated information as indicated on the application and instructions.
  - Other Source Categorically Eligible Students:
    - Households with children who are categorically eligible under Other Source Categorically Eligible Programs may be eligible for free benefits and should contact the school or LEA for assistance in receiving benefits.
    - A foster child is categorically eligible for free meals and may be included as a member of the foster family if the foster family chooses to also apply for benefits for other children. Including children in foster care as household members may help other children in the household qualify for benefits.
    - If a foster family is not eligible for free or reduced price meal benefits, it does not prevent a foster child from receiving benefits.

- Eligibility Determinations:
  - An application for free or reduced price benefits cannot be approved unless complete eligibility information is submitted, as indicated on the application and in the instructions.
  - A household may appeal the application decision, using the hearing procedure described in the LEA's free and reduced price policy statement.
- Carryover:
  - For up to 30 operating days into the new school year, eligibility from the previous year will continue within the same LEA.
  - When the carryover period ends, unless the household is notified that their children are directly certified or the household submits an application that is approved, the children must pay full price for school meals and the LEA is not required to send a reminder or a notice of expired eligibility.
- The following USDA Nondiscrimination Statement, which is new as of November 2015: In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) E-mail: [program.intake@usda.gov](mailto:program.intake@usda.gov).

This institution is an equal opportunity provider.

### *Information Letters for Late Enrollments*

Households enrolling new students in an LEA after the start of the school year must be provided an information letter, application form, and materials when they enroll. If the LEA has the capability, the status of any newly enrolled child must be checked for participation in an Assistance Program and in Other Source Categorical Eligibility at the time of enrollment.

## **Definitions**

***Assistance Programs:*** Receipt of benefits by any household member from certain Assistance Programs conveys categorical (automatic) eligibility for free school meals to all children in the household. The determination is made through direct certification for Assistance Programs or through an application with appropriate case numbers. The Assistance Programs that convey categorical eligibility to all children in the household are:

- Supplemental Nutrition Assistance Program
- Food Distribution Program on Indian Reservations
- Temporary Assistance for Needy Families

***Automated Data Matching:*** The most common direct certification method used to directly certify students. Matches are made between student enrollment records and benefit recipient records from Assistance Programs, foster care agencies, or other appropriate State or local agencies to establish categorical eligibility (Head Start, Migrant Education Programs, and runaway and homeless youth programs).

There are two common automated data matching processes:

- Local-level: The State agency distributes relevant data to the LEA and the LEA matches the data to the children's enrollment records.
- State or central-level matching: The State agency is responsible for a system that matches a list of children enrolled in schools in the NLSP with a list of children receiving Assistance Program benefits and then provides relevant information to the LEA to process at the local level.

***Carryover of Eligibility:*** A child's eligibility from the previous school year is carried into the current school year for up to 30 operating days, beginning on the first operating day of school. Prior year's eligibility remains in effect until a new eligibility determination is made or, if no determination is made, for up to 30 operating days.

***Categorical Eligibility:*** Automatic eligibility for free meals or free milk due to a child's (or any household member's) receipt of benefits under an Assistance Program, or a child's designation as Other Source Categorically Eligible. There are two ways children may be classified as categorically eligible:

- Participation in Assistance Programs: A child or any member of the household receives benefits from an Assistance Program, as determined either through direct certification or an application with the appropriate case number; or
- Other Source Categorically Eligible designation: A child is documented as meeting the applicable definition, as defined in this section, as:
  - Homeless, runaway, or migratory child;
  - Foster child; or
  - Enrolled in a federally-funded Head Start or comparable State-funded Head Start or pre-kindergarten program.

An individual child's eligibility for free benefits under any of the Other Source Categorically Eligible Programs does not convey to other children in the household. Except for a foster child, the household indication of Other Source Categorically Eligible Status **must be confirmed through documentation prior to certifying the child's eligibility for free meals. If documentation does not confirm eligibility for an Other Source Categorically Eligibility, the household should be asked to resubmit the application and include income information.**

***Determining Official:*** An LEA official responsible for determining children's eligibility for free or reduced price benefits. **An employee of a food service management company may act as an agent for the LEA in various aspects of the application, certification, and verification processes. The company's employee must comply with all requirements for these processes, including limited disclosure of individual eligibility information. However, the LEA is ultimately responsible for ensuring that all requirements are met and that the information on the application remains the property of the LEA and may not be used or possessed by the food service management company for any use other than to determine eligibility for free and reduced price meals. This also applies when an LEA and/or SFA contracts with an Educational Service Provider to manage these functions. See *SP 07-2008: Charter School Involvement in the National School Lunch and Breakfast Programs*, <https://www.partnerweb.usda.gov/communities/cndpolicy2/School%20Programs/FY08/SP%2007-2008-S.pdf>.**

***Direct Certification:*** Determining children eligible for free benefits based on documentation obtained directly from appropriate State or local agencies or other authorized individuals. Direct certification of a child's eligibility status should not involve the household. The communication exchange should be between an appropriate agency and the State agency, LEA, or school.

***Direct Certification for Assistance Programs:*** A process conducted through automated data matching or an exchange of information between the Assistance Program agency and the State agency or LEA. No application is necessary. Letters from Temporary Assistance for Needy Families and Food Distribution Program on Indian Reservations agencies submitted by households are considered direct certification. However, direct certification for Supplemental

Nutrition Assistance Program households must be conducted using an automated data matching process. If a household provides a Supplemental Nutrition Assistance Program eligibility letter to the LEA or school, the letter must be used to establish eligibility, but it is not considered direct certification for reporting purposes.

***Direct Certification for Other Source Categorically Eligible Programs:*** A process conducted through an automated data matching or an exchange of information between appropriate State or local agencies and officials from Other Source Categorically Eligible Programs, such as the LEA's homeless liaison. Direct certification also may be conducted using lists of eligible children provided to the State agency or LEA from appropriate officials of these programs. Letters and contacts from officials of these may also be used as direct certification.

***Direct Verification:*** The use of public records as a means to verify children's eligibility for free or reduced price benefits. Direct verification may be conducted with Assistance Program agencies or appropriate officials of Other Source Categorically Eligible Programs to confirm eligibility for free meals. Direct verification with Medicaid or the Children's Health Insurance Program (CHIP) may confirm eligibility for either free or reduced price meals, depending on the Medicaid or CHIP eligibility criteria in the State. Direct verification may be used for applications included in the verification sample or those verified for cause.

***Extension of Categorical Eligibility for Assistance Programs:*** A child or other household member's receipt of benefits from an Assistance Program automatically extends eligibility for free benefits to all children who are members of the household.

***Food Distribution Program on Indian Reservations (FDPIR):*** The Food Distribution Program on Indian Reservations is a Federal program that provides United States Department of Agriculture foods to low-income households living on Indian reservations, and to Native American families residing in designated areas near reservations and in the State of Oklahoma. Children from households that receive benefits from the Food Distribution Program on Indian Reservations are deemed categorically eligible for free school meals. See *Food Distribution Program on Indian Reservations*: <http://www.fns.usda.gov/fdpir/food-distribution-program-indian-reservations-fdpir>.

***Food Service Management Company:*** A Food Service Management Company is a commercial enterprise or a nonprofit organization that may be contracted with by the SFA or LEA to manage any aspect of the school food service.

***Foster Child:*** An Other Source Categorical Eligibility Program designation for a child who is formally placed by a court or a State child welfare agency. Whether placed by the State child welfare agency or a court, in order for a child to be considered categorically eligible for free meals, the State must retain legal custody of the child. This definition does not apply to informal arrangements or permanent guardianship placements that may exist outside of State or court-based systems.



**Free Meal:** A meal served in the National School Lunch Program or School Breakfast Program to a child eligible for such benefits under 7 CFR Part 245. Neither the child nor any member of the household pays or is required to work in the school or in the school’s food service to receive a free meal.

**Free Milk:** Milk served in the Special Milk Program to a child eligible for free milk under 7 CFR Part 245. Neither the child nor any member of the household pays or is required to work in the school or in the school’s food service to receive free milk.

**Head Start:** An Other Source Categorically Eligible Program, which refers to Federal Head Start and any State-funded pre-kindergarten program that use eligibility criteria that are identical or more stringent than Federal Head Start.

**Homeless:** An Other Source Categorically Eligible Program designation for a child who is identified by the LEA’s homeless liaison or by an official of a homeless shelter as lacking a fixed, regular, and adequate nighttime residence.

**Household:** A group of related or nonrelated individuals who are living as one economic unit. The term “family” has the same definition as “household” under 7 CFR Part 245.2.

**Income Eligibility Guidelines (IEGs):** The family-size income levels prescribed annually by the Secretary of Agriculture for determining eligibility for free and reduced price meals and free milk. The free guidelines are 130 percent of the Federal poverty guidelines. The reduced price guidelines are 185 percent of the Federal poverty guidelines. **See *School Meals - Income Eligibility Guidelines*: <http://www.fns.usda.gov/school-meals/income-eligibility-guidelines>.**

**Local Educational Agency (LEA):** The term “local educational agency” refers to:

- A public board of education or other public or private nonprofit authority legally constituted within a State for the administrative control of public or private nonprofit schools in a political subdivision of a State;
- An administrative agency or combination of school districts recognized by the State;
- Any other public or private nonprofit agency with administrative control and direction of public or private nonprofit schools or residential child care institutions; or
- The State educational agency that, in any State or territory, serves as the sole educational agency for all public or private nonprofit schools.

**Limited English Proficiency (LEP):** A limited ability to read, speak, write, or understand English. Local educational agencies, schools and other entities that receive Federal financial assistance, including reimbursements for meals from United States Department of Agriculture, must take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency. **See *SP 37-2016: Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&As*,**



<http://www.fns.usda.gov/meaningful-access-persons-limited-english-proficiency-lep-school-meal-programs-guidance-and-qas>.

***Migrant:*** An Other Source Categorical Eligibility designation for a child who is enrolled in the Migrant Education Program as determined by the State or local Migrant Education Program coordinator or as documented by an appropriate LEA official, such as the homeless liaison.

***Mixed Households:*** Those households that include children designated as Other Source Categorically Eligible and other children who are not.

***Operating Days:*** The days on which reimbursable meals or milk are provided by a school or another program sponsor.

***Other Source Categorically Eligible:*** Categories that make children automatically eligible for free benefits, either through direct certification or application. A child's eligibility for free benefits under Other Source Categorical Eligibility does not extend to any other child in the household. A child is Other Source Categorically Eligible if they are:

- Enrolled in Federal Head Start;
- Enrolled in State-funded pre-kindergarten programs that use eligibility criteria that are identical or more stringent than Federal Head Start;
- Determined to be homeless by the LEA's homeless liaison or by an official of a homeless shelter;
- Determined to be a migrant by the State or local Migrant Education Program coordinator or homeless liaison;
- Determined to be a runaway who is identified by the local education liaison as receiving assistance through a program under the Runaway and Homeless Youth Act; or
- Determined to be a foster child whose care and placement is the responsibility of the State, or who is formally placed by a court with a caretaker household through which the State retains legal custody of the child.

***Overt Identification:*** Any action that may result in a child being recognized as potentially eligible to receive or be certified for free or reduced price school meals or free milk. Local educational agencies and school food authorities must assure that a child's eligibility status is not disclosed at any point in the process of providing free or reduced price meals or free milk, including:

- When the child or household is notified of the availability of free or reduced price benefits;
- During certification and notification of eligibility;
- During the provision of meals in the cafeteria;
- At the point of service;

- During the provision of additional services, such as educational services to low income children; or
- When the child pays for their meals.

***Reduced Price Meal:*** A lunch priced at 40 cents or less, an afterschool snack priced at 15 cents or less, or a breakfast priced at 30 cents or less, served to a child certified as eligible for such benefits under 7 CFR Part 245.

***Residential Child Care Institution (RCCI):*** Any distinct part of a public or nonprofit private institution that:

- Maintains children in residence;
- Operates principally for the care of children; and
- If private, is licensed by the State or local government to provide residential child care services under the appropriate licensing code.

The definitions of “School” and “Child” in 7 CFR 210.2, 215.2 and 220.2, outline the requirements for eligible Residential Child Care Institutions and eligible residents.

***Runaway:*** An Other Source Categorical Eligibility designation for a child who is identified by the LEA’s homeless liaison or a program official as receiving assistance from a program under the Runaway and Homeless Youth Act.

***School Food Authority (SFA):*** The governing body responsible for the administration of one or more schools. The SFA has the authority to enter into a legal agreement with the State administrating agency to operate the School Meal Programs.

***School Year (SY):*** The period from July 1 through June 30.

***Supplemental Nutrition Assistance Program (SNAP):*** SNAP offers nutrition assistance to millions of eligible, low-income individuals and families and provides economic benefits to communities. Children from households that receive benefits under SNAP are deemed categorically eligible for free school meals. See *Supplemental Nutrition Assistance Program: <http://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program-snap>*.

***Temporary Assistance for Needy Families (TANF):*** A Federal designation for a State-funded program under part A of title IV of the Social Security Act. Each State has its own name and acronym for the program. Categorical eligibility for free benefits is limited to beneficiaries in States with Temporary Assistance for Needy Families standards that are comparable to or more restrictive than those in effect on June 1, 1995. See *SP-22- 2010, CACFP 10-2010, SFSP 08-2010: Categorical Eligibility—Temporary Assistance to Needy Families, <http://www.fns.usda.gov/sp22-2010-categorical-eligibility%E2%80%94temporary-assistance-needy-families>*.

***Working Days:*** The days when school is open and teachers or school administration are on-site, but the reimbursable meal service is not in operation.

A [Glossary of Acronyms](#) is also included at the end of the manual.

## Section 2: The Basis of Eligibility

In this section, you will find information to determine:

- Household composition when making an income eligibility determination,
- Household reportable income and income exclusions when making an income eligibility determination,
- Categorical eligibility based on participation in Assistance Programs, and
- Categorical eligibility through an Other Source Categorical Eligibility designation.

### Determining Eligibility Based on Income Applications

To establish that a household meets income eligibility requirements for benefits, determining officials must compare the household size and the total household income to the applicable IEGs. Officials may be asked by households for guidance on whom to include as a household member or what to include as income on the application. Although determining officials may have to use their own discretion in some instances, this section explains the overarching requirements for determining household composition and income and provides guidance on how to handle special situations. LEAs with additional questions should contact the State agency for further clarification of the information provided on the application.



### Determining Household Composition - General

Household composition for the purpose of making an eligibility determination for free and reduced priced benefits is based on an economic unit. An economic unit is a group of related or unrelated individuals who are not residents of an institution or boarding house but who are living as one economic unit, and whose members share housing, significant income, and expenses.

Generally, individuals residing in the same house are an economic unit. However, more than one economic unit may reside together in the same house. Separate economic units in the same house are characterized by prorating expenses and by economic independence from one another.

Please see the following pages for a review of special situations to consider when determining household composition.

## Special Situations for Determining Household Composition

### Adopted child

An adopted child for whom a household has accepted legal responsibility is considered to be a member of that household. If the adoption is a “subsidized” adoption, which may include children with special needs, the subsidy is included in the total household income. Other adoption assistance payments are also included as income.

Because some adopted children may first be placed in families as foster children, parents may not be aware that, once a child is adopted, the child is no longer categorically eligible for free meals as a foster child. Due to year-long eligibility, the free eligibility status of a foster child would not change within the school year, including up to 30 operating days into the subsequent school year, once the child is adopted.

### Child attending an institution or Residential Child Care Institution (RCCI)

A child who attends, but does not reside, in an institution is considered a member of the household in which the child is a resident.

### Child residing in an institution or RCCI

A child who is a resident of a non-participating institution and attends a participating school during the week or a child who resides in a participating RCCI is considered a household of one.

### Child away at school

A child who is temporarily away at school (e.g., attending boarding school or college) is included as a member of the household. A child, including a foreign student who is attending a participating boarding school and wishes to apply for meal benefits, is not considered a household of one. Instead, the child’s eligibility is determined based on the family’s size and income.

### Child living with one parent, relative or friend

In cases where the child is living with one parent, relative or friend, the child is considered to be a member of the household with whom the child resides. Children of divorced or separated parents are considered part of the household that has custody.

### Families with joint custody

When joint custody has been awarded and the child physically changes residence, the child is considered part of the household where the child resides. If both guardians apply for benefits for the child, in the same LEA, but the eligibility status is different, the greater benefit level is used. For example, if one caretaker’s situation results in eligibility for free meals but the other caretaker’s application is denied, the child would receive free meals regardless of which parent had custody at the time.

However, one of the caretakers may elect not to have the child receive free or reduced price meal benefits while residing with them. When the child is residing with this caretaker and the caretaker pays for the meals, the child’s meals must be claimed at the paid rate.

<b>Special Situations for Determining Household Composition</b>	
<b>Emancipated child</b>	
	A child living alone or as a separate economic unit is considered to be a household of one. If an emancipated child lives alone as a household of one, or as a member of a household with no adult household members, the emancipated child must sign the application. No portion of the Social Security Number is required on the application of an emancipated child.
<b>Child paying room and board</b>	
	Separate economic units are usually characterized by the prorating of most household expenses. Most children living within a household and paying for room and board are usually paying a token amount, are not economically independent of their the household, and are, therefore, not considered to be a household of one and are included in the larger household for purposes of eligibility.
<b>Foreign exchange student</b>	
	A foreign exchange student is considered to be a member of the household in which the student resides, i.e., the host household.
<b>Foster child</b>	
	A foster child is a child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act, or a child who is formally placed with a relative or other caretaker household by a court or State child welfare agency. Whether placed by the State child welfare agency or a court, in order for a child to be considered categorically eligible for free meals, the State must retain legal custody of the child.  For purposes of eligibility for Child Nutrition Programs, a foster child is considered a member of the foster parents' household if the child is placed through a formal arrangement by a court or State child welfare agency.
<b>Family members living apart from family</b>	
	Family members who are living apart on a temporary basis are considered household members. Family members who are not living with the household for an extended period of time are not considered members of the household for purposes of determining eligibility.
<b>Deployed service personnel</b>	
	Family members who are not living with the household for an extended period of time are not considered household members. However, members of the armed services who are activated or deployed in support of any military combat operation are counted as household members.

## Determining Household Reportable Income - General

Households must report current income on a free and reduced price application.

- ***Income*** is any money received on a recurring basis, including earnings, pensions, and child or spousal support, unless an income source is specifically excluded by law for the Child Nutrition Programs.
- ***Gross earned income*** means all money earned before such deductions as income taxes, employee's Social Security taxes, insurance premiums, and bonds.
- ***Current income*** means the gross income received by a household, before deductions, for the current month, or the amount projected for the first month for which the application is filled out, or for the month prior to application. If this income is higher or lower than usual and does not fairly or accurately represent the household's actual circumstances, the household may, in conjunction with determining officials, project its annual rate of income based on the guidelines on special situations.

### *Indicating Income and Income Sources*

Each household must provide the total amount of current gross income. The prototype application requires that all income figures be reported in whole dollars only. Income earned or received by adults must be identified with the individual who received it, and the source (such as wages, or Social Security).

Additionally, the prototype application requires that the income for non-adults (infants, children, and students enrolled in school and eligible to participate regardless of age) must be combined into a single income reporting field, as these individuals rarely have income to report.

### *Indication of No Income*

Each household member who does not have income should also be identified. Household members must be asked to report their status as "zero income" earners. Zero income may be indicated by writing in "zero" or "no income," or by inserting "\$0." When no income is provided for any of the adult household members, the application is still considered complete. The application form must also include a clear and easy to understand instruction that communicates to households that any income field left blank is a positive indication that there is no income to report.

If local officials have knowledge or available information that a household has intentionally misreported its income by leaving the income fields blank, the LEA must verify the household's application for cause.

The chart on the following page provides an overview of income types to include when determining household reportable income.

<b>Determining Household Reportable Income</b>	
<b>Category</b>	<b>Description</b>
<b>Earnings from work</b>	<ul style="list-style-type: none"> <li>• Wages, salaries, tips, commissions, and cash bonuses;</li> <li>• Net income from self-owned business including farms;</li> <li>• Strike benefits, unemployment compensation, and worker’s compensation; and</li> <li>• Military basic pay and cash bonuses and allowances for off-base housing, food, and clothing (excluding combat pay, Family Substance Supplemental Allowance, and privatized housing allowances).</li> </ul>
<b>Public assistance, alimony, and child support</b>	<ul style="list-style-type: none"> <li>• Unemployment benefits;</li> <li>• Worker’s compensation;</li> <li>• Supplemental Security Income (SSI);</li> <li>• Regular cash assistance from State or local government;</li> <li>• Alimony payments;</li> <li>• Child support payments;</li> <li>• Veteran’s benefits;</li> <li>• Pensions;</li> <li>• Retirement Social Security (including railroad retirement and black lung benefits);</li> <li>• Private pensions or disability benefits; and</li> <li>• Adoption assistance payments.</li> </ul>
<b>Any other income regularly received</b>	<ul style="list-style-type: none"> <li>• Income from trusts or estates;</li> <li>• Annuities;</li> <li>• Investment income;</li> <li>• Earned interest;</li> <li>• Net rental income;</li> <li>• Regular cash payments from outside household; and</li> <li>• Any other money that may be available to pay for children’s meals.</li> </ul>

## **Determining Household Reportable Income - Special Situations**

### *Projected Income for Seasonal Workers*

Seasonal workers and others whose income fluctuates usually earn more money in some months than in other months. Consequently, the previous month’s income may distort the household’s actual circumstances. In these situations, the household may project its annual rate of income, and report this amount as its current income. If the prior year’s income provides an accurate



reflection of the household's current annual rate of income, the prior year may be used as a basis for the projected annual rate of income.

The LEA must determine the period of time any earnings are received for seasonal workers, as well as the amounts and sources. Seasonal workers with annual employment contracts, such as school employees, may choose to have their salaries paid over a shorter period of time. To treat these employees in the same manner as employees who choose to have their salaries paid over the full year, the LEA must determine the full amount of income available contractually on an annual basis, and convert all income sources to annual amounts.

### *Income for the Self-Employed*

Self-employed persons may use last year's income as a basis to project their current year's net income, unless their current net income provides a more accurate measure.

Self-employed persons are credited with net income rather than gross income. Net income for self-employment is determined by subtracting business expenses from gross receipts, as follows:

- Deductible business expenses include:
  - The cost of goods purchased,
  - Rent,
  - Utilities,
  - Depreciation charges,
  - Wages and salaries paid, and
  - Business taxes.
- Non-deductible business expenses include:
  - The value of salable merchandise used by the proprietors of retail businesses; and
  - Personal, Federal, State, or local income taxes.
- Net income for self-employed farmers is figured by subtracting the farmer's operating expenses from the gross receipts;
- Gross receipts include:
  - The total income from goods sold or services rendered by the business;
  - The value of all products sold;
  - Money received from the rental of farm land, buildings, or equipment to others; and
  - Incidental receipts from the sale of items such as wood, sand, or gravel.
- Operating expenses include:
  - Cost of feed, fertilizer, seed, and other farming supplies;
  - Cash wages paid to employees;
  - Depreciation charges;
  - Cash rent;
  - Interest on farm mortgages;

- Farm building repairs; and
- Farm taxes.

### ***Income from Wages and Self-Employment***

For a household with income from wages and self-employment, each amount must be listed separately. When there is a business loss, income from wages must not be reduced by the amount of the business loss. If income from self-employment is negative, it is listed as zero.

### ***Income from Rental Properties***

For households with rental properties, income includes money derived from the rental of rooms, apartments, homes and other leases. The treatment of rental income would be similar to the treatment of self-employment income.

### ***Military Benefits***

For non-deployed service members, income includes benefits paid directly to the service member, such as food, clothing allowances and housing allowances for households living off-base in the general commercial or private real estate market are considered income.

For deployed service members, income only includes that portion of a deployed service member's income made available by them or on their behalf to the household will be counted as income to the household.

### ***Foster Child's Income***

If the household where the foster child resides applies for benefits for their non-foster children, the foster child is included as a household member and any personal income received by the foster child is reportable. The foster child's income can be from a part-time job or from any funds provided to the child for the child's personal use.

### ***Income for a Child Residing in an RCCI or Institution***

Only the income earned from full-time or regular part-time employment or personally received by the child, while in residence at the RCCI or institution, is considered income.

### ***Child's Income***

The current earnings of a child or student grade 12 or below, regardless of age, who is a full-time or regular part-time employee, or who receives income from other sources, such as SSI or Social Security, must be listed on the application as income. Infrequent earnings, such as income from occasional baby-sitting or mowing lawns, are not counted as income and should not be listed on the application. **For more information, see *Income Exclusions*.**

### *Alimony and Child Support*

Any money received by a household in the form of alimony or child support is considered income to the receiving household. Money paid by a household in the form of alimony or child support is not excluded as income for that household.

### *Garnished Wages and Bankruptcy*

In the case of garnished wages and income ordered to be used in a specified manner, the total gross income must be considered regardless of whatever portions are garnished or used to pay creditors.

### **Income Exclusions**

Income not to be reported or counted as income in the determination of a household's eligibility for free and reduced price meal benefits includes:

- Any cash income or value of benefits excluded by statute, such as the value of benefits under SNAP or FDPIR and some Federal educational benefits;
- Payments received from a foster care agency or court for the care of foster children;
- Student financial assistance provided for the costs of attendance at an educational institution, such as grants and scholarships awarded to meet educational expenses and not available to pay for meals;
- Loans, such as bank loans, since these funds are only temporarily available and must be repaid; and
- Infrequent earnings received on an irregular basis, such as payment for occasional baby-sitting or yard work.



Please refer to the charts on the following pages for a list of income to exclude when making an eligibility determination. The list is not all inclusive. Legislation is periodically enacted that excludes income for the purposes of Child Nutrition Programs. See *Appendix to Subpart K of Part 416—List of Types of Income Excluded under the SSI Program as Provided by Federal Laws Other Than the Social Security Act*:

[http://www.socialsecurity.gov/OP\\_Home/cfr20/416/416-app-k.htm](http://www.socialsecurity.gov/OP_Home/cfr20/416/416-app-k.htm).

This website may assist you in determining if benefits from other programs are excluded as income from Federal means-tested programs. Determining officials should contact the State agency when there is a question of whether specific payments are to be included as income. The household always has the right to provide documentation or to request a determination about a source of income that may be excluded.

<b>Examples of Payments from Federal Programs Excluded as Income</b>	
<b>Category</b>	<b>Description</b>
<b>SNAP, WIC, Child Nutrition Benefits</b>	<ul style="list-style-type: none"> <li>Value of assistance to children and their families under the Richard B. Russell NSLA, the Child Nutrition Act (CNA) of 1966, and the Food and Nutrition Act of 2008.</li> </ul>
<b>Housing assistance</b>	<ul style="list-style-type: none"> <li>Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.</li> <li>Payments received under the Cranston-Gonzales National Affordable Housing Act, P.L. 101-625.</li> <li>Payments received under the Housing and Community Development Act of 1987.</li> </ul>
<b>Volunteer payments</b>	<ul style="list-style-type: none"> <li>Any payment to volunteers under title I (VISTA and others) and title II (RSVP, foster grandparents, and others) of the Domestic Volunteer Service Act of 1973 to the extent excluded by the Act.</li> <li>Payments to volunteers under section 8(b)(1)(B) of the Small Business Act (SCORE and ACE).</li> <li>Payments and allowances to individuals participating in AmeriCorps to the extent excluded by the National and Community Service Act of 1990.</li> </ul>
<b>Child care</b>	<ul style="list-style-type: none"> <li>The value of any child care provided or arranged, or any payment or reimbursement for costs incurred for such care, under the Child Care and Development Block Grant Act, as amended by section 8(b) of P.L. 102-586, 106 Stat. 5035.</li> <li>Value of any “at-risk” block grant child care payments made under section 5081 of P.L. 101-508, which amended section 402 of the Social Security Act.</li> </ul>
<b>Old age assistance</b>	<ul style="list-style-type: none"> <li>Payments received under the Old Age Assistance Claims Settlement Act, except for per capita shares in excess of \$2,000.</li> </ul>
<b>Student financial aid</b>	<ul style="list-style-type: none"> <li>Student financial assistance received under Title IV of the Higher Education Act of 1965, including the Pell Grant, Supplemental Education Opportunity Grant, State Student Incentive Grants, National Direct Student Loan, PLUS, College Work Study, and Byrd Honor Scholarship Programs, to the extent excluded by the Act.</li> <li>Payments received under the Carl D. Perkins Vocational Education Act, as amended by the Carl D. Perkins Vocational and Applied Technology Act Amendments of 1990, P.L. 101-392.</li> </ul>
<b>Disaster assistance</b>	<ul style="list-style-type: none"> <li>National Flood Insurance Program (NFIP) payments received by property owners.</li> <li>Payments under the Disaster Relief Act of 1974, as amended by the Disaster Relief and Emergency Assistance Amendments of 1989, P.L. 100-707.</li> </ul>

Examples of Payments from Federal Programs Excluded as Income	
Category	Description
Utility assistance	<ul style="list-style-type: none"> <li>• Payments under the Low-income Home Energy Assistance Act, P.L. 99-125.</li> </ul>
Military compensation	<ul style="list-style-type: none"> <li>• Payments under the Agent Orange Compensation Exclusion Act, P.L. 101-201.</li> <li>• Family Subsistence Supplemental Allowance (FSSA).</li> <li>• Privatized housing allowances to service members living in housing covered under the Military Housing Privatization Initiative. (See: <i>Department of Defense (DOD) Military Housing Privatization</i>, <a href="http://www.acq.osd.mil/housing/">http://www.acq.osd.mil/housing/</a>).</li> </ul>
Combat pay	<ul style="list-style-type: none"> <li>• Deployment Extension Incentive Pay (DEIP), which is given to active-duty service members who agree to extend their military service by completing deployment with their units without re-enlisting. This exemption applies only until the service members return to their home station. DEIP payments provided to service members who are not considered deployed are not exempt.</li> <li>• Also exclude combat pay when it is: <ul style="list-style-type: none"> <li>○ Received in addition to the service member's basic pay;</li> <li>○ Received as a result of deployment to or service in an area that has been designated as a combat zone; and</li> <li>○ Not received by the service member prior to deployment to or service in the designated combat zone.</li> </ul> </li> </ul>
Land payments	<ul style="list-style-type: none"> <li>• Income derived from certain sub-marginal land of the U.S. that is held in trust for certain Indian tribes.</li> </ul>

Examples of Other Payments Excluded as Income	
Category	Description
Institutionalized child's income	<ul style="list-style-type: none"> <li>• Payments from any source directly received by an RCCI or institution on a child's behalf are not considered as income to the child.</li> </ul>
Lump sum payments	<ul style="list-style-type: none"> <li>• Lump sum payments or large cash settlements are not counted as income since they are not received on a regular basis. These funds may be provided as compensation for a loss that must be replaced, such as payment from an insurance company for fire damage to a house.</li> <li>• <b>Note:</b> When lump sum payments are put into a savings account and the household regularly draws from that account for living expenses, the amount withdrawn is counted as income.</li> </ul>
In-kind benefits	<ul style="list-style-type: none"> <li>• In-kind benefits (housing for clergy, cars for salespersons, employee medical or dental benefits, etc.) are not cash payments and, therefore, are not considered as income for the purpose of determining free and reduced price eligibility. School officials are not in a position to determine the value of in-kind benefits.</li> </ul>

## Determining Categorical Eligibility Using an Application

This section describes applications for children who are automatically eligible for free meals or free milk because they (or another member of their household) receive Assistance Program benefits, or because they are determined eligible through an Other Source Categorically Eligible designation. In general, categorical eligibility may be established through the application process or through the direct certification process. [For more information, see \*The Direct Certification Process\*.](#)

### Assistance Program Participants

A child who is a member of a household that receives benefits from an Assistance Program is categorically eligible for free meals or milk, and the categorical eligibility of any household member in an Assistance Program conveys free meal benefits through the Child Nutrition Programs to all children in that household.

LEAs are required to use direct certification to identify children receiving benefits. See [Mandatory SNAP Direct Certification](#) for more information. LEAs may still accept SNAP notification letters to a household as a secondary method of recognizing categorical eligibility for free meals for SNAP households. Thus, if a household provides a SNAP eligibility letter to the LEA or school, the letter must be used to establish eligibility, but it is not considered direct certification for reporting purposes.

When using an application, LEAs must give households the opportunity to provide SNAP, TANF, or FDPIR case numbers or identifiers, either for the child or for any household member. Households receiving benefits under Assistance Programs and submitting a free and reduced price application must list a case number on the application. Determining officials must ensure that the Assistance Program's case number or identifier listed on the application is consistent with the format used by the Assistance Program in that State. If the case number seems incorrect, the LEA should contact the household or the local Assistance Program to confirm the household's eligibility or verify the application for cause. LEAs are encouraged to review the direct certification list to determine whether any of the applications with case numbers can be matched with children on the direct certification list:

Direct Certification Matches	
When a match is found: <ul style="list-style-type: none"><li>• The application must be disregarded;</li><li>• The family must be placed on the direct certification list; and</li><li>• Categorical eligibility must be extended to all children in the household</li></ul>	When a match is not found: <ul style="list-style-type: none"><li>• The LEA should contact the household for further clarification; or</li><li>• Verify the application for cause.</li></ul>



When a household submits an application indicating an Assistance Program:

- The applicable programs must be indicated and the program case number must be recognized as belonging to an Assistance Program.
- The child must be given free meals.
- The LEA official should compare the applications with case numbers to the direct certification list to determine if any children listed on the application are on that list.
  - If yes, the eligibility determination must be switched to direct certification.

For more information, see [Assessing Completeness of Categorically Eligible Applications](#).

### **Other Source Categorically Eligible Program Participants**

Similar to Assistance Programs, children designated as Other Source Categorically Eligible can be determined eligible for free meals through the application process. If the household of an Other Source Categorically Eligible child submits an application, the applicable programs must be indicated. Only the children designated on the application as participating in an Other Source Categorically Eligible Program may receive free meal benefits. Other Source Categorical Eligibility of one child does not convey free meal benefits to other children in the household.

If the household submits an application with income and also indicates Other Source Categorical Eligibility for one or more children, the LEA **must confirm the children's status before meal benefits can be provided**. If a household submits an application indicating both income and Other Source Categorical Eligibility, and the LEA cannot confirm the children's status, the LEA must process the application using the income information provided.



If Other Source Categorical Eligibility is documented for all children in the household, the determination based on income is superseded. However, if some children in the household are not determined Other Source Categorically Eligible, the income determination remains in effect for those children.

When a household submits an application indicating Other Source Categorical Eligibility:

- The applicable programs must be indicated.
- The LEA official must contact the Other Source Categorically Eligible agency liaison to confirm that the children are eligible for one of these programs. FNS recommends that LEAs confirm contact information for the agency liaisons and establish that relationship at the beginning of each school year.

## The Direct Certification Process

This section describes the direct certification process under which LEAs certify children as eligible for free meal benefits without further application based on information exchanged between the State or local agencies administering Assistance Programs and Other Source Categorically Eligible Programs and the LEA. The data exchange may use an automated data matching or an exchange of e-mails or faxes with appropriate agency officials, including a date and signature (an electronic signature is acceptable). The automated data matching technique will most likely be completed by using either State or central-level matching or local or LEA-level matching. An automated data matching is optional, but encouraged, for TANF and FDPIR recipients.

### Assistance Program Participants

Eligibility for free meals is extended to all children in a household if any member of the household is eligible for benefits under an Assistance Program. LEAs are encouraged to take appropriate steps to identify the children who are part of the family but were not identified through the direct certification process. Available means to do so may include, but are not limited to, the use of school district enrollment records or referencing a submitted meal benefit application.

LEAs must directly certify children in SNAP households using an automated data matching technique. For example, the SNAP agency, State agency, LEA or school can compare the student enrollment records and the SNAP benefit recipient records. In addition, an LEA or school may obtain a list (signed and dated) of SNAP-eligible children from an appropriate agency official via fax or e-mail. LEAs also may work with agency liaisons to identify eligible students.

#### Acceptable Methods for Identifying Assistance Program Eligible Students

- Submission of a household application that indicates a case number for any household (see *Assessing Completeness of Categorically Eligible Applications*);
- A letter from an Assistance Program agency official or a letter provided to the household, which in turn, the household provides to the school;
- List of eligible children exchanged between an LEA and local Assistance Program officials, including a signature and the date; and
- Completion of an application by a local school official with direct knowledge of the child's status.



## Other Source Categorical Eligibility

LEAs should have direct certification procedures in place with agency officials to ensure prompt notification of the status of Other Source Categorically Eligible children:

- LEAs should conduct outreach to Other Source Categorically Eligible agency officials, prior to the beginning of each school year, in preparation for the direct certification data exchange.
- LEAs must have an agreement with the Other Source Categorically Eligible Program designated officials, which includes information regarding the procedures that will be followed for exchanging information and procedures confirming the children’s status.
- If form letters are sent to these households or direct computer matches are used, which may not include the official’s original signature, the LEA must have documentation that includes correspondence or a written agreement between the Other Source Categorically Eligible Program designated officials and the LEA.

### Acceptable Methods for Identifying Other Source Categorically Eligible Students

- Submission of a household application that indicates “Other Source Categorical Eligibility” for one or more children (see [Assessing Completeness of Categorically Eligible Applications](#));
- A form letter from the Other Source Categorically Eligible agency to the household, which in turn, the household provides to the school;
- List of eligible children exchanged between an LEA and other source officials, signed and dated;
- Completion of an application by a local school official with direct knowledge of the child’s status; or
- Submission to the determining official of a list of Other Source Categorically Eligible children compiled by the LEA.

## Other Source Categorical Eligibility Descriptions

This section provides in-depth information about Other Source Categorical Eligibility designations.

### *Migrant Education Program (MEP)*

A child is considered categorically eligible if the child is identified as meeting the definition of migrant in section 1309 of the Elementary and Secondary Education Act of 1965, 20 U.S.C. 6399, by the State, regional, or local MEP director, coordinator, or local educational liaison. The MEP provides services to children who have moved across school district lines, within the last three years, in order to accompany or join a parent or guardian who seeks or obtains temporary or seasonal work in agriculture or fishing. Minors who move with a spouse or by themselves to perform this work may also qualify.

The LEA must attempt to obtain MEP enrollment status early in the school year, prior to a household completing an application. Once documentation is obtained, the LEA must notify the household as soon as possible of the child's eligibility for free benefits. A child in the MEP is eligible for free meals for the duration of the current school year, even if their circumstances change, and up to 30 operating days in the next, due to the year-long eligibility requirement.

LEAs must establish procedures with the MEP coordinator or homeless liaisons to document and certify migrant children for free meal benefits as promptly as possible, especially when a new migrant child is identified. LEAs and MEP officials are responsible for identifying a migrant child and maintaining supporting documentation.

Acceptable documentation for MEP participation includes:

- List of names of participating children;
- Effective dates and the signature of a MEP official; or
- A letter from an MEP official or local educational liaison provided by the household, to the school which confirms the child currently participates in MEP.

#### ***Programs under the Runaway and Homeless Youth Act (RHYA)***

The RHYA provides temporary housing, transitional living, and street outreach programs for runaway, homeless, and human trafficked youth. The programs for runaways are established by the Family and Youth Services Bureau (FYSB) of the U.S. Department of Health and Human Services. See *Putting an End to Youth Homelessness*, <http://www.acf.hhs.gov/programs/fysb/programs/runaway-homeless-youth>.

A child or youth who is identified by the local educational liaison as a runaway, and receives assistance through a program under the RHYA, is categorically eligible for free meals. If the LEA or State agency becomes aware of other officials who may be administering the RHYA in their State, they should contact the State agency or Regional office, as appropriate, for guidance. The FYSB coordinates with school district homeless liaisons; thus, determining officials should be able to obtain documentation of a child's participation in an RHYA-funded program.

A child in the RHYA program is eligible for free meals for the duration of the current school year, and up to 30 days into the subsequent school year, even if their circumstances change.

Acceptable documentation for RHYA participation includes:

- List of names of participating children;
- Effective dates and the signature of an RHYA official; or
- A letter from a RHYA official or homeless liaison provided by the household to the school, which confirms the child currently participates in an RHYA program.

### *McKinney-Vento Homeless Assistance Act*

The McKinney-Vento Homeless Assistance Act provides Federal money for homeless shelter programs and facilitates public school access for homeless children and youth.

According to the act, a student is considered homeless if they are identified as lacking a fixed, regular, and adequate nighttime residence by the LEA liaison, or if they are identified as residing in a homeless shelter by an official of the shelter. The circumstances that may qualify children as homeless include:

- Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason, or are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;
- Children and youths who are living in emergency or transitional shelters, are abandoned in hospitals, or are awaiting foster care placement;
- Children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
- Children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
- Migratory children who qualify as homeless because the children are living in the circumstances described above.

Homeless children remain eligible for free meals for the duration of the current school year, and up to 30 days into the subsequent school year, regardless of where they are living due to yearlong eligibility requirement.

A homeless liaison may provide a list of children residing in or evacuated from a disaster area as documentation of homelessness. Private schools may use documentation obtained from shelter directors or a public school liaisons or the State Coordinator for Education of Homeless Children and Youth to determine a child's eligibility for free meals. Although the McKinney-Vento Homeless Assistance Act only applies to public schools, private schools are encouraged to establish a homeless or runaway liaison for this purpose.

If the LEA or State agency becomes aware of other officials who may be administering homeless assistance under the McKinney-Vento Act in their State, they should contact the State agency or Regional Office, as appropriate, for guidance.

Acceptable documentation obtained from the LEA homeless liaison or officials of homeless shelters includes:

- List of names of homeless children;
- Effective dates and the signature of a homeless liaison; or

- A letter from a homeless liaison provided by the household to the school, which confirms the child is currently homeless.

### *Homeless Children Residing Within Another Household*

When a family hosting a homeless family applies for free and reduced price benefits for their own children, the host family may include the homeless family as household members if the host family provides financial support to the homeless family. This may include shelter, utilities, clothing, or food. The host family must include their income and any income received by the homeless family. The eligibility status for the host family is based on its income or other sources of categorical eligibility. The categorical eligibility of a homeless child does not convey to children of the host family.

Documentation for the homeless child is provided by the LEA liaison, even when the child is included on the host household's application. In these cases, the household size and income of the host family are not taken into consideration in determining eligibility for the children designated as homeless by the LEA liaison. Due to year-long eligibility, a change in household composition will not impact the eligibility determination for either the host family's children or the homeless child.

Acceptable documentation obtained from the LEA homeless liaison or officials of homeless shelters includes:

- List of names of homeless children;
- Effective dates and the signature of a homeless liaison; or
- A letter from a homeless liaison provided by the household to the school, which confirms the child is currently homeless.

### *Foster Children*

A foster child is a child whose care and placement is the responsibility of a State or local welfare agency or who is placed by a court with a caretaker household. This applies only to foster children who are formally placed by the State welfare agency or court. It does not apply to informal arrangements, such as caretaker arrangements or to permanent guardianship placements, which may exist outside of or as a result of State or court based systems.

A child may still be considered a foster child if placed with relatives provided the placement is made by the State or local foster care system or courts. The State must retain legal custody of the child whether placed by a welfare agency or a court, in order for a child to be considered categorically eligible for free meals.

LEAs are encouraged to establish formal mechanisms with State and local foster care agencies and courts to receive information directly from these agencies to facilitate certification for free meals for foster children. LEAs and foster care agencies or courts should have a written

agreement between the agency or court and the LEA setting out or confirming the manner in which determining officials would be provided the children's status.

A foster family may include their foster child on the same household application that includes their non-foster children. This will streamline the application process and may help the foster family's non-foster children qualify for free or reduced price benefits based on household size and income.

Acceptable documentation for foster children includes:

- An electronic or computer match directly to the LEA indicating the status of the child as a foster child without further application;
- A letter from the State or local welfare agency or court confirming the child's status as a foster child;
- Documents from the welfare agency or court stating that the courts have taken legal custody of a child who has been placed in the foster care system;
- A list of children in foster care from the welfare agency or court; or
- An application that indicates the child's status as a foster child.



#### *Eligible Households that Have Not Applied*

Local school officials may complete an application for a child known to be eligible for meal benefits if the household has not applied. When exercising this option, the school official must complete an application on behalf of the child based on the household size and income information or Other Source Categorical Eligibility status known to the official.

The source of the information must be noted on the application. Names of household members, the last four digits of the Social Security Number, and the signature of an adult household member need not be secured. These applications are excluded from verification. However, the household must be notified that

the child has been certified to receive free or reduced price benefits. This option is intended for limited use in individual situations and must not be used to make eligibility determinations for categories or groups of children.

## Section 3: Establishing Eligibility

In this section, you will find information on:

- Carryover of eligibility;
- Processing, approving, and denying applications;
- Addressing special situations when establishing eligibility;
- Reviewing different types of applications; and
- Determining eligibility status.

### Carryover of Previous Year's Eligibility

Carryover for purposes of the Child Nutrition Programs refers to a child's eligibility from the previous school year being carried over into the current or new school year. A student's eligibility from the previous school year (before July 1) carries over for up to 30 operating days into the new school year, or until a new eligibility determination is made, whichever comes first. The 30 operating days begins on the first operating day of school. Carryover applies to eligibility established through a household application or through direct certification.

Carryover allows students to continue receiving school meal benefits while families complete and submit, and schools process, applications. However, the carryover period is not intended to allow schools to delay processing of applications. Instead, schools must process applications as they are received and promptly notify the household of their eligibility status. Please note that eligibility determinations and household notifications must be made within 10 operating days.

### Carryover Within an LEA

Carryover of eligibility within an LEA is mandatory, whether a child is continuing in the same school or will attend a different school within the same LEA. The LEA may not have a carryover period of less than 30 operating days, unless a new eligibility determination is made. When a student moves to a new school within an LEA, the LEA must carry over eligibility for free or reduced price benefit for:

- Children from households with approved applications on file from the previous year, including siblings or other children from the household who are newly enrolled in school;
- Children who were directly certified for free benefits through participation in an Assistance Program in the previous school year, including siblings or other children from the household who are newly enrolled in school;
- Children determined Other Source Categorically Eligible for free benefits in the previous school year; and
- Children in kindergarten who were enrolled in Head Start under the jurisdiction of the same LEA during the previous school year.

When children from schools participating in special provisions, including Provision 1, 2, or 3 or the Community Eligibility Provision (CEP) move to a non-provision school within the same LEA, at the State agency's discretion, children may carry over free meal eligibility from the provision school and be offered free reimbursable meals for up to 30 operating days or until a new eligibility determination is made for the current school year, whichever comes first.

### Carryover Between LEAs

When children move to a new LEA, either at the beginning of the new school year or during the summer months, the new LEA is encouraged to use the former LEA's eligibility determination from the previous school year and carry over the child's eligibility status. LEAs opting to do this can use the former LEA's eligibility determination for up to 30 operating days, or until a new eligibility determination is made, whichever comes first. The new LEA may accept the former LEA's eligibility determination during the carryover period without incurring liability for the accuracy of the determination. Carryover between LEAs is strongly encouraged so students' access to school meals is not disrupted.



When children from a school participating in Provision 1, 2, or 3 or CEP move to a non-provision school in a different LEA at the beginning of the new school year, at the State agency's discretion, children may carry over free meal eligibility from the provision school and be offered free reimbursable meals for up to 30 operating days or until a new eligibility determination is made for the current school year, whichever comes first.

### Transfer of Eligibility

Unlike carryover, which occurs at the start of a new school year, transfer of eligibility applies when a child transfers to another school during the school year.

When a child transfers to another school, the date of the transfer must be noted on the application and the point of service must be updated to include the new student's information. If the LEA has an application on file and any change is made after the initial approval for the current school year, the determining officials must:

- Note the change;
- Write the date of the change on the application; and
- Implement the change by updating rosters or other methods used at point of sale, if necessary.



## Transferring Within an LEA

When a child transfers to a new school within the same LEA, the new school must accept the eligibility determination from the child's former school, if the child has an individual eligibility determination. The chart below describes how schools should handle transfer eligibility for children transferring from schools using standard counting and claiming, and schools operating a special provision.

Transferring Within an LEA	
<b>Non-Provision Schools to All Types of Schools</b>	
Eligibility for free or reduced price meal benefits for children from non-Provision and non-CEP schools must transfer to schools within the same LEA, regardless of the counting and claiming procedures used by the new school.	
<b>Provision to Non-Provision Schools</b>	
A child that transfers within the same LEA from a Provision 1, 2, 3 or CEP school to a non-Provision school must be given free reimbursable meals for up to 10 operating days or until a new eligibility determination is made, whichever comes first. State agencies have discretion to allow LEAs to provide free reimbursable meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first.	

## Transferring Between LEAs

LEAs and schools are encouraged but not required to share eligibility data when a child transfers to a new LEA. The new LEA may accept the eligibility determination from the child's former LEA without incurring liability for the accuracy of the former determination.

Transferring the eligibility determination between LEAs ensures that qualifying students continue to receive school meal benefits as they transition to new schools, and avoids the possibility of unpaid meal charges. FNS strongly encourages LEAs to immediately accept the eligibility determinations made at a student's previous LEA when a student transfers between LEAs during the school year, over the summer, or at the start of the next school year. As described below, the transfer of eligibility requirement between LEAs for students attending special Provision schools must be implemented by July 1, 2019.



When a copy of an application is provided by a previous LEA, the accepting LEA should review the application for arithmetic errors and compare the income and household size to the applicable IEGs to ensure that the correct level of benefits had been assigned. If the accepting or new LEA determines that an arithmetic error occurred, the



accepting LEA must notify the household that they must submit a new application in order to determine benefits. Also, the accepting LEA must make changes that occur as a result of any verification activities or review findings the LEA conducts.

<b>Transferring Between LEAs</b>
<b>Non-Provision Schools to All Other Schools</b>
Eligibility for free or reduced price meal benefits for children from non-Provision and non-CEP schools <i>may</i> transfer from the former LEA to the new LEA. The new school does not incur liability for the accuracy of the former determination. <i>The transfer of eligibility between LEAs is strongly encouraged</i> , but is not required.
<b>Provision to Non-Provision Schools</b>
Currently, an LEA may provide free reimbursable meals for 10 operating days for a child who transfers to a different LEA from a Provision 1, 2, 3, or CEP school to a non-Provision school. State agencies have discretion to allow LEAs to provide free reimbursable meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first.
Effective July 1, 2019, LEAs will be required to provide free reimbursable meals for 10 operating days for a child who transfers to a different LEA from a Provision 1, 2, 3, or CEP school to a non-Provision school. The delayed implementation timeframe provides LEAs and State agencies sufficient time to create strategies that will identify individual students transferring from a Provision 1, 2, 3, or CEP school. However, LEAs that have the ability to identify children transferring from Provision schools prior to the implementation date are strongly encouraged to provide the children free reimbursable meals for up to 10 operating days or until a new eligibility determination is made, whichever comes first.

## Processing Applications

### Application Processing Timeframe

Applications must be reviewed in a timely manner. An eligibility determination must be made, the family notified of its status, and the status implemented within 10 operating days of the receipt of the application. Whenever possible, applications should be processed immediately, particularly for children who do not have approved applications on file from the previous year. Once an eligibility determination is made, households should be notified immediately. This is essential if benefits are denied or reduced from the level of the previous year, in order to provide adequate time for the household to make appropriate arrangements for payment and prevent the household from accumulating meal charges. A new eligibility determination that reduces benefits (e.g. free to reduced price) should be implemented only after the household has been notified.

For more information, see [Approved Applications](#).

The LEA must not delay approval of applications if the household fails to provide any information that is not required. For example, if an application has all of the required information for determining eligibility, but the household did not include its street address or birth dates, processing of the application may not be delayed.

### *Independent Review of Applications*

LEAs designated by the State agency as demonstrating high levels of, or a high risk for, administrative error associated with certification and benefit issuance are required to conduct a second review of applications. **The second review must be conducted by an independent individual or entity that did not make the original eligibility determination. This individual or entity is not required to be an employee of the LEA, but must be trained on how to make application determinations.**

A second review of applications requires a re-evaluation of the eligibility determination made by the original determining official, based on the information provided by the household on the application. The second review must determine whether the application is complete with:

- Signature of an adult household member;
- **Last four digits of a Social Security Number (or an indication of “none”) for non-categorical applications;**
- Names of all household members, including the children for whom the application is made; and
- Income amount received by each household member, identified by the individual who receives it, **for income applications.**

The second review also must confirm that the application was correctly approved based on current income eligibility information, as applicable, and that the master list or roster of children’s names correctly records their eligibility.

In addition, the second review of applications must be done before the household is notified of eligibility and must not result in the delay of an eligibility determination. LEAs required to conduct a second review of applications must still notify households of the child’s eligibility determination within 10 operating days of receiving the application. **See SP 44-2014, *Questions and Answers Related to the Independent Review of Applications*, <http://www.fns.usda.gov/qas-related-independent-review-applications>.**

## Approved Applications

### *Notification of Application Approval*

Households must be notified, either in writing or verbally, of their eligibility status as approved for free or reduced price benefits. The LEA may e-mail the notification of the household's approval for meal benefits to the adult household member who signed the application.

Determining officials must record the eligibility determination as follows:

- Indicate approval date;
- Indicate the level of benefit for which each child is approved (if levels are different); and
- Sign or initial the application.

The determining official must sign/initial and date each application, or sign/initial and date a cover sheet attached to a group of applications.

Recording this information will depend on the LEA's application method:

- The prototype application may be modified to collect this information, or it can be recorded in the margins or on a separate piece of paper attached to the application. **More information about the prototype application may be found in [Application Types](#).**
- A computer system can be used to capture the original date of approval, the basis for the determination (the household size and income used), and update the status of applications to account for transfers, withdrawals, terminations, and other changes. A notation should be made to an electronic file.

### *Delivery of Benefits*

The LEA must provide benefits promptly in order that eligible children may receive benefits immediately. The LEA may assume consent to receive free meal benefits from directly certified households if the household does not refuse benefits within a certain number of days, as determined by the LEA. If a household does refuse free meal benefits, the LEA must discontinue benefits immediately and must document the refusal.

The LEA has a regulatory obligation to verify "for cause" all approved applications that may be questionable. However, the verification effort may not delay the approval of the application. If an application is complete and indicates that the child is eligible for free or reduced price benefits, the application must be approved. Only after the determination of eligibility has been



made can the LEA begin the verification process. More information about verification may be found in [Section 6: Verification](#).

### *Flexibility in Determining Effective Date of Eligibility*

Children are eligible for free or reduced price meal benefits on the date their eligibility is determined; however, flexibility exists to allow LEAs to move the effective date of eligibility back under certain circumstances. This applies to both traditional household applications and direct certification. An LEA electing to exercise this flexibility must notify its State agency.

- **Flexibility for Household Applications:** LEAs may establish the date of submission of an application as the effective date of eligibility, rather than the date the official approves it. This flexibility applies only to complete applications containing all required information at the time of submission. LEAs can use this flexibility when processing household income applications, as well as when waiting for documentation of other source categorical eligibility (e.g., for homeless or migrant children) indicated on a household application. See SP 11-2014: *Effective Date of Free or Reduced Price Meal Eligibility Determinations*, <http://www.fns.usda.gov/effective-date-free-or-reduced-price-meal-eligibility-determinations>.
- **Flexibility in Data Matching:** For LEAs using automated data matching, the effective date of eligibility for free school meals or free milk is the date of the automated data matching file or benefit recipient file from another agency, which first identifies the child as eligible for direct certification. The effective date may be used instead of the date the LEA accesses and processes the automated data matching file into the local point of service system. To be used for this purpose, the data file must be generated and received by the LEA in the current school year. See SP 51-2014: *Eligibility Effective Date for Directly Certified Students*, <http://www.fns.usda.gov/eligibility-effective-date-directly-certified-students>.
- **Flexibility in the Letter Method:** Letter, lists, or other forms of documentation may be used to directly certify children as members of households that participate in TANF, FDPIR, and Other Source Categorically Eligible Programs. LEAs using this flexibility may consider the effective date of eligibility for benefits to be the date the household or appropriate State or local agency submitted the letter, list, or other form of documentation to the LEA. The flexibility in determining the effective date of eligibility also applies to the letter method of documentation from SNAP. See SP 51-2014: *Eligibility Effective Date for Directly Certified Students*, <http://www.fns.usda.gov/eligibility-effective-date-directly-certified-students>.

**Note:** LEAs processing applications or determining eligibility through direct certification while using this flexibility must do so consistently for all children, in all schools.

LEAs using this flexibility must document the effective date used. Documentation may include:

- A method to document the date the application was received;
- A date stamp of the dates that letters or lists from other agencies are received; or
- The documented, traceable run date of automated match files or recipient benefit files from another appropriate agency.

LEAs adopting this flexibility must refund any money paid by or on behalf of the child for reimbursable meals or milk during the period from the effective date through the date the certification is actually implemented at the local school. This includes forgiving accrued debt for any meals or milk adjusted to free or reduced price due to the change in effective date. The LEA can only claim those meals or milk at the free or reduced price reimbursement rate if the child is given a refund or the debt is discharged.

For this flexibility, if categorical eligibility is based on SNAP, TANF, or FDPIR, all children in the household are eligible for free meals and must be given refunds in order for the LEA to claim reimbursable meals or milk at the free rate.

### *Duration of Eligibility*

Once an eligibility determination is made, a child's eligibility status remains in effect for one year. At the start of the subsequent school year, children retain their previous year's eligibility status for 30 operating days or until a new determination is made, whichever comes first. A new eligibility determination can be made through the approval or denial of a new application or through direct certification. Temporary approval of eligibility is not permitted because of the year-long duration of eligibility. For more information, see [\*Carryover of Previous Year's Eligibility\*](#).

If no new application is submitted and eligibility is not established through direct certification by the end of the 30-day carryover period, eligibility for free or reduced price meals expires and the LEA must discontinue benefits for these children. The school or LEA is encouraged to provide households with a reminder notice that their free or reduced price meal benefits will end on a specified date if the household does not submit a new application or the school has not received notice that the child is eligible through Assistance Programs or is Other Source Categorically Eligible. The reminder notice also could include the cost of paid meals.

If a child's eligibility expires at the end of the 30-day carryover period, neither a notice of denial nor notice of adverse action discussed below may be sent. Both the notice of denial and notice of adverse action provide the opportunity to appeal. Because no eligibility determination was made during the current school year, there is no right to appeal a discontinuation of benefits due to the expiration of the carryover period.

### *Changes in Eligibility during the School Year*

Because of the year-long duration of eligibility, households are not required to report changes in income, household size, or their participation in a program that impacts their child's eligibility status. A subsequent direct certification contact indicating that a child is no longer receiving benefits from Assistance Programs or Other Source Categorically Eligible Programs will not impact their eligibility status.

However, households may voluntarily report a change. If a change is reported that will increase benefits, the LEA must put that change into effect. However, if the change will decrease benefits (from free to reduced price) or terminate benefits (from free or reduced price to paid), the LEA must explain to the household that the change does not have to go into effect unless the household wants the change made. If benefits are voluntarily decreased, the LEA must send a notice of adverse action that includes:

- Written confirmation of the action;
- An indication that the change was made at the request of the household; and
- An explanation of the household's right to continue receiving free or reduced price benefits, should the household choose to do so.

If any change (such as a household's voluntary request to withdraw) is made after the initial approval of eligibility for free or reduced price benefits during the current school year, the determining officials must indicate the change on the application. The determining officials will use the same method used to record initial eligibility determinations, which includes:

- Noting the change;
- Recording the date of the change; and
- Implementing the change by updating rosters or other methods used at point of sale, if necessary.

In other cases, a change in eligibility status may not be voluntary, and may result in an initially incorrect eligibility determination. When this happens, LEA officials must make appropriate changes in eligibility, and send a notice of adverse action:

- If the initial eligibility determination was found to be incorrect during a second review of applications or an administrative review; or
- When verification of household eligibility, including verification for cause, does not support the level of benefits for which the household was approved.

### **Denied Applications**

If a household provides an incomplete application or does not meet the eligibility criteria for free or reduced priced benefits, the application must be denied. Households with children who are denied benefits must be provided with written notification of the denial.



The written notification of denial can be provided by mail or e-mail to the adult household member who signed the application. The “notification” page of an online system does not meet this requirement. LEAs that use automated telephone information systems must also give written notification of denial.

The notification must advise the household of:

- Reason for denial of benefits;
- Right to appeal;
- Instructions on how to appeal; and
- Ability to reapply for free and reduced price benefits at any time during the school year.

Determining officials must record the eligibility determination and notification in an easily referenced format that includes the:

- Denial date;
- Reason for denial;
- Date the denial notice was sent; and
- Signature or initials of the determining official (may be electronic, where applicable).



A notice of denial **may not be provided** if the household fails to reapply during the carryover period **because no eligibility determination was made during the current school year and there is no right to appeal a discontinuation of benefits based on the expiration of the carryover period.**

### *Notice of Adverse Action*

All currently certified households for whom benefits are to be reduced or terminated must be given 10 calendar days’ written notice of the change prior to the date the change will go into effect. The first day of the advance notice period is the day the notice is sent. The notice of adverse action may be sent via the postal service or to the e-mail address of the parent or guardian. The LEA cannot notify the household of adverse action by phone only.

A notice of adverse action must advise the household of the following:

- Change in benefits;
- Reasons for the change;
- An appeal must be filed within the 10 calendar days advance notice period to ensure continued benefits while awaiting a hearing and decision;
- Instructions on how to appeal;
- The household may reapply for benefits at any time during the school year; and

- Households that were terminated because no member was receiving benefits from an Assistance Program may submit an application containing household names and income information and provide written evidence of current household income.

A notice of adverse action **may not be provided** if the household fails to reapply during the carryover period **because no eligibility determination was made during the current school year and there is no right to appeal a discontinuation of benefits based on the expiration of the carryover period.**

### *Appeals and Hearing Procedures*

A household may appeal either the denial of benefits or the level of benefits for which it has been approved. The household may also request a conference with an appropriate LEA or school food service official prior to a formal hearing. However, the conference must not prejudice a later appeal. When a household requests an appeal, the hearing procedures outlined in the LEA's free and reduced price policy statement and in Program regulations must be followed, and the hearing official must be an individual who is not connected with the approval or verification process.

At 7 CFR 245.7, Federal regulations state that hearing procedures must:

- Provide the family and LEA a simple, publicly announced method to make an oral or written request for a hearing;
- Provide the family and LEA an opportunity to be assisted or represented by an attorney or other person;
- Provide the family and LEA an opportunity to examine, prior to and during the hearing, any documents and records presented to support the decision under appeal;
- Be held with reasonable promptness and convenience, and that adequate notice shall be given as to the time and place of the hearing;
- Provide the family and LEA an opportunity to present oral or documentary evidence and arguments supporting a position without undue interference;
- Provide the family and LEA an opportunity to question or refute any testimony or other evidence and to confront and cross-examine any adverse witnesses; and
- Be conducted and the decision made by a hearing official who did not participate in making the decision under appeal or in any previously held conference.

In addition, **at 7 CFR 245.7, Federal regulations state:**

- That the decision of the hearing official shall be based on the oral and documentary evidence presented at the hearing and made a part of the hearing record.
- That the parties concerned and any designated representative shall be notified in writing of the decision of the hearing official;
- That a written record shall be prepared with respect to each hearing, which shall include the challenge or the decision under appeal, any documentary evidence and a summary of



any oral testimony presented at the hearing, the decision of the hearing official, including the reasons therefor, and a copy of the notification to the parties concerned of the decision of the hearing official; and

- That the written record of each hearing shall be preserved for a period of 3 years and shall be available for examination by the parties concerned or their representatives at any reasonable time and place during that period.



### *Benefits During an Appeal*

When a household appeals a reduction or termination of benefits within the 10 calendar day advance notice period, the LEA must continue to provide the benefits for which the child was originally approved, until a final determination is made. The LEA may continue to claim reimbursement at that level during this period.

When a household does not request an appeal during the 10 calendar day advance notice period, benefits must be reduced or terminated no later than 10 operating days after the notice period. If the hearing official rules that benefits must be reduced, the actual reduction or termination of benefits must take place no later than 10 operating days after the hearing official's decision.

Households affected by a reduction or termination of benefits may reapply for benefits at any time during the school year. However, if benefits to a household have been terminated because of failure to complete the verification or verification for cause process and the household reapplies in the same school year, the household is required to submit income documentation or proof of participation in Assistance Programs at the time of reapplication. These are not considered new applications. **More information may be found in [Verification for Cause](#).**

## **Special Situations When Determining Eligibility**

### *Applications with Different Eligibility Types*

LEAs must have a method in place to process applications from mixed households (households where some children are Other Source Categorically Eligible and some children are not). These applications may result in different eligibility statuses for different children in a single household.

After Other Source Categorical Eligibility has been determined for the appropriate children through contact with the program liaisons, the LEA must use the household's income and size

(including the Other Source Categorically Eligible children) to determine if the children in the household who are not categorically eligible are eligible for benefits.

In mixed households, Other Source Categorically Eligible children must receive free benefits, even if the other children listed on the application are determined ineligible or eligible for reduced price benefits.

A complete mixed application must provide:

- Names of all household members;
- Amount, source, and frequency of current income for each household member;
- An indication of the program source of Other Source Categorical Eligibility status;
- Signature of an adult household member; and
- Last four digits of the Social Security Number of the household's primary wage earner or another adult household member, or an indication that the no adult household member has a Social Security Number.

### ***RCCI Resident Application***

Each child residing in an RCCI is considered a household of one. An application must be completed for each child unless the RCCI uses an eligibility documentation sheet for all children residing in the RCCI. The documentation sheet must be signed by an appropriate official and must include:

- Child's name;
- Any personal income received by the child;
- Child's date of birth;
- Date of admission;
- Date of release;
- Official's title and contact information.

Children attending but not residing in an RCCI (commonly referred to as "day students") are not considered a household of one, and are instead considered members of their household. Their eligibility is determined using a household application or through direct certification.

### **Reviewing Applications Based on Income**

To be considered complete, an application must include all required information. Any application that is missing required information, contains inconsistent information, or is unclear is considered an incomplete application and should not be processed. The LEA should make reasonable efforts to contact the household in order to obtain or clarify required information. The determining official may not complete the application for the household using information derived from other records available to the school. Any missing information on the application must be provided by the household.

For more information about what is included as income, see [Determining Household Reportable Income - General](#) and [Determining Household Reportable Income - Special Situations](#). For information about what should not be included as income, see [Income Exclusions](#).

## Assessing Completeness of Income Applications

Households may submit applications that provide income information in order to establish free or reduced price eligibility for all children in the household. A complete income-based application must provide:

- Names of all household members;
- Amount, source, and frequency of current income for each household member;
- Signature of an adult household member; and
- Last four digits of the Social Security Number of the household's primary wage earner or another adult household member, or an indication that no adult household member has a Social Security Number.

Effective in SY 2016-2017, any income field left blank is a positive indication of no income and certifies that there is no income to report. When no income is provided for any household members, the application is still considered complete. Applications must request that applicants write "zero" when there is no income to report, but they may not require a separate indication of no income, such as a check box or another fill-in field.

Instead, applications must include a clear and easy to understand instruction that communicates to applicants that any income field left blank is a positive indication of no income and certifies that there is no income to report. As such, applications with blank income fields are to be processed as complete, rather than incomplete as in prior practice.

## Income Conversions

For the purposes of certification of eligibility for free or reduced price meals or free milk based on household income, the household must provide their current income. The amount of income must be the most recent information available, which may be:

- For the current month;
- Projected for the month in which the application is filled out; or
- For the month prior to application.

If the household's current income is not a reflection of the amount that will be available over the course of the school year, the household should contact the LEA for assistance. The LEA would determine the amount and frequency of income available during the school year for such households. If the household provided only annual income, the LEA must ensure that the amount is an accurate reflection of the household's current income.

Households may have income from a variety of sources and may be paid on different schedules. For example, the household may receive paychecks on a weekly basis and child support on a monthly basis. Depending on a household's specific circumstances, an income conversion may or may not be required.

- **No Income Conversion Required:** If a household has only one source of income, or if all sources are received in the same frequency, the LEA takes the sum of all income sources and compares the household's total income to the IEGs. For example, if a household of three only reported receiving a monthly Social Security check and monthly child support, those amounts would be added together and the result compared to the IEG monthly category for a household of three.
- **Income Conversion Required:** If a household has multiple income sources and the income sources are received with varying frequency, the LEA must annualize (calculate all income as for an entire year) by multiplying:
  - Weekly income by 52;
  - Bi-weekly income (received every two weeks) by 26;
  - Semi-monthly income (received twice a month) by 24; or
  - Monthly income by 12.

LEAs should not round the values resulting from each conversion, and should instead add all of the un-rounded converted values and compare the un-rounded total to the appropriate IEG for annual income and household size.

LEAs cannot use conversion factors such as 4.33 to convert weekly income or 2.15 to convert bi-weekly income to monthly amounts. If the LEA uses software for application or certification purposes, the software cannot use conversion factors and cannot automatically convert income unless there are different frequencies.

## **Determining Eligibility for Applications Based on Income**

How the determining official determines eligibility when the household submits an application depends on the basis for potential eligibility, which may include:

- Income eligibility;
- Categorical eligibility with case numbers; or
- Other Source Categorical Eligibility without case numbers.

It is the responsibility of the determining official to compute the household's total current income and compare the total amount to the appropriate IEGs:

- Determining officials must determine reportable income. (See [\*Determining Household Reportable Income - General.\*](#))

- Households that submit a complete application indicating total household income at or below the income limits for free or reduced price benefits must be approved for free or reduced price benefits, as appropriate.
- Households that submit an incomplete application cannot be approved if required information is missing. The missing information must be obtained before an eligibility determination can be made.
  - Applications that provide pay stubs, but do not indicate the amount of income for each adult household member on the application are considered incomplete.
  - Applications missing the signature of an adult household member must be returned to the household for a signature.
- Every reasonable effort should be made by the determining official to obtain the missing information prior to denying the application.
  - To get the required information, the school or LEA may return the application to the household or contact the child’s parent or guardian, by phone, through the postal service, or via e-mail.
  - The determining official should document the details of the contact, dating and initialing the entry.

## Assessing Completeness of Categorically Eligible Applications

### *Complete Assistance Program Application*

For applications with a case number for an Assistance Program, a complete application must provide:

- Names of the children for whom the application is made;
- SNAP, TANF or FDPIR case number or identifier for the children or any household member listed on the application; and
- Signature of the adult household member completing the application.



Determining officials must ensure that the Assistance Program’s case number (or other identifier listed on the application) is consistent with the format used by the Assistance Program in their State. If the case number seems incorrect, the LEA should contact the household or a local Assistance Program official to confirm the household’s eligibility or may verify the application for cause. Determining officials must obtain the most current certification information available from the local Assistance Program officials.

### ***Complete Other Source Categorical Eligibility Application***

Under this designation, an appropriate box or other indication on the application must be checked to identify the child's status as homeless, migrant, or runaway. The prototype application has a box for homeless, migrant, or runaway children, and households must check the appropriate one. Enrollment in Head Start, by contrast, does not need to be identified on the application. The child is not determined eligible for free benefits until the LEA documents the child's status with program officials.

A complete application must provide:

- Names of children for whom application is made;
- Indication of child's categorical eligibility status; and
- Signature of adult household member.

### ***Complete Application for Foster Children***

Foster children are categorically eligible for free meals. An appropriate box (included on the prototype application) or other indication on the application must be checked to identify the child's status. The child's status for free meals does not require confirmation of eligibility status prior to receiving benefits. No further action is required.

A complete application must provide:

- Name of the foster child;
- Indication of the child's foster care status; and
- Signature of an adult household member.

## **Determining Eligibility for Categorically Eligible Applications**

### ***Eligibility Determination Using Case Numbers***

The determining official must assure that the Assistance Program case number or other identifier, consistent with the identifiers used for the program in that State, are valid. Determining officials need to be familiar with the format of valid case numbers or other identifiers. If the case number seems incorrect, the LEA should contact the household or the Assistance Program to confirm the household's eligibility.

LEAs are encouraged to review the direct certification list to determine whether any of the applications with case numbers can be matched with children on the list. If a match is found, the application is disregarded and all children in the household are categorically eligible for free meals through the direct certification process. When a match is not found, the LEA should contact the household for further clarification. If the LEA still considers the application to be questionable, the determining official should verify the application for cause.



**Note:** Only the case number may be used to determine eligibility. For example, the electronic benefit transfer (EBT) card number used by SNAP may not be used to establish categorical eligibility.

### *Eligibility Determination for Other Source Categorical Eligibility*

Unlike categorical eligibility under Assistance Programs, which extends eligibility to all children in the household, Other Source Categorical Eligibility must be determined individually for each child. When an LEA receives an application with any of the Other Source Categorical Eligibility categories checked, an appropriate program official must confirm the status for each child, either through direct contact with the agency or by a list of names provided by the agency, prior to providing benefits. (Foster children, however, do not require confirmation of eligibility status prior to receiving benefits. See [Assessing Completeness of Categorically Eligible Applications](#) for more information.)

## **Reviewing Direct Certification for Assistance Programs**

This section provides guidance on direct certification for Assistance Programs. Other Source Categorically Eligible children, such as homeless children identified by the LEA's homeless liaison, are processed using procedures similar to direct certification.

Direct certification is the process under which LEAs certify children who are members of households receiving assistance under the Assistance Programs, including SNAP, TANF, and FDPIR, as eligible for free benefits, without further application, based on information provided by the State or local agencies administering those programs.

Eligibility for free meals is extended to all children in a household if any member has been identified through the direct certification process as eligible for benefits under the Assistance Programs. These children are also considered directly certified. LEAs are encouraged to take appropriate steps to identify these children who are part of the family but were not identified through direct certification through available means, such as the use of school district enrollment records.

During the carryover period, categorical eligibility status is extended to any newly enrolled children who are members of a household with one or more members who were directly certified under Assistance Programs.

## **Required Documentation for All Direct Certification Options**

Documentation to establish children's eligibility for free meals and to substantiate claims for reimbursement under direct certification for Assistance Programs and Other Source Categorical

Eligibility Programs must include:

- For Assistance Program households, the names of children or any household member currently certified to receive benefits from Assistance Programs, and information certifying that each child is a member of a household where someone receives benefits;
- For Other Source Categorically Eligible children, names of children currently certified to receive benefits from Other Source Categorical Eligibility Programs;
- For all direct certification options, at least one form of identifying information matching each child with a child attending a particular school. Some examples of identifiers are:
  - Children’s birth dates;
  - Addresses;
  - Parent or guardian names;
  - Child’s Social Security Number, if available;
  - Last four digits of the Social Security Number of the person signing an application, if available; and
  - Gender identity.
- For all direct certification options, the date; and
- For all direct certification options, the signature of an official of the program.

For computer matches which may not include the official’s original signature, sufficient documentation must include correspondence or a written agreement between the Assistance Program office and the LEA. The correspondence must set out or confirm the manner in which determining officials would be provided the children’s SNAP, TANF or FDPIR status.

The documentation must be retrievable by school to ensure proper delivery of benefits and to allow substantiation of the number of children eligible for free meals or free milk.

### **Mandatory SNAP Direct Certification**

All LEAs must directly certify children who are members of households receiving SNAP benefits. If the child is determined eligible for free benefits through both an application and through direct certification, the application must be disregarded, and the child will be considered directly certified. The date the application was disregarded must be indicated and the application must be kept on file.

### ***Zero SNAP Benefit Households***

SNAP defines “benefits” as allotments issued on EBT cards (or other means approved by the Secretary) that can be used to purchase food at authorized retail food stores. Some SNAP households may be eligible for “zero benefits.” However, the law restricts categorical eligibility for free school meals based on SNAP participation to children who are members of a household receiving assistance. Therefore, a child who is a member of a household that is receiving “zero benefits” from SNAP is not categorically eligible for free meals based on SNAP participation.



State agencies must ensure that SNAP direct certification matches do not identify children who are members of a household eligible for zero SNAP benefits. Any State agency that has included children who are members of a household eligible for “zero benefits” in their direct certification matching must ensure that their matching process is revised to no longer identify these children as categorically eligible.

## **TANF and FDPIR Direct Certification**

Although not required, LEAs are encouraged to conduct direct certification with TANF and FDPIR. Direct certification with these programs may use either an automated data matching technique or the letter method. The letter method involves using letters provided to eligible participants from TANF or FDPIR agencies that the household submits to the LEA or school.

Direct certification contact for TANF and FDPIR should start at or near the beginning of the school year (July 1, as defined in 7 CFR 210.2). If LEAs opt to conduct direct certification with TANF or FDPIR agencies, there is no requirement on how frequently the contacts are made.

## **Methods and Frequency of Direct Certification Efforts**

While other Assistance Programs may use a data matching technique, direct certification with SNAP must use an automated data matching technique. This may require the SNAP agency, State agency, LEA, or school to compare the student enrollment records and the SNAP benefit recipient records. This automated data matching technique will most likely be completed by using either State (central-level) matching or local (LEA-level) matching.

- **Direct Certification Matches:** Except for districts participating in the special provisions in a non-base year, LEAs must conduct direct certification with SNAP at least three times during the school year. More frequent direct certification efforts are encouraged. At minimum, direct certification must occur:
  - At or around the beginning of the school year;
  - Three months after the beginning of the school year; and
  - Six months after the beginning of the school year.

Subsequent direct certification efforts are required for children who were not initially directly certified and who are currently determined to receive reduced price or paid meals. If the LEA has the capability, the status of any newly enrolled child must be checked for SNAP eligibility at the time of enrollment. If this is not possible, the household must be provided with an application so that the child’s benefits are not delayed until the next scheduled direct certification update. **For more information, see [The Direct Certification Process](#).**

- **Letter Method:** LEAs may still accept SNAP notification letters to a household as a secondary method of recognizing categorical eligibility for free meals. Letters to households

may also serve as an additional means to notify households of children's eligibility based on receipt of SNAP benefits.

Thus, if a household provides a SNAP eligibility letter to the LEA or school, the letter must be used to establish eligibility, but it is not considered direct certification for reporting purposes. This restriction only applies to SNAP and does not impact the use of the letter method for TANF or FDPIR.

## Notification of Eligibility Established Through Direct Certification

The LEA must notify the household about eligibility established through direct certification. The notification must include the following information:

- The child is eligible for free benefits;
- No further application is necessary;
- An explanation of extended eligibility and how to notify the LEA of any additional children in the household not listed on the notification; and
- How to notify the LEA if free benefits for directly certified children are not wanted.



This notification must also be provided to households with children directly certified through the letter method or through contacts with officials, such as the LEA's homeless liaison or a foster care agency.

LEAs must ensure that all households receive either a direct certification notification or an application. Households determined eligible through direct certification must be notified, in writing, of their child's eligibility and that no application is required.

These methods must ensure that contacting a parent or guardian does not result in overt identification. Distributing application materials through the mail or in individual student packets prevents the overt identification of children determined eligible without an application through the direct certification process. **For more information, see [Preventing Overt Identification](#).**

## Record Retention

### Applications

All free and reduced price applications, including applications from households denied benefits, must be kept on file for a minimum of three years after the final claim is submitted for the fiscal

year to which they pertain. Additional documentation, such as notices of adverse action, must also be retained if these show changes made to eligibility status during the school year.

Any application that was disregarded because all children in the household were determined categorically eligible through direct certification must be retained and the date of disregard must be documented.

Applications may be maintained at the school, the LEA, or another central location. Additionally, a list of eligible children by type must be maintained at the school. If an LEA maintains applications at a central location, applications must be readily retrievable by school.

The LEA must ensure that:

- Any changes in eligibility status and transfers in and out of the school are accurately and promptly recorded on each school's list; and
- That adequate documentation for these transfers or changes is retained with the applications for 3 years.

Files must be kept longer if they are required by an audit; such files must be retained until resolution of the issues raised by the audit.

## Special Provisions

LEAs must retain records for all schools operating Provision 2 or 3. Base year records for Provision 2 or 3 must:

- Establish claiming percentages that support subsequent years' reimbursement;
- Be retained during the entire period (established by the base year) that the special provision is in effect, including all extensions, and **for three years after the final claim for reimbursement or until all audits are resolved**; and
- Include documentation of the verification activities from the base year.

LEAs and schools operating CEP must retain records used in the development of the Identified Student Percentage (ISP) during the entire period the CEP is in effect. This includes records for the initial approval year and all records from the year any updates are made to the ISP.

All Provision 2 or 3 and CEP records must be retained for three years after submission of the final claim for reimbursement. Records must continue to be retained if any audit findings from the period during which the records were in use remain outstanding. In any such case, records must be retained until all issues raised by the audit have been fully resolved.

## Direct Certification Documents

LEAs must keep documentation for direct certification on file for a minimum of three years after submission of the final claim for reimbursement for the fiscal year to which the records apply. Documentation must be kept longer if it is required by an audit. If audit findings have not been

resolved, the applications must be retained as long as required for resolution of the issues raised by the audit.

Documentation may be maintained either at the school or at a central location. A list of eligible children must be maintained at the school. If an LEA maintains documentation at a central location, children's categorical eligibility status must be readily retrievable by school. The LEA must ensure that any changes and transfers in and out of the school are accurately and promptly reflected on each school's list.

## Section 4: The School Meal Application

In this section, you will find information on:

- Required content for the school meal application; and
- Different application types and formats.

### Application Overview

LEAs must provide household applications to families applying for free or reduced price meals or free milk benefits, unless the household has been directly certified. The application and all supporting materials must be clear, simple in design, and understandable and uniform in format. The application materials must also conform to the requirements described in this section.

### Application Content

This section lists the information required in the application. Except for the information in the attesting statement, the required information on the application form may be separate from the signature block and organized at the LEA's discretion. For example, the Use of Information Statement may be referred to in the signature block but may be on the reverse side of the application or included with the instructions on how to complete the form.

#### *Requirement 1: Use of Information Statement*

As only the last four digits of a Social Security Number are required to be provided, the Privacy Act statement is no longer required. The Use of Information Statement must be provided on the application instead, exactly as follows:

*The Richard B. Russell National School Lunch Act requires the information on this application. You do not have to give the information, but if you do not submit all needed information, we cannot approve your child for free or reduced price meals. You must include the last four digits of the social security number of the primary wage earner or other adult household member who signs the application. The social security number is not required when you apply on behalf of a foster child or you list a Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) Program or Food Distribution Program on Indian Reservations (FDPIR) case number or other FDPIR identifier for your child or when you indicate that the adult household member signing the application does not have a social security number. We will use your information to determine if your child is eligible for free or reduced price meals, and for administration and enforcement of the lunch and breakfast programs.*

*We may share your eligibility information with education, health, and nutrition programs to help them evaluate, fund, or determine benefits for their programs, auditors for program reviews, and law enforcement officials to help them look into violations of program rules.*

### ***Requirement 2: Attesting Statement***

A statement must be included directly above the signature block for the signing adult to certify that:

- The person signing is furnishing true information;
- The application is being made in connection with the receipt of Federal funds;
- School officials may verify the information on the application; and
- Deliberate misrepresentation of the information may subject the applicant to prosecution under State and Federal statutes.

### ***Requirement 3: Children’s Racial and Ethnic Identities***

Although survey questions on children’s ethnicity and race are optional for households to complete, they must be included on the application. The categories and format must be identical to those listed on the USDA *Prototype Application for Free and Reduced Price School Meals*, at <http://www.fns.usda.gov/revised-prototype-free-and-reduced-price-application-materials-sy-2016-17>. See *FNS Instruction 113-1: Civil Rights Compliance and Enforcement – Nutrition Programs and Activities*, at <http://www.fns.usda.gov/sites/default/files/113-1.pdf>.

### ***Requirement 4: Categorical Eligibility Based on Assistance Programs***

The application must provide space to identify the case number of any household member who receives benefits from Assistance Programs and their case numbers. When a case number for one of the three Assistance Programs (SNAP, TANF, and FDPIR) for any household member is listed on the application, all children in the household are eligible for free meals.

### ***Requirement 5: Other Source Categorical Eligibility and Income Eligibility***

In the case of children designated as Other Source Categorically Eligible (with the exception of Head Start where LEAs should have access to complete participation records for children) the application must provide space for indicating status in the Other Source Categorical Eligibility Programs. This is necessary because of the possibility of “mixed households” in which some children may be designated as Other Source Categorically Eligible and some may not. **For more information about mixed households, see *Special Situations When Determining Eligibility*.**

### ***Other Requirements:***

When distributing the household applications, LEAs must:

- Provide households with instructional materials similar to those included with the FNS prototype application. **(See *Application Types*.)**
- Provide one household application for all children who attend schools in the same LEA.

When distributing household applications, LEAs may:

- Pre-fill the application with data other than income data from the prior year or from another school source.

When distributing the household application, LEAs may not:

- Require separate/multiple applications for each child in a mixed household that includes children who are Other Source Categorically Eligible and children who apply based on household income.
- Require a household to submit an application.

### **Citizenship and Legal Status**

United States citizenship or immigration Status is not a condition of eligibility for free and reduced price benefits. LEAs must apply the same eligibility criteria for citizens and non-citizens.

USDA has determined that the Child Nutrition Programs are not subject to title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which restricts certain welfare and public benefits for undocumented individuals.

LEAs are prohibited from requesting citizenship or immigration Status on the application because citizenship or immigration Status is not a requirement for participation in the school meal programs, and may pose a barrier to participation and deter otherwise eligible households from applying.

## **Application Types**

### ***Prototype Application***

LEAs are encouraged to use the FNS *Prototype Application for Free and Reduced Price School Meals* to support access to school meals for eligible children. The prototype application complies with Federal requirements and meets all criteria examined during administrative reviews. **These materials have been updated for use in SY 2016-2017, and may be adapted either for direct use by State and local agencies, or as a reference for designing an effective application packet. They may be viewed and downloaded at: <http://www.fns.usda.gov/school-meals/applying-free-and-reduced-price-school-meals>.**

**The *Prototype Application for Free and Reduced Price School Meals* is accompanied by the following materials:**

- **Prototype letter to households, titled *Frequently Asked Questions About Free and Reduced Price School Meals***
- **Prototype application instructions, titled *How to Apply for Free and Reduced Price School Meals***
- **Prototype information sharing authorizations:**
  - *Sharing Information with Medicaid/CHIP*
  - *Sharing Information with Other Programs*
- **Prototype verification materials:**
  - *We Must Check Your Application*
  - *We Have Checked Your Application*



- Prototype household benefit issuance notifications:
  - *Notice to Households of Approval/Denial of Benefits*
  - *Notice of Direct Certification*

The SY 2016-2017 FNS prototype application includes several design modifications intended to simplify the application for households and improve application processing by local officials. Inclusion of these elements on the application is ***optional***:

- The income reporting fields in the FNS prototype ask for income sums in whole dollars only. Standard rounding rules apply. To round amounts to the nearest whole dollar, round down amounts from 1 to 50 cents and round up amounts from 50 to 99 cents. For example, a weekly income of \$305.47 would be rounded down to \$305.
- In recognition that children do not receive income on a regular basis, the FNS prototype separates household member reporting sections for infants, children, and students up to grade 12, apart from those for adult household members. This is intended to reduce the risk of duplicate entries and more accurately reflect a list of all household members. Income for children is then totaled into a single reporting field.
- The FNS prototype includes a “grade” field in the children and students reporting section. The additional identifying information will assist in matching of student names to existing enrollment figures.
- The FNS prototype includes a “For School or District Use Only” section to assist in the review process for determining officials. This feature was included on prior application designs and has been returned to the application based on feedback from State and local officials.
- The FNS prototype has moved the “Source of Income” Chart from the instructions document to the top of the prototype application, reverse side.

### ***Foreign Language Translations***

Application materials and other communications with households concerning eligibility determinations must be provided in a language that parents or guardians can understand in order to diminish any language barriers to participation for individuals with limited English proficiency (LEP). Under title 6 of the Civil Rights Act of 1964, LEAs are required to:

- Assist LEP persons;
- Be aware of household language needs; and
- Ensure that households comprised of LEP persons have access to the same information other families have in a manner they can easily understand.

State agencies and LEAs are responsible for ensuring that applications and other household materials used in the application process are available in a language the LEP persons can understand. LEAs must make reasonable efforts to provide household letters and application forms to families in the appropriate languages. ***Simply offering the most common non-English***

language is not sufficient. Additionally, liaisons proficient in foreign languages may assist households with completing the application process.

To assist LEAs in meeting these requirements, FNS provides translated versions of its prototype school meal application materials. These translated application packets are available in 49 languages and include all documents and resources that are part of the English language version. They are made available to facilitate LEA-level efforts to ensure that LEP households have access to free and reduced price application materials in a language they can understand. These materials may be viewed and downloaded at: <http://www.fns.usda.gov/school-meals/translated-applications>.

To summarize, State agencies and LEAs must assist LEP persons throughout the application process:

- **Determine Language Needs:**
  - LEAs should become familiar with language needs in their community and determine where information or translation services in those languages may be obtained. When possible, LEAs should partner with State and local resources, such as migrant or refugee assistance agencies.
  - Many schools identify an LEP individual's primary language during the school enrollment process and store this information in an online database to ensure that communications sent to families throughout the school year are sent in the appropriate language.
  - LEAs may use the Home Language Survey, USDA's "I Speak" survey, or other language surveys to help identify LEP persons and their language needs. (See *I Speak Statements*, <http://www.fns.usda.gov/sites/default/files/cnd/Ispeak.pdf>.)
- **Provide Translated Applications:**
  - Once a school becomes aware of an LEP individual's needs, the school is responsible for ensuring that their application and other household materials (letter, instructions, notices, and verification materials) are available in a language the LEP individual can understand.
  - LEAs may use the translated application materials available through FNS. (See *Translated Applications*, <http://www.fns.usda.gov/school-meals/translated-applications>.)
    - State agencies must ensure that FNS prototype applications are available to their LEAs, and that LEAs that do not have their own translations make the FNS applications available to the families who need them.
    - The nonprofit food service account may be used to pay for translation services for food service purposes if there is a need to translate materials in a language that is not currently available.

- **Provide Language Services:**
  - After identifying LEP persons, LEAs should provide language services to assist with meal benefit applications. When necessary, LEAs should provide oral interpretation services to parents or guardians with limited literacy.
  - Household members (especially children) are not expected to provide interpretive services. In many circumstances, household members are not competent to provide accurate interpretations, and the use of household members to provide interpretations may create a conflict of interest.
  - LEAs should carefully explore the most cost-effective means of delivering competent and accurate language services before limiting services due to resource concerns. For example, LEAs may consider sharing language assistance materials and services among and between recipients, advocacy groups, and Federal grant agencies.
- **Follow Up as Needed:**
  - State agencies and LEAs are expected to have a system in place to provide verification notices to each household in the parent or guardian’s primary language, follow up with households that do not respond to the initial verification request, and provide oral assistance if the parent or guardian has difficulty understanding the written request.
  - USDA translations of prototype verification materials are available on the FNS website.

See SP 37-2016: *Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&As*, <http://www.fns.usda.gov/meaningful-access-persons-limited-english-proficiency-lep-school-meal-programs-guidance-and-qas>.

## Application Formats

In SY 2015-2016, FNS amended the prototype application, which implemented various content and visual changes. The required format changes will be phased in during SY 2016-2017 and SY 2017-2018, as described below.

### *Requirements for All Applications – SY 2016-2017*

LEAs are not required to use the prototype application. However, along with other required application elements, the *Indication of No Income* element from the prototype application must be part of all State or local application designs beginning in SY 2016-2017.

- **Indication of No Income:** Applicants without income are requested to write a “zero” in the applicable field or mark “no income.” The application must convey to the applicant in a clear and easy to understand instruction that *any income field left blank is a positive indication of no income* and certifies that there is no income to report. Applications with blank income fields are to be processed by the school district as complete, rather than incomplete as in prior practice. See SP 33-2015: *Revised Prototype Free and Reduced*

*Price Application Materials: Policy Changes and Design Overview,*

[http://www.fns.usda.gov/revised-prototype-free-and-reduced-price-application-materials-policy-changes-and-design-overview.](http://www.fns.usda.gov/revised-prototype-free-and-reduced-price-application-materials-policy-changes-and-design-overview)

### ***Requirements for all Applications Effective SY 2017-2018***

The application modifications below were optional for SY 2015-2016 and will continue to be optional for SY 2016-2017. However, for SY 2017-2018 applications, the following elements will be required:

- **Total Household Members Reporting Field:** The application must include a field for reporting the total number of members present in the household. This is an accountability safeguard and encourages the household to report all members who are present. Electronic applications may be exempt from explicitly following this requirement if they otherwise ensure that the household has been given a clear opportunity to report all household members.
- **Placement of Social Security Number Reporting Field:** State and local agencies must structure their applications to ensure that only those households applying on the basis of income are requested to provide the last four digits of an adult household member's Social Security Number (or indicate a lack thereof). Households applying based wholly on categorical eligibility status are not required to provide this information.

### ***Paper Applications***

If the LEA only uses paper applications, an application form and instructions must be included with the letter to households. A sample household letter and instructions are included with the Prototype Household Application developed by FNS. See *Applying for Free and Reduced Price School Meals*, <http://www.fns.usda.gov/school-meals/applying-free-and-reduced-price-school-meals>.

### ***Electronic and Scanned Applications***

The LEA may make available and accept applications electronically. The LEA may also scan paper applications. When using electronic and scanned applications:

- All disclosure restrictions must be met, and acceptance of the application and electronic signatures must conform with FNS policy. See SP 10-2007, SFSP 06-2007, CACFP 07-2007: *Update on Electronic Transactions in the Child Nutrition Programs*, <http://www.fns.usda.gov/update-electronic-transactions-child-nutrition-programs-1>.
- The system should include a statement explaining how to obtain a paper application if households decide they no longer want to complete an application electronically.
- The process for scanning applications must meet all requirements as well as perform functions as outlined in this guidance.

### *Electronic Applications*

If the LEA uses an electronic system as one of their application processes, the letter to households must inform the household how to access the system in order to apply for benefits. It must also explain that the household still has the option to submit a paper application and must indicate how the household may obtain and submit a paper application from the school. When using electronic applications:

- The system must include a question or data field to indicate a child's Head Start, migrant, runaway, foster, or homeless status.
- The system may ask for a student identification number or a child's birth date. However, the household must be informed that these data fields are not required by NSLP, SBP, or SMP.
- For SY 2016-2017, the LEA is encouraged to amend the electronic application to reflect the FNS prototype application. However, if modifications are made, the system must be able to recognize and accept whole dollar amounts.

**Note:** USDA and FNS do not evaluate, recommend, approve, or endorse any software used for certification or verification purposes. There are no Federal specifications for software vendors. LEAs are responsible for assuring that any automated certification and verification processes meet all regulatory requirements and policies, including the calculation of income frequencies, and that the software used is performing correctly and meets all requirements.

## Section 5: Confidentiality and Disclosure

In this section, you will find information on:

- Maintaining confidentiality requirements when processing applications;
- Preventing overt identification;
- Federal, State, and local programs that may obtain student's eligibility information; and
- When parental or guardian approval is required prior to disclosure.

The information provided by families on the free and reduced price application will be used only for determining eligibility for meal or milk benefits and verification of eligibility. LEAs that plan to disclose children's eligibility status for purposes other than determining and verifying free or reduced price eligibility must inform households of this potential disclosure. In some cases, the LEA must obtain consent of a parent or guardian prior to the disclosure. LEAs that anticipate disclosure specifically to Medicaid or CHIP must notify households of this and give them the opportunity to decline the disclosure.

Distribution and processing applications solely for information about household income to determine the funding or benefits for programs other than the Child Nutrition Programs is prohibited. Thus, funds in the nonprofit school food service account cannot be used to pay the costs associated with collecting and processing such information.

A school or LEA must obtain the household income information for non-Program purposes through means other than the household's application for free or reduced price school meal benefits. If the school or LEA collects such information for non-Program purposes, the applications must not be labeled as applications for benefits under the Child Nutrition Programs or give any indication that such benefits are contingent upon a household returning the application. Funds in the nonprofit school food service account cannot be used to pay the costs associated with collecting and processing such information.

If LEAs provide households with multi-use applications, which include both application for benefits from a Child Nutrition Program and for other benefits or programs, they must ensure that the process allows submission of an application solely for free or reduced meal or free milk benefits.

The LEA must seek written consent from the parent or guardian to use the information provided on the application for non-Program purposes or for purposes not permitted in this guidance. Consent must be obtained each school year and consent forms cannot be extended from one school year to the next. See SP 16-2016, CACFP 06-2016, SFSP 10-2016: *Disclosure Requirements for the Child Nutrition Programs*, <http://www.fns.usda.gov/disclosure-requirements-child-nutrition-programs-0>.

## Confidentiality Requirements

Section 9(b)(6) of the NSLA, 42 U.S.C.1758(b)(6) and regulations found at 7 CFR Part 245.6 delineates the restrictions on the disclosure and use of information obtained from an application for free and reduced price meals, as well as the criminal penalties for improper release of information. While the law discusses applications, the disclosure requirements also apply to information obtained through the direct certification process.

Before developing State and local disclosure policies, State agencies and LEAs should discuss the issue with their legal counsel as the issues of privacy and confidentiality of personal data are complicated as well as sensitive.

**Disclosure** means revealing or using individual children’s program eligibility information that is obtained through the free and reduced price eligibility process for a purpose other than the purpose for which the information was obtained. Disclosure includes but is not limited to access, release, or transfer of personal data about children by means of print, tape, microfilm, microfiche, electronic communication, or any other means. It includes eligibility information obtained through the free and reduced price application or through direct certification and whether the children are eligible for free meals or reduced price meals.

LEAs may disclose children’s free and reduced price meal eligibility information to programs, activities, and individuals that are specifically authorized access under the NSLA, which establishes the disclosure limits for the Child Nutrition Programs. Disclosure is always an option, not a requirement. The school food service director, in conjunction with any LEA staff who are determining officials review free and reduced price meal or free milk applications and make the decision on whether or not children’s information will be disclosed. The LEA may opt to disclose children’s eligibility information to Medicaid or CHIP officials if the State agency has not prohibited such disclosure to these health insurance programs and the family does not decline to have their children’s eligibility information released. The children’s individual information must be protected and is subject to limited disclosure beyond the current school year. **More information may be found in [Disclosure Requirements](#).**

## Preventing Overt Identification

Overt identification is any action that may result in a child being recognized as potentially eligible to receive or be certified for free or reduced price school meals. LEAs must ensure that a child’s eligibility status is not disclosed at any point in the process of providing free or reduced price meals, including notification of the availability of free or reduced price benefits; certification and notification of eligibility; provision of meals in the cafeteria; and the point of service. Unauthorized disclosure or overt identification of children receiving free or reduced price meal benefits is prohibited under NSLA.



Schools that have a dual payment system that accepts both cash and electronic payments must ensure that children are not overtly identified through the method of payment. Schools must ensure, to the maximum extent practicable, that the sale of non-Program foods and the method of payment do not inadvertently result in children being identified by their peers as receiving free or reduced price benefits.

In addition, schools and LEAs must ensure that children who receive free or reduced price benefits are not overtly identified when they are provided additional services under certain programs or activities that are permitted to have access to children's eligibility information, such as academic support under No Child Left Behind (NCLB). See SP 45-2012: *Preventing Overt Identification of Children Certified for Free or Reduced Price School Meals*, <http://www.fns.usda.gov/preventing-overt-identification-children-certified-free-or-reduced-price-school-meals>.

LEAs must avoid any policy or practice that has the effect of overtly identifying children receiving free or reduced price meal benefits. LEAs must assure that their policy statement complies with this requirement. During an Administrative Review, the State agency must ensure that the policy statement addresses ways to prevent overt identification.

The LEA may disclose **aggregate data** to any program or requestor when individual children cannot be identified through release of the aggregate data or by means of deduction. An example of aggregate data is the number of children eligible for free or reduced price meals in the school district. As aggregate data does not identify individual children, parental or guardian notification and consent are not needed. However, LEAs are cautioned about release of aggregate data when individual children's eligibility may be deduced, such as, release of data about a specific classroom when the numbers of eligible children is small.

### *Preventing Overt Identification of Directly Certified Students*

LEAs are not required to provide applications to households when children are eligible for free meals through direct certification. The LEA must, however, assure that these children are not overtly identified through the method used to distribute applications. If the distribution method is not individualized, the LEA must provide applications to all households.

## **Disclosure Requirements**

The NSLA specifies that persons directly connected with the administration or enforcement of certain programs or activities are permitted to have access to children's eligibility information. The following chart shows the circumstances for disclosing eligibility information. LEAs with concerns or questions about disclosing children's eligibility information should contact their State agency for further guidance.

<b>Disclosure Chart</b>		
<b>Recipient of Information</b>	<b>What May Be Disclosed</b>	<b>Requirements</b>
Programs under the National School Lunch Act or Child Nutrition Act	<i>All eligibility information</i>	<i>Prior notice and consent not required</i>
Federal, State, or local means tested nutrition programs with eligibility standards comparable to the NSLP	<i>Eligibility status only</i>	<i>Prior notice and consent not required</i>
Federal education programs	<i>Eligibility status only</i>	<i>Prior notice and consent not required</i>
State education programs administered by a State agency or LEA	<i>Eligibility status only</i>	<i>Prior notice and consent not required</i>
Local education programs	<i>NO eligibility information, unless parental or guardian consent is obtained</i>	<i>Parental or guardian consent</i>
Medicaid or CHIP, administered by a State or local agency authorized under titles XIX or XXI of the Social Security Act to identify and enroll eligible children	<i>All eligibility information unless parents or guardians elect not to have information disclosed</i>	<i>Must give parents and guardians prior notice and an opportunity to decline to have their information disclosed</i>
State health programs other than Medicaid or CHIP, administered by a State agency or LEA	<i>Eligibility status only</i>	<i>Prior consent not required</i>
Federal health programs other than Medicaid or CHIP	<i>NO eligibility information, unless parental or guardian consent is obtained</i>	<i>Parental or guardian consent</i>
Local health programs	<i>NO eligibility information, unless parental or guardian consent is obtained</i>	<i>Parental or guardian consent</i>
Comptroller General of the United States for purposes of audit and examination	<i>All eligibility information</i>	<i>Prior notice and consent not required</i>
Federal, State, or local law enforcement officials investigating alleged violations of any of the programs under the NSLA and CNA or investigating violations of any of the programs that are authorized to have access to names and eligibility status	<i>All eligibility information</i>	<i>Prior notice and consent not required</i>

## “Need to Know”

The LEA may disclose children’s eligibility status only to persons determined to be “directly connected” with the administration or enforcement of a Federal education program, State education program, State health program, or a means-tested nutrition program, as well as to persons directly connected with the Comptroller General Office or law enforcement for an authorized activity.

Although a program or person may be authorized under the NSLA to receive free and reduced price eligibility information, there must be a legitimate “need to know” to provide a service or carry out an authorized activity. State agencies, LEAs, and schools must ensure that data systems, records, and other means of accessing a student’s eligibility status are limited to officials directly connected with administration or enforcement of a Federal or State program or activity. This includes Federal, State, or local program operators responsible for the ongoing operation of the program or activity, or responsible for program compliance.

Eligibility information cannot be made available to all school officials as a general practice. For example, access must be limited to a student’s teachers who are directly responsible for the administration of a Federal education program, e.g., NCLB, or who are providing tutorial or other assistance under that educational program. Teachers, guidance counselors, principals, etc. who are not providing such assistance under the appropriate statutory or regulatory requirements cannot have access. Online data systems must have a masking or de-identification capability to prevent unauthorized access to free or reduced price eligibility status.

State Medicaid and CHIP agencies and health insurance program operators receiving children’s free and reduced price eligibility information must use that information only to enroll eligible children in State Medicaid or CHIP.

The following programs are considered “directly connected” to school eligibility data:

- **Federal or State Education Programs:**

Students’ names and free or reduced price eligibility status may be disclosed, without consent, for a Federal or State education program. Determining officials, prior to disclosing information on the eligibility of individual children, should enter into a memorandum of understanding or other agreement to which all involved parties (including both officials who administer the Child Nutrition Programs and officials who administer the overall education functions) would adhere. This agreement would specify the names of the individuals who would have access to the information, how the information would be used in implementing a Federal education program, and how the information would be protected from unauthorized uses and third-party disclosures, as well as include a statement of the penalties for misuse of the information.

- **National Assessment of Educational Progress (NAEP):**

LEAs may disclose, without parent or guardian consent, children’s names and eligibility status to persons who are directly connected to the administration or enforcement of NAEP because NAEP is a Federal education program. Additionally, LEAs may disclose children’s names and eligibility status to persons directly connected with the administration or enforcement of State educational assessment programs to the extent that the State assessment is part of the NAEP or the assessment program is established at the State, not local, level. Other State education programs also are eligible to have access to participants' names and eligibility status, without parent or guardian consent, but the program must be established at the State, not local, level.

The term “persons directly connected” for the purpose of disclosure to NAEP includes Federal, State, and local program operators responsible for NAEP program administration or program compliance, and their contractors. This does not imply that these persons have routine access to participants' eligibility status. There must be a "need to know" relating to the administration or enforcement of a Federal education program or for legitimate NAEP purposes.

LEAs are encouraged to inform households when they plan to disclose or use eligibility information outside the originating program and to have a written agreement with NAEP officials.



- **No Child Left Behind (NCLB):**

NCLB is a Federal education program. Therefore, determining officials may disclose a child’s eligibility status to persons directly connected with, and who have a need to know, in order to administer and enforce the NCLB requirements. However, other information obtained from the free and reduced price application or through direct certification cannot be disclosed.

Determining officials must keep in mind that the intent of the confidentiality provisions is to limit the disclosure of a child’s eligibility status to those who have a “need to know” for proper administration and enforcement of a Federal education program. LEAs must establish procedures that limit access to a child’s eligibility status to as few individuals as possible.

- **Family Educational Rights and Privacy Act (FERPA):**  
FERPA (20 U.S.C. §1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education. However, Child Nutrition Programs are subject to the disclosure restrictions imposed by section 9(b)(6) of the NSLA and not FERPA.

- **Other Federal Child Nutrition Programs:**  
The LEA may disclose all eligibility information from a household's free and reduced price meal application or information obtained through direct certification to persons directly connected with the administration or enforcement of the programs authorized under the NSLA or CNA. This includes the NSLP, SBP, SMP, CACFP, SFSP, and WIC.

This means that program eligibility information collected for any one of the Child Nutrition Programs may be shared with another Child Nutrition Program, even if the programs are sponsored by different entities. For example, a public school may disclose information from children's free and reduced price school meal applications, without household consent, to an SFSP administered by a parks and recreation agency.

- **Other Federal or State Means-Tested Programs:**  
Without household consent, the LEA may only disclose only a child's name and eligibility status to person directly connected to other Federal or State means tested programs. Disclosure of other information, such as a parent or guardian's name and address, requires household notification and consent.

## **Notification and Notice**

### ***Disclosures That Require Parental Notification***

Unless otherwise indicated, LEAs must inform the adult household member who signed the application if they plan to disclose or use eligibility information outside the originating program, i.e., disclosure to a means-tested Federal or State nutrition program, Federal education program, Medicaid or CHIP, law enforcement, the U.S. Comptroller General for audit purposes, or other Child Nutrition Programs. This may be done as either a general notification of potential disclosure or a specific notification to disclose information to a particular program.

### ***Notice Requirements***

The notice of potential disclosure or specific disclosure may be in the letter to households that accompanies the free and reduced price application, on the application, or, for children directly certified, in the document informing households of the participants' eligibility through direct certification.

The notification should state that the children’s names, eligibility status, and other information provided on the application or obtained through direct certification may be disclosed to certain other Federal, State, or local agencies as authorized by the NSLA. A list of the specific programs is not necessary.

The notification of potential disclosure or specific disclosure must inform the parents or guardians that:

- They are not required to consent to the disclosure;
- The information will be used to facilitate the enrollment of eligible children in a health insurance program or other programs; and
- Their decision will not affect their children’s eligibility for free and reduced price meals or free milk.

The notice of either potential or specific disclosure must be given prior to disclosure and parents or guardians must be given a reasonable time limit to respond. For children who are determined eligible through direct certification, the notice of potential or specific disclosure may be in the document informing parents or guardians of their children’s eligibility for free meals through direct certification. **For more information, see [Appendix B: Prototype Application](#).**



#### ***Disclosures That Require Household Consent***

Parents or guardians may always provide consent for the disclosure of any or all of the information related to their children’s eligibility status, or the information that the household provided through the free and reduced price meal eligibility process. In addition, parents or guardians may request release of information to programs. The LEA must obtain written consent signed by a parent or guardian that follows the guidelines below.

A disclosure of all eligibility information to any other Federal, State or local program or individual not included in the NSLA requires household consent. Other programs that require parental consent are local health and local education programs and other local

level activities. For example, the disclosure of children’s eligibility for free and reduced price meals to determine children’s eligibility for free text books or reduced fees for summer school requires consent when these are local initiatives rather than State or Federal programs.



The disclosure of information other than names and eligibility status to the programs authorized only to receive participants' names and eligibility status also requires written consent. For example, determining agencies may disclose names and eligibility status to a Federal education program, but if the program requests family size or the basis of eligibility, determining agencies must obtain consent prior to disclosure.

### *Noncustodial Parents Request for Disclosure*

The LEA cannot disclose the eligibility status or the source of the child's eligibility to the noncustodial parent without consent from the parent household member who signs the application. The sole exception would be under a court order or subpoena. An attorney's request would not be a sufficient justification for the release of the application data. LEAs should consult with an attorney to determine if disclosure may be required.

Please see below for an overview of the Consent Statement Requirements.

#### **Consent Statement Requirements**

The consent statement must be in writing. It may be obtained at the time of application, or at a later time. The consent statement must:

1. Identify the information that will be shared and how the information will be used.
2. Be signed and dated. In the case of a child participant, the consent statement must be signed by the parent or guardian of the applicant household, even though the application for free and reduced price meals or free milk may be signed by any adult household member. For adult participants in CACFP, the adult participant must sign the consent statement unless a guardian has been appointed.
3. Indicate that failing to sign the consent statement will not affect eligibility for or participation in the program and that the information will not be shared by the receiving program with any other entity or program.
4. Enable parents, guardians, or adult participants to limit consent to only those programs with which they wish to share information. For example, the consent statement could use a check-off system under which the applicant would check or initial a box to indicate that want to have information disclosed to determine eligibility for benefits from a certain program.

### *Agreements and Memoranda of Understanding*

An agreement is not needed for Federal, State or local agencies evaluating or reviewing Child Nutrition Program operations. Similarly, an agreement is not necessary for disclosures to the Comptroller General. These activities are part of routine operations of the Child Nutrition Programs and enforcement.



- **Non-Medicaid and CHIP Agencies**

The LEA should enter into a written agreement with other entities, including NAEP, requesting the information prior to disclosing children’s eligibility information. The agreement should:

- Be signed by both the LEA and receiving entity;
- Identify the entity receiving the information;
- Describe the information to be disclosed and how it will be used;
- Describe how the information will be protected from unauthorized use and disclosure; and
- Describe the penalties for unauthorized disclosure.

- **Medicaid and CHIP Agencies**

For disclosures to Medicaid or CHIP, the decision on disclosure is a joint State agency and LEA decision. Both the State agency and LEA must agree to disclose children’s information to Medicaid or CHIP. A State agency may not enter into a Memorandum of Understanding for all LEAs for disclosure to Medicaid or CHIP as each LEA must be given the opportunity to decline providing free or reduced price meal and free milk eligibility information to Medicaid or CHIP.

Persons directly connected with the administration of Medicaid or CHIP for purposes of disclosure of free and reduced price meal and free milk eligibility information are State employees and persons authorized under Federal and State Medicaid or CHIP requirements to carry out initial processing of applications or to make eligibility determinations. LEAs should work with the Medicaid or CHIP coordinator to determine the persons or entities in the State who are authorized to enroll children in Medicaid or CHIP.

LEAs must notify parents or guardians of their intent to disclose a child’s free or reduced price school meal eligibility to Medicaid or CHIP and provide adequate time (a minimum of 10 calendar days) for any response. LEAs should include a date in the household notification statement that informs households that they must respond by a specified date if they do not want their information disclosed to Medicaid or CHIP.



For any disclosures to Medicaid or CHIP, the LEA and receiving agency must have an agreement or Memorandum of Understanding which includes:

- The health insurance program or health agency receiving the child's eligibility information;
- Information that will be disclosed, specifying that the information must only be used to seek to enroll children in Medicaid or CHIP;
- How the information will be used and how it will be protected from unauthorized uses and disclosures;
- Penalties for unauthorized disclosure; and
- Signatures of officials of the determining agency and the Medicaid or CHIP agency receiving the children's eligibility information.

In all cases, the receiving entity must be informed in writing that:

- Eligibility information may only be used for the purpose for which the disclosure was made;
- Further use or disclosure to other parties is prohibited; and
- A violation of this provision may result in a fine of not more than \$1000 or imprisonment of not more than one year, or both.

For more information, see [\*Appendix C: Prototype Agreement for Direct Verification\*](#).

## **Penalties for Improper Disclosure**

The NSLA at section 9 (b)(6)(C) establishes a fine of not more than \$1000 or imprisonment of not more than one year, or both, for publishing, divulging, disclosing, or making known in any manner or extent not authorized by Federal law, any eligibility information. This includes the disclosure of eligibility information by one entity authorized under the NSLA to receive the information to any other entity, even if that entity would otherwise be authorized to receive the information directly from the determining agency.

## Section 6: Verification

In this section, you will find information on:

- The initial steps for verification;
- Application selection procedures, including available sample sizes;
- When to review questionable applications;
- Required procedures for notifications and follow-up;
- Allowable sources for verification; and
- How to determine if verification is complete.

### Verification Overview

Verification is confirmation of eligibility for free and reduced price school meals based on applications. Verification is only required when eligibility is determined through the application process, not through direct certification conducted with an Assistance Program or with agencies or officials who documented Other Source Categorical Eligibility.

Verification must include confirmation of either:

- Income eligibility;
- That the child or any member of the household receives assistance under SNAP, FDPIR, or TANF; or
- That the child is Other Source Categorically Eligible.

Verification may also include confirmation of any other information required on the application, such as household size.

*Verification efforts are not required:*

- For children who have been certified under direct certification procedures, including children documented as eligible migrant, runaway, homeless children; foster children; and children enrolled in Head Start;
- For children in RCCIs, except for applications for non-residential students attending the institution;
- In schools where FNS has approved special cash assistance claims based on economic statistics regarding per capita income, such as in Puerto Rico and the Virgin Islands;
- In schools participating only in the SMP;



- In schools with non-pricing programs, which claim only the paid rate of reimbursement, where all children are served with no separate charge for food service and no special cash assistance is claimed;
- In LEAs where all schools participate in CEP or in Provisions 1, 2, 3, except in the base years in Provision 1, 2, or 3 schools in which applications are taken for all children in attendance; and
- For other FNS exemptions determined on a case-by-case basis.

### ***Verification Completion Deadlines***

The LEA must complete the verification activities specified in this section no later than November 15 of each school year. However, the LEA may request an extension of the November 15 deadline, in writing, from the State agency. The State agency may approve, in writing, an extension up to December 15 of the current school year, due to natural disaster, civil disorder, strike, or other circumstances that prevent the LEA from the timely completion of verification activities. A request for an extension beyond December 15 must be submitted by the State agency to the FNSRO for approval.

### **Key Verification Terms**

- ***Direct Verification:*** Use of records from public agencies to verify children’s eligibility for free or reduced price benefits.
- ***Error Prone:*** Applications within \$100 per month of the applicable IEGs.
- ***Random Sampling:*** A sampling process where each application has an equal chance of being selected. A statistically valid random sample is not required. The LEA must determine a selection interval by dividing the number of applications by the required sample size.
- ***Sampling Pool:*** The total number of applications approved as of October 1.
- ***Sample Size:*** The number of applications subject to verification; the minimum and maximum sample size is three percent of the total or 3,000 applications, whichever is less.

### **Initial Verification**

Each LEA must annually verify eligibility of children from a sample of household applications approved for free and reduced price benefits for that school year, unless the State agency assumes responsibility for verification on behalf of its LEAs.

The LEA may begin verification activity once the application approval process for the current school year is underway and there are approved applications on file. To do so, the LEA may project the number of approved applications (sample pool) that it anticipates will be on file on October 1.

The projected number is based on prior years' experience. However, the final sample pool is the actual number of approved applications on file as of October 1. The sample size must be based on the October 1 sample pool. Any estimates must be compared with the actual number of applications on file on October 1, and the sample pool and sample size must be adjusted accordingly. If October 1 falls on a weekend, use the next operating day to establish the sample pool. **For more information, see [Application Selection Procedures](#).**

### *Establishing the Sample Pool*

The sample pool uses the total number of approved applications on file as of October 1 of the current school year. The sample pool depends on the number of approved applications, paper or electronic, and is not based on the number of children eligible for free and reduced priced benefits.

If applications are submitted for “mixed households,” which include children who are eligible based on income and others based on Other Source Categorical Eligibility, these applications are subject to verification and are included in the sample pool. **Applications with case numbers that were not documented through direct certification are also subject to verification.** LEAs may choose not to count applications for students in split-session kindergarten programs participating in the SMP when determining the verification sample pool.

### *Establishing the Sample Size*

Once the sample pool is determined, the LEA calculates the sample size, which is the number of applications that must be verified. When calculating the sample size, all fractions or decimals are rounded upward to the nearest whole number. At least one application must always be verified.

With the exception of verification for cause, LEAs must not verify more or less than the standard sample size or the alternate sample size (when used), and must not verify all (100%) of the applications. Verification conducted “for cause,” as described in the following section, is done in addition to the required verification sample size.

## **Verification for Cause**

The LEA has an obligation to verify all questionable applications. This is known as “verification for cause.” Such verification efforts cannot delay the approval of applications. If an application is complete and indicates that the child is eligible for free or reduced price benefits, the application must be approved.

Only after the determination of eligibility has been made can the LEA begin the verification process. Determining officials are strongly encouraged to contact the household during the certification process to clarify any information that is unclear or questionable, before certifying the application and proceeding with verification for cause. Once households have been requested

to provide documentation for cause, the LEA must complete the verification process for these households.

FNS supports use of verification for cause where appropriate as a method for LEAs to address integrity concerns. To verify an approved application for cause, the LEA must send the household a Notification of Selection. This notification letter may be sent with the Notice of Eligibility. The LEA verifies applications for cause following the standard verification procedures in this section. If the household fails to submit requested verification information by the date specified by the LEA or submits verification information that does not support the initial determination of eligibility, the household must be sent a notice of adverse action to terminate the free or reduced meal benefits.

### ***Questionable Applications and Information***

LEAs have an obligation to follow-up on questionable and incomplete information when reviewing applications submitted for free and reduced price meals or free milk. Prior to certifying children for benefits, the determining official should review the application for any discrepancies in the information provided.

**If a discrepancy is found, the determining official should:**

- Seek clarification about the information provided in order to make a determination in a timely manner;
- Deny the application with an explanation that incomplete information was provided; or
- Approve the application and verify for cause.

### ***Verification for Cause for School District Employees***

LEAs can use verification for cause to review approved applications when known or available information indicates school district employees may have misrepresented their incomes on their applications.

Verification for cause must not be used to automatically verify the households of all school district employees whose children are certified for free or reduced price benefits. However, from among the list of children approved, the LEA could identify children of school district employees and use salary information available to the LEA to identify questionable applications and then conduct verification for cause on those questionable applications.

It is recommended that an LEA consult with legal counsel in establishing the parameters of verification for cause for school district employees. State agencies should assist in ensuring that

LEAs balance administrative requirements and integrity with access to free and reduced price benefits for eligible children.

## Application Selection Procedures

### Available Sample Sizes

There are three sample sizes established for verification activities, as described in the table below. The standard sample size must be used by an LEA unless it qualifies to use one of the alternate sample sizes.

<b>AVAILABLE SAMPLE SIZES</b>	
<b>Standard Sample Size</b>	
<b>Standard</b>	<p>Sample size is the lesser of:</p> <ul style="list-style-type: none"> <li>• Three percent of all applications approved by the LEA for the school year, as of October 1 of the school year, selected from error prone applications; or</li> <li>• 3,000 error prone applications approved by the LEA for the school year, as of October 1 of the school year.</li> </ul>
<b>Alternate Sample Sizes Available to Qualified LEAs</b>	
<b>Alternate One</b>	<p>Sample size equals the lesser of:</p> <ul style="list-style-type: none"> <li>• Three percent of all applications approved by the LEA for the school year, as of October 1 of the school year, selected at random; or</li> <li>• 3,000 applications approved by the LEA for the school year, as of October 1 of the school year, selected at random.</li> </ul>
<b>Alternate Two</b>	<p>Sample size equals the lesser of the sum of either:</p> <ul style="list-style-type: none"> <li>• 1,000 of all applications approved by the LEA, as of October 1 of the school year, selected from error prone applications; or</li> <li>• One percent (1%) of all applications approved by the LEA, as of October 1 of the school year, selected from error prone applications.</li> </ul> <p>PLUS the lesser of:</p> <ul style="list-style-type: none"> <li>• 500 applications approved by the LEA, as of October 1 of the school year, which provide case numbers in lieu of income information; or</li> <li>• One-half of one percent (.05%) of applications approved by the LEA ,as of October 1, of the school year that provide case numbers in lieu of income information.</li> </ul>

### *Completing the Sample Size*

For sample sizes based on error prone applications, there may not be enough applications that meet this criterion. When this happens, the LEA must select, using random sampling, additional approved applications to complete the required sample size.



In other situations, the number of error prone applications may exceed the required sample size. When this happens, the LEA must randomly select, using random sampling, the required number of applications from all error prone applications.

### Qualifying to Use an Alternate Sample Size

There are two ways an LEA may annually qualify to use an alternate sample size based on lowered non-response rates.

- **Lowered Non-Response Rate:** Any LEA may use an alternate sample size for any school year when its non-response rate for the preceding school year was less than 20 percent. For example, for SY 2014-2015, an LEA could have elected to use one of the alternate sample sizes if in SY 2013-2014 the LEA’s non-response rate was 18 percent.
- **Improved Non-Response Rate:** An LEA with more than 20,000 children approved by application as eligible, as of October 1 of the school year, may use an alternate sample size for any school year when its non-response rate for the preceding school year was at least 10 percent below the non-response rate for the second preceding school year.

The following chart provides an example of how an LEA may qualify based on an improved non-response rate:

<b>QUALIFYING TO USE AN ALTERNATE SAMPLE SIZE</b>
<b>Year 1: SY 2012-2013</b>
<ul style="list-style-type: none"> <li>• The LEA had 21,000 children approved for free or reduced price meal benefits based on a total of 6,000 approved applications               <ul style="list-style-type: none"> <li>○ Therefore, 180 household applications (3% of 6,000) must be verified</li> </ul> </li> <li>• Of those 180 households, 45 households failed to respond to verification requests, which results in a non-response rate of 25% (<math>45 \div 180</math> as a percentage)</li> <li>• The LEA must improve the 25% non-response rate by at least 10%</li> <li>• The improvement rate is calculated by multiplying the non-response rate by 10%, which is <math>25\% \times 10\% = 2.5\%</math></li> </ul>
<b>Year 2: SY 2013-2014</b>
<ul style="list-style-type: none"> <li>• The LEA had 6,000 approved applications, so the sample size is 180 (3% of 6,000)</li> <li>• The number of non-respondents was reduced to 40 which is a non-response rate of 22.2% (<math>40 \div 180</math> as a percentage)</li> <li>• The next step is to calculate the level of improvement needed between Year 1 and Year 2, by subtracting Year 1’s non-response improvement rate from Year 2’s non-response rate (<math>25\% \text{ minus } 2.5\% = 22.5\%</math>)</li> <li>• Since 22.2% is less than the minimum non-response rate of 22.5%, there is more than a 10% improvement</li> <li>• The LEA is qualified to use an alternate sample size for SY 2014-2015</li> </ul>
<b>Year 3: SY 2014-2015</b>
<ul style="list-style-type: none"> <li>• The LEA could choose to use one of the alternate sample sizes for its verification activities</li> </ul>

### *Continuing Eligibility for Use of an Alternate Sample Size*

The LEA must annually determine if it is eligible to use one of the alternate sample sizes. If the LEA determines it is eligible, it must contact the State agency in accordance with any procedures established by the State agency for approval prior to use of alternate sample sizes.

Each State agency must establish a procedure for LEAs to designate use of an alternate sample size. The State agency may also establish criteria for reviewing and approving the use of an alternate sample size, including deadlines for submissions.

### **Post-Selection Procedures**

There are two procedures that the LEA completes prior to contacting the household to obtain documentation of eligibility. These are the required confirmation reviews and the optional replacement of certain applications.

#### *Confirmation Reviews*

Prior to any other verification activity, a determining official, other than the official who made the initial eligibility determination, must review each approved application selected for verification to ensure that the initial determination was accurate.

This requirement is waived if the LEA uses a technology-based system that demonstrates a high level of accuracy in processing an initial eligibility determination. The LEA must contact the State agency to determine if its system qualifies them for this waiver. Further, any LEA that conducts a confirmation review of all applications at the time of certification is not required to conduct confirmation reviews prior to verification. Depending on the outcome of each confirmation review, the LEA takes one of the following actions:

<b>LEA Responsibilities Following a Status Change</b>	
<b>No Change in Status</b>	<ul style="list-style-type: none"><li>• Verifies the application.</li></ul>
<b>Status Change from Reduced Price to Free</b>	<ul style="list-style-type: none"><li>• Makes the increased benefits available immediately;</li><li>• Notifies the household of the change in benefits; and</li><li>• Verifies the application.</li></ul>
<b>Status Change from Free to Reduced Price</b>	<ul style="list-style-type: none"><li>• Does not change the child's status; and</li><li>• Verifies the application.</li></ul>
<b>Status Change from Free or Reduced Price to Paid</b>	<ul style="list-style-type: none"><li>• Immediately sends the household a notice of adverse action;</li><li>• Does not verify the application;</li><li>• Selects a similar application, such as another error prone application, for verification; and</li><li>• Follows the confirmation review procedures for the selected application.</li></ul>

### *Replacing Applications*

After completing the confirmation reviews, the LEA may, on a case-by-case basis, replace up to five percent of applications selected. Applications may be replaced when the LEA believes that the household would be unable to satisfactorily respond to the verification request. In those LEAs where five percent of total applications result in less than one, one application may still be replaced. All results of the five percent calculation are rounded up to the next whole number.

Any application removed must be replaced with another approved application selected on the same basis, that is, an error prone application must be substituted for a withdrawn error prone application. The newly selected application must then have confirmation review.

### **Household Notification of Selection**

Once post selection procedures are complete, the LEA proceeds with household notification. When a household is selected for verification, the LEA must provide the household with a letter or an email if the parent or guardian contact information is known informing a household of its selection and must provide a list of the documents or other forms of evidence the household must submit to the LEA. When the LEA uses agency records or direct verification to confirm eligibility, a letter informing the household of its selection for verification is not required, as verification is completed.

The letter must include the following:

- An indication that the household was selected for verification;
- A modified Use of Information Statement as follows:  
*The Richard B. Russell National School Lunch Act requires the information requested in order to verify your children's eligibility for free or reduced price meals. If you do not provide the information or provide incomplete information, your children may no longer receive free or reduced price meals;*
- If a child is receiving benefits based on income, a list of the types of acceptable information that may be provided to confirm current income:
  - Pay stubs;
  - Award letters from assistance agencies for benefits such as Social Security or SSI; or
  - Support payment decrees from courts;
- If a child is receiving benefits based on categorical eligibility, the household may provide proof that a child or any household member is receiving benefits under an Assistance Programs or that a child is Other Source Categorically Eligible instead of providing income information;
- A warning that information must be provided by a date specified by the LEA and that failure to do so will result in termination of benefits;

- Notice that documentation of income or receipt of assistance may be provided from any point in time between the month prior to application and the time the household is required to provide income documentation;
- The name of an determining official who can answer questions and provide assistance; and
- A telephone number the household can call at no-cost for assistance.
  - The LEA may establish a toll-free number or allow the household to reverse the charges if any household in that LEA are outside the local calling area.
  - The LEA may also provide different telephone numbers for each local calling area within the LEA.

## Sources for Verification

### *Written Evidence*

Written evidence is the primary source of eligibility confirmation for all households, including TANF, FDPIR, Other Source Categorical Eligibility Programs, and foster child households.

Written evidence most often includes pay stubs from employers or award letters from assistance agencies or other government agencies.

<b>Acceptable Written Evidence</b>	
<b>Income Eligible</b>	<p>Contains:</p> <ul style="list-style-type: none"> <li>• The name of the household member;</li> <li>• Amount of income received;</li> <li>• Frequency received; and</li> <li>• The date the income was received.</li> </ul> <p><i>For example, a pay stub with no dates would be insufficient.</i></p>
<b>Categorically Eligible: Assistance Program</b>	<p>An official letter or notice indicating that the child or any household member is receiving benefits from that program, such as a notice of eligibility.</p> <p>A document from an Assistance Program that does not specify the certification period does not meet the documentation for verification.</p> <p><i>For example, the identification cards for SNAP or TANF would be insufficient because they usually do not have an expiration date.</i></p>
<b>Categorically Eligible: Other Source</b>	<p>An official letter, notice, or list from the appropriate State agency, social service agency, program office or coordinator, or court.</p>

The verifying official should examine the document provided to ensure that the child for whom the application was made is part of a household currently participating in any of these programs noted above or is a foster child. EBT cards cannot be used to confirm eligibility in SNAP or TANF and therefore cannot be used for categorical eligibility purposes.

A household that does not have satisfactory documentation may request a signed, dated letter from these offices verifying that the child is part of a household currently receiving their benefits.

### *Collateral Contacts*

A collateral contact is a person outside of the household who is knowledgeable about the household's circumstances and can give confirmation of a household's income participation in Assistance Programs or Other Source Categorical Eligibility Program sources. Collateral contacts include employers, social service agencies, migrant workers' agencies, and religious or civic organizations. The verifying official should request a collateral contact only in cases when the household has not been able to provide adequate written evidence.



The verifying official must give the household the opportunity to designate the collateral contact. However, the verifying official may select a collateral contact if the household fails to designate one or designates one who is unacceptable to the verifying official. In either case, no contact may be made without first notifying the household and obtaining its permission.

All collateral contacts may be written or oral and must be documented, dated, and initialed. The LEA will examine any written information provided by the collateral contact or evaluate any oral information. If the collateral contact is unwilling or unable to provide the requested information, the LEA must contact the household to complete the verification process.

Verification of eligibility for households that provided an Assistance Program case number on the application may be accomplished by submitting a list of names and Assistance Programs case numbers to the local SNAP or assistance office for confirmation of certification of receipt of benefits from agency records. More information can be found in *Direct Verification*.

### *Agency Records*

A household's eligibility may be confirmed through the use of information maintained by other government agencies to which the State agency, LEA, or school has legal access. Although USDA regulations do not require that households be notified of selection when verification is made through agency records, such agencies may have their own notification requirements.

If available to the verifying official, one source of agency records is the wage and benefit information maintained by the State employment agency. Such records are State records, and the release of information maintained by State employment offices is governed by State law. If the LEA contacts the other agency well in advance of the November 15 deadline and the other agency does not respond, the LEA has a valid reason to ask the State agency to extend the deadline. **More information can be found in [Direct Verification](#).**

Acceptable documentation of income or receipt of assistance from any of the above sources may be provided for any point in time between the month prior to application and the time the household is required to provide income documentation.

### *When a Household Provides Pay Stubs*

Households may provide pay stubs with income from employment. If a weekly pay stub is representative of what the household normally receives each week, one pay stub is sufficient.

If the household submits a pay stub that includes overtime, the determining official should work with the household to determine whether the overtime for the month being verified is representative of overtime received in other months. If the overtime is a one-time or sporadic source of income, income should be calculated based on the regular monthly income without overtime.

#### **Indication of "No Income"**

If a household is selected for verification, or the application is being verified for cause and the application indicates zero income, the LEA must request an explanation of how living expenses are met and may request additional written documentation or collateral contacts. For example, the collateral contact may be asked to document the duration and type of assistance that is provided to the household.

## **Direct Verification**

Direct verification is using records from public agencies to verify income or program participation. Direct verification may be completed at the State or local level, or through a joint effort at both levels.

LEAs are not required to conduct direct verification. However, any LEA that intends to conduct direct verification must contact the State agency for assistance with establishing a direct verification method. Direct verification may be used when the household application, certified based on case number, is subject to verification under the LEA's use of alternative sample size.

LEAs may conduct direct verification activities with Assistance Programs, as well as with the agency that administers the State plan for Medicaid and CHIP. Direct verification must be conducted prior to contacting the household for documentation. The public agency's records may document income for any point in time between the month prior to application and the time the household is required to provide income documentation.

If verification results in higher benefits, for example a child who is moved from the reduced price to free category, the change is effective immediately and must be implemented no later than three operating days from the date verification was completed. Households should be promptly notified through the channel the LEA uses to notify the household of approval for benefits.

#### *Names Submitted for Direct Verification*

The LEA must only submit the names of school children certified for free or reduced price meal benefits listed on the application. These names are submitted to the agency administering an eligible program. The names of other household members (all adults, children who are not attending school, or children not approved for free or reduced price benefits) cannot be submitted for direct verification purposes.

## **Types of Direct Verification**

#### *Direct Verification with Assistance Programs*

If information obtained through direct verification of an application for free or reduced price meal benefits indicates a child is participating in one of these programs, no additional verification is required. The eligibility status of the child or children listed on the application is considered verified.

#### *Direct Verification with Medicaid and CHIP*

If information obtained through direct verification with Medicaid or CHIP confirms eligibility status, no additional verification is required. Records that may be used to verify eligibility will depend upon State income limits for these programs.

- Verification for children approved for **FREE MEALS** is complete if the data indicates that the percentage is at or below 133 percent of the Federal poverty line.



- Verification for children approved for **REDUCED PRICE MEALS** is complete if the data indicates that the percentage is at or below 185 percent of the Federal poverty line.

Please see the chart on the next page for more information about direct verification with Medicaid and CHIP.

<b>DIRECT VERIFICATION WITH MEDICAID OR CHIP</b>	
<b>States with Medicaid or CHIP Income Limits of 133 Percent or Less:</b>	If the income eligibility used for the Medicaid or CHIP is not more than 133 percent of the Federal poverty line, or where those households that have income that is not more than 133 percent of the Federal poverty line can be identified, records from these agencies may be used to verify eligibility.
<b>States with Medicaid or CHIP Income Limits Between 133 and 185 Percent:</b>	<p>Direct verification information must include:</p> <ul style="list-style-type: none"> <li>• The percentage of the Federal poverty line upon which the applicant’s participation is based; or</li> <li>• The income and household size used by Medicaid or CHIP to determine that the applicant is either at or below 133 percent or between 133 and 185 percent of the Federal poverty line.</li> </ul>

### **Documentation Timeframe**

The information used for direct verification must be the most recent information available which is defined as data no older than 180 days prior to the date of the free and reduced price application. To be consistent with policy established for “regular” verification, direct verification efforts may use information from any point in time between the month prior to application and the time the LEA conducts direct verification.

In other words, for direct verification, LEAs and State agencies may use:

- The latest available information for one month, within the 180-day requirement; or
- Information for all months from the month prior to application through the month direct verification is conducted.

For example, a State agency or LEA could use data for the month of September or (if available) data for all months August through October.

### **Verification Follow-Up**

To continue the verification process subsequent to household notification, the LEA must either determine:

- If the household has submitted adequate information to complete its individual verification activity; or
- If follow-up with the household is needed.

## Following Up with Households

The LEA must make at least one attempt to contact the household when the household does not adequately respond to the request for verification. The required follow-up attempt may be in writing (including to the parent or guardian's e-mail address) or by telephone or text message. The LEA must document that a contact was attempted and ensure the LEP households are provided adequate language assistance and understand the need to respond to the verification request.

The LEA must make a follow-up attempt when the household:

- Does not respond to the initial request for verification;
- Submits insufficient or obsolete written evidence;
- Does not designate collateral contacts; or
- Collateral contacts are unable or unwilling to provide the requested evidence.

When following up with households, the LEA:

- Must inform the household that failure to provide adequate written evidence or to designate an adequate collateral contact will result in termination of benefits;
- Must attempt to obtain the missing written evidence or collateral contact information; and
- Must contact the household to complete the verification process, if the collateral contact is unwilling or unable to provide the requested information.



If, after at least one follow-up attempt, the household responds and provides all needed evidence, verification is considered complete for this household. The LEA would complete verification by:

- Informing the household that there is no change in benefits;
- Notifying the household that its benefits will be increased; or
- Sending notice of adverse action.

LEAs are encouraged but not required to do additional follow-up attempts if a household fails to provide adequate documentation after the required follow-up. If the household does not respond or fails to provide adequate documentation after the required follow-up and, if applicable, additional follow-ups, verification is considered complete for the household when notice of adverse action is sent.

## When Verification is Considered Complete

The examples below demonstrate how an LEA determines whether or not the household adequately responded and whether follow-up is required:

- Household Action: The household submits either adequate written evidence or collateral contact corroboration of income or categorical eligibility.
  - Verification Status and Action: Verification is considered complete for this household.
- Household Action: The household submits either adequate written evidence or collateral contact corroboration of income which indicates that the children should receive either a greater or lesser level of benefits.
  - Verification Status and Action: Verification is considered complete for this household when the notice of adverse action is sent or household is notified that its benefits will be increased or decreased.
- Household Action: The household indicates, verbally or in writing, that it no longer wishes to receive free or reduced price benefits.
  - Verification Status and Action: Verification is considered complete when the notice of adverse action is sent.
- Household Action: The application provided case numbers and it is determined that no household member is receiving benefits from an Assistance Program.
  - Verification Status and Action: Verification is considered complete when the notice of adverse action is sent.

## Record Retention

Documentation, including documentation concerning any appeals, must be kept by the LEA to demonstrate compliance with the verification requirements when LEAs are reviewed by State or Federal officials. LEAs must maintain a description of their verification efforts. The description must include:

- A summary of the verification efforts including the selection process;
- The total number of applications on file on October 1; and
- The percentage or number of applications that are/will be verified by November 15.

The LEA must also be able to demonstrate compliance with the confirmation review requirement and provision of a no-cost telephone number for assistance in the verification process.

### *Individual Applications*

For each application verified, the LEA must keep records of the source of information used to verify the application such as wage stubs or names and titles of collateral contacts. When verification information is needed for administrative review purposes, the LEA must be able to provide the following information for each school selected for review:

- Copies of all relevant correspondence between the households selected for verification and the LEA, including notices of adverse action and records of follow-up attempts, information obtained from collateral contacts, etc.
- One of the following for all documentation used to verify eligibility:
  - All documents submitted by the household or reproductions of those documents;
  - In cases where the actual documents or photocopies cannot be kept, the verifying official must make a written record of the documents submitted by the household including the type of document (e.g., wage stubs or a letter from an employer, income shown on the document, time period of the income, the date of the document); or
  - Direct certification results, documentation from Assistance Program or Other Categorical Assistance Program officials with dates of receipt of benefits and date of the information provided.
- Documentation for any change in eligibility as a result of verification must include:
  - The reason for the change;
  - The date the household was notified;
  - The date it became effective, if necessary; and
  - If applicable, records of follow-up attempts and results for termination for non-response.
- The title and signature of the verifying official; and
- Criteria for replacing applications for verification.



## Appendix A: Policy Statement

The free and reduced price policy statement must contain, at a minimum, the following:

- Names of officials, or the position of the LEA or school official, designated to make eligibility determinations;
- An assurance that the LEA will determine eligibility in accordance with the current Income Eligibility Guidelines (IEGs);
- The LEA's specific procedures to accept applications for benefits and its direct certification procedures;
- Description of the methods used to collect payments from children paying the full price of the meal or milk or the reduced price of the meal which prevents the overt identification of the children receiving free or reduced price meals or free milk;
- An assurance that the school will abide by the hearing procedures and the nondiscrimination practices;
- A copy of the application form and letter to households;
- A statement that a foster child is categorically eligible for free meals and may be included as a member of the foster family if the foster family chooses to also apply for benefits for other children and an explanation that including children in foster care as household members can help other children in the household qualify for free or reduced price meals. If the foster family is not eligible for free or reduced price meal benefits, this does not prevent a foster child from receiving free meal benefits;
- An explanation that households with children who are categorically eligible under Other Source Categorically Eligible Programs should contact the school for assistance in receiving benefits and indicate the source of their status on the application;
- A statement that State agencies and LEAs will ensure there are no barriers for participation in our Programs for Limited English Proficient (LEP) families and that State agencies and LEAs are required to communicate with parents and guardians in a language they can understand throughout the certification and verification processes;
- LEAs selling competitive foods during a meal service are encouraged to include in the description of how the cafeteria and meal service prevents overt identification of the children receiving free or reduced price meals or free milk; and
- A statement of the measures the LEA has taken to prevent disclosure of confidential free and reduced price eligibility information as required under 7 CFR 245.6(f-k).

The free and reduced price policy statement should also contain a copy of the following:

- Media release;
- Notice to households of approval or denial of benefits;
- Notice to households of selection for verification;
- Notice to households of adverse action; and
- Notice of eligibility, based on direct certification.

### *Amendments*

Unless there is a substantive change made to the free and reduced price policy of the LEA, the policy statement need not be changed and resubmitted for State agency approval. Routine changes, such as inclusion of the new IEGs, are not sufficient to require resubmission.

The LEA must amend its policy statement for any substantive changes to its free and reduced price policy and include a description of the change. In all cases, the LEA must have an approved policy statement on file at the State agency that accurately describes its current free and reduced price policies. Amendments must be submitted for approval by the State agency by October 15. The amendments must be approved by the State agency prior to implementation.

The amendments must reflect:

- Changes made necessary by law or regulations;
- Changes made by the LEA (e.g., changes in collection procedures, designation of new approving or hearing officials, changes in procedures for accepting applications, revisions in the letter to households or application for free and reduced price meals or free milk);
- Additional information specified by the State agency.

### *LEAs Operating the Special Milk Program (SMP)*

A free policy statement must be approved by the State agency or FNSRO for LEAs participating in the SMP with the free milk option. LEAs may submit one policy statement for both meals and milk when some of the schools in the district participate in the SMP and others participate in meal programs. Specific instructions on the development of the policy statement and policy approval process are provided to LEAs by the State agency.

## Appendix B: Prototype Application

FNS has developed a prototype application and related materials, recently re-designed and fully updated for SY 2016-2017. The prototype application package includes the following materials:

- *2016-2017 Prototype Household Application for Free and Reduced Price School Meals*
- *How to Apply for Free and Reduced Price School Meals* (instructional document);
- *Frequently Asked Questions About Free and Reduced Price School Meals* (letter to households);  
and
- Additional Prototype Materials for State and Local Agencies:
  - *“I Speak”* (language survey)
  - *Sharing Information with Medicaid/CHIP*
  - *Sharing Information with Other Programs*
  - *We Must Check Your Application*
  - *We Have Checked Your Application*
  - *Notice to Households of Approval/Denial of Benefits*
  - *Notice of Direct Certification*

USDA is currently working to translate all prototype application materials into 49 languages (including all languages translated for previous versions of the prototype materials) and expects them to be available for SY 2016-2017. Until these updated translations are published, LEAs may continue to use the translated applications and materials currently available at: <http://www.fns.usda.gov/school-meals/applying-free-and-reduced-price-school-meals>.

States may adopt/adapt any or all of these materials, or develop their own State specific forms. States may also permit local level agencies to design application materials. If you are a local official seeking guidance or information about prototype application materials for your State, contact the State agency responsible for the administration of the Child Nutrition Programs.



# Appendix C: Prototype Agreement for Disclosure of Free and Reduced Price Information

## *I. Purpose and Scope*

[Insert Name of Determining Agency] and [Insert Name of Receiving Agency] acknowledge and agree that children's free and reduced price meal and free milk eligibility information obtained under provisions of the Richard B. Russell National School Lunch Act (42 USC 1751 et seq.) (NSLA) or Child Nutrition Act of 1966 (42 USC 1771 et seq.) (CNA) and the regulations implementing these Acts is confidential information. This Agreement is intended to ensure that any information disclosed by the (insert name of determining agency) to the (insert name of receiving agency) about children eligible for free and reduced price meals or free milk will be used only for purposes specified in this Agreement and that the (insert name of determining agency) and (insert name of receiving agency) recognize that there are penalties for unauthorized disclosures of this eligibility information.

## *II. Authority*

Section 9(b)(6)(A) of the NSLA (42 USC 1758(b)(6)(A)) authorizes the limited disclosure of children's free and reduced price meal or free milk eligibility information to specific programs or individuals, without prior parent/guardian consent. Except that, the parent/guardian must be provided the opportunity to decline to share eligibility information prior to the disclosure for identifying children eligible for benefits under or enrolling children in the State Medicaid Program and the Children's Health Insurance Program (CHIP). Additionally, the statute specifies that for any disclosures not authorized by the statute, the consent of children's parents/guardians must be obtained prior to the disclosure.

The requesting agency certifies that it is currently authorized to administer the following program(s) and that information requested will only be used by the program(s) indicated.

**Note:** Section 9(b)(6)(A) specifies that certain programs may receive children's eligibility status only, without parental consent. Parental consent must be obtained to disclose any additional eligibility information. Section 9(b)(6)(D)(ii) specifies that for State Medicaid or CHIP, parents must be notified and given an opportunity to elect not to have information disclosed. Social security numbers may only be disclosed if households are given notice of the disclosure and the uses to be made of their social security numbers as required by Sec.7 of the Privacy Act.

<b>CHECK ALL THAT APPLY</b>		
<b>Program</b>	<b>Information Authorized</b>	
Medicaid or the State children's health insurance program (CHIP), administered by a State or local agency authorized under titles XIX or XXI of the Social Security Act. <i>Specify Program:</i>	All eligibility information unless parents elect not to have information disclosed.	<input type="checkbox"/>
State health program other than Medicaid/CHIP, administered by a State agency or local education agency. <i>Specify Program:</i>	Eligibility status only; Prior consent not required.	<input type="checkbox"/>
Federal health program other than Medicaid/CHIP <i>Specify Program:</i>	No eligibility information unless prior parental or guardian consent is obtained.	<input type="checkbox"/>
Local health program <i>Specify Program:</i>	No eligibility information unless prior parental or guardian consent is obtained.	<input type="checkbox"/>
Child Nutrition Program under the National School Lunch Act or Child Nutrition Act <i>Specify Program:</i>	All eligibility information; consent not required.	<input type="checkbox"/>
Federal/State or local means tested nutrition program with eligibility standards comparable to the National School Lunch Program <i>Specify Program:</i>	Eligibility status only; consent not required.	<input type="checkbox"/>
Federal education program <i>Specify Program:</i>	Eligibility status only; consent not required.	<input type="checkbox"/>

### *III. Responsibilities*

[Insert Name of Determining Agency] will:

When required, secure the consent of parents/guardians prior to any disclosure not authorized by the National School Lunch Act or any regulations under that Act, unless prior consent is secured by the receiving agency and made available to the determining agency;

For State Medicaid and CHIP, notify parents/guardians of potential disclosures and provide opportunity for parents/guardians to elect not to have information disclosed;

Disclose eligibility information only to persons directly connected to the administration or enforcement of programs authorized access under the National School Lunch Act or regulations under the Act or to programs or services for which parents/guardians gave consent.

**[Insert Name of Receiving Agency]** will:

Ensure that only persons who are directly connected with the administration or enforcement of the (insert name of the Program) and whose job responsibilities require use of the eligibility information will have access to children's eligibility information:

Specify by name(s) or title(s) \_\_\_\_\_

Use children's free and reduced price eligibility information for the following specific purpose(s):

---

---

Inform all persons that have access to children's free and reduced price meal eligibility information that the information is confidential, that children's eligibility information must only be used for the purposes specified above, and the penalties for unauthorized disclosures.

Protect the confidentiality of children's free and reduced price meal or free milk eligibility information as follows:

---

---

---

Specifically describe how the information will be protected from unauthorized uses and further disclosures.

---

---

Description of Procedures to Transfer Meal Eligibility Information (may be completed by either the determining agency or receiving agency)

---

---

Describe the procedures for transferring students' meal eligibility information from the determining agency to the requesting agency/program so as to limit the number of individuals who have access to the information.

(Describe)

---

---

#### *IV. Effective Dates*

This agreement shall be effective from \_\_\_\_\_ to \_\_\_\_\_.

#### *V. Penalties*

Any person who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (Section 9(b)(6)(C) of the National School Lunch Act; 42 USC 1758(b)(6)(C)) or a regulation, any information about a child's eligibility for free and reduced price meals or free milk, shall be fined not more than a \$1,000 or imprisonment of not more than 1 year or both.

#### *VI. Signatures*

The parties acknowledge that children's free and reduced price meal and free milk eligibility information may be used only for the specific purposes stated above, and that unauthorized use of free and reduced price meal and free milk information or further disclosure to other persons or programs is prohibited and a violation of Federal law, which may result in civil and criminal penalties.

Requesting Agency/Program Administrator:

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Phone: \_\_\_\_\_

Determining Agency Administrator:

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Phone: \_\_\_\_\_

*\*Any attachments will become part of this agreement.*

## Appendix D: Policy Memos

May 24, 2016	<a href="#">SP 37-2016</a> : Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&As
April 29, 2016	<a href="#">SP 34-2016</a> : Revised Prototype Free and Reduced Price Application Materials for SY2016-17
January 7, 2016	<a href="#">SP 22-2016</a> : CEP Planning and Implementation Guidance
December 14, 2015	<a href="#">SP 19-2016</a> : Community Eligibility Provision: Guidance and Updated Q&As
December 7, 2015	<a href="#">SP 16 CACFP 06 SFSP 10-2016</a> : Disclosure Requirements for the Child Nutrition Programs
May 22, 2015	<a href="#">SP 37-2015</a> : 2015 Edition of Q&As for NSLP's Seamless Summer Option
November 21, 2014	<a href="#">SP 10 CACFP 04 SFSP 03-2015</a> : Area Eligibility in Child Nutrition Programs
October 8, 2014	<a href="#">SP 02-2015</a> : Online Fees in the School Meal Programs
June 19, 2014	<a href="#">SP 51-2014</a> : Eligibility Effective Date for Directly Certified Students
April 30, 2014	<a href="#">SP 44-2014</a> : Questions and Answers Related to the Independent Review of Applications
April 24, 2014	<a href="#">SP 42 SFSP 17 CACFP 11-2014</a> Sharing Aggregate Data to Expand Program Access and Services in Child Nutrition Programs
January 22, 2014	<a href="#">SP 17-2014</a> : Discretionary Elimination of Reduced Price Charges in the School Meal Programs
December 3, 2013	<a href="#">SP 11 CACFP 06 SFSP 11-2011</a> :Effective Date of Free or Reduced Price Meal Eligibility Determinations
November 28, 2012	<a href="#">SP 09-2013</a> : Streamlining At-risk Meal Participation for School Food Authorities

- August 24, 2012 [SP 45-2012](#): Preventing Overt Identification of Children Certified for Free or Reduced Price School Meals
- April 19, 2010 [SP-22- 2010](#): Categorical Eligibility—Temporary Assistance to Needy Families
- May 1, 2007 [SP 10-2007](#): Update on Electronic Transactions in the Child Nutrition Programs

*The full list of current NSLP policy memoranda is available on the [School Program Policy Page](#). Policy memorandum specific to the other CNPs are available on the [CACFP Policy Page](#) and the [SFSP Policy Page](#).*

## Glossary of Acronyms

CACFP	Child and Adult Care Food Program
CEP	Community Eligibility Provision
CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CNA	Child Nutrition Act
DEIP	Deployment Extension Incentive Pay
DOD	Department of Defense
EBT	Electronic Benefit Transfer
FDPIR	Food Distribution Program on Indian Reservations
FERPA	Family Educational Rights and Privacy Act
FNS	Food and Nutrition Service
FNSRO	Food and Nutrition Service Regional Office
FSSA	Family Subsistence Supplemental Allowance
FYSB	Family and Youth Services Bureau
IEGs	Income Eligibility Guidelines
ISP	Identified Student Percentage
LEA	Local Educational Agency
LEP	Limited English Proficiency
NAEP	National Assessment of Educational Progress
NCLB	No Child Left Behind
NFIP	National Flood Insurance Program
NSLA	National School Lunch Act
RCCI	Residential Child Care Institution



ROAP	Regional Office Administered Program
SBP	School Breakfast Program
SFA	School Food Authority
SMP	Special Milk Program
SFSP	Summer Food Service Program
SNAP	Supplemental Nutrition Assistance Program
SSI	Supplemental Security Income
SSN	Social Security Number
SY	School Year
TANF	Temporary Assistance to Needy Families
USDA	United States Department of Agriculture

## Additional Resources

To keep up to date on Child Nutrition Program regulations, policy, and application changes, program operators can use the following resources:

- **CN PartnerWeb** (State agencies only)  
*<https://www.partnerweb.usda.gov>*
- **USDA-FNS School Programs Website**  
*<http://www.fns.usda.gov/school-meals/child-nutrition-programs>*
- **GovDelivery**  
*<https://service.govdelivery.com/accounts/USFNS/subscriber/new>*