

Eligibility Manual For School Meals



**Federal and State
Policy
for
Determining and
Verifying Eligibility**

Revised and Adapted from
USDA 2011 Guidance
Arkansas Department of Education
Child Nutrition Unit
August 2012

This manual replaces the Eligibility Guidance for School Meals Manual issued in January 2010 by the Arkansas Department of Education, Child Nutrition Unit. This manual is revised and adapted from Eligibility Manual for School Meals issued by the United States Department of Agriculture in October 2011.

This manual contains information on Federal requirements regarding the determination and verification of eligibility for free and reduced price meals in the National School Lunch Program and the School Breakfast Program. Local school food service operators from states other than Arkansas should also confer with their State Agency to determine which procedures and options are followed in their State.

This updated version reflects changes made as a result of the Healthy Hunger Free Kids Act of 2010, final and interim regulations, and policy clarifications issued prior to July 2012.

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Introduction

This manual contains information on determining eligibility for free and reduced price meals for the:

- National School Lunch Program including commodity schools and the afterschool snack service; and
- School Breakfast Program.

Statutory and Regulatory Authority

Statutory authority for the school meals program is found in the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966 (CNA).

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 245, Determining eligibility for free and reduced price meals and free milk in schools.

*Arkansas School Food Authorities that participate in NSLP or SBP are not eligible to participate in the SMP.

Administration of the Programs

The school meals programs are administered at the Federal level by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA). At the State level, the programs are administered by the State Agency (SA) designated in each state. In Arkansas the programs for public and charter schools are administered by the Child Nutrition Unit (CNU) of the Arkansas Department of Education (ADE).

Keeping Up to Date

Regularly check the Arkansas Department of Education, Child Nutrition Unit website at <http://cnn.k12.ar.us> for recently posted Commissioner's Memos with regulation and policy updates and prototype materials.

It is **mandatory** that all forms and letters used in the Free and Reduced Price Meal Application and Verification process be correct for the school year. Forms and Letters are distributed to School Food Authorities (SFAs) by the SA in the spring of each school year for the following school year. The correctly updated forms and letters are part of the Forms and Letter Packet that is part of the Policy Statement or Renewal of Policy Statement. This packet can be found on the CNU website. See Appendix B for more information.

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Part 1: General Requirements

A. General Requirements

State agencies (SAs) that administer the school meals programs must issue free and reduced price policy guidance and any other instructions necessary to local agencies to ensure they are aware of Federal and State requirements pertaining to free and reduced price meals. Further, local agencies must provide free and reduced price benefits to eligible children in accordance with the statutory and regulatory requirements as detailed in this manual.

All schools participating in the NSLP or SBP must make free and reduced price meals available to eligible children.

Prior to 2004, the term “School Food Authority (SFA)” was used for local agencies administering the school meals programs. In 2004, the Child Nutrition and WIC Reauthorization Act (Reauthorization Act) added the term “Local Educational Agency” or “LEA” to identify the entity responsible for application, certification, and verification activities for the NSLP or SBP.

Local education agency (LEA) means:

- the 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 a combination of school districts or counties that is recognized by the State;
- any other public or private nonprofit institution or agency having administrative control and direction of a public or private nonprofit schools, residential child care institutions; or
- the State educational agency in a State or territory in which the State educational agency is the sole educational agency for all public or private nonprofit schools.

For the purposes of this guidance, LEA is used when discussing application, certification, and verification activities. The term “school food authority” or SFA is used when discussing other activities. An SFA is defined as the governing body responsible for the administration of one or more schools which has the legal authority to operate the school meals programs in those schools.

B. Policy Statement

Each LEA participating in the NSLP or SBP must have an approved free and reduced price policy statement on file at the SA. If an LEA is just starting its participation in the NSLP or SBP, it must submit its policy statement to the SA for approval. Once approved, the policy statement becomes a permanent document,

amended when the LEA makes a significant change in its free and reduced price policy. See Appendix A for the requirements for the policy statement and amendments.

C. Public (Media) Release

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

The public release must also include that:

- Households receiving assistance under Supplemental Nutrition Assistance Program (SNAP) for their children, or, if their children are considered Other Source Categorically Eligible (i.e., children categorized as homeless, runaway, migrant, in Head Start Programs and, as applicable. Foster children), if known, will be notified of their eligibility for free benefits.
 - The household must notify the school if it chooses to decline benefits
- All children in households with any household member receiving benefits under Assistance Programs are eligible for free meals.
 - Children in Other Source Categorically Eligible Programs are also eligible for free meals.
 - Households should only submit an application if they are not notified of their child(ren)'s eligibility for free meals by a specified date determined by the school.
- If any child is not identified and notified as above, the household should contact the child's school.

The public release must contain the same information supplied in the letter to households (see Part 2, Section C. Informing Households), except that the public release must contain both the free and reduced price Income Eligibility Guidelines (IEGs). However, a public release that only refers to the SMP should not contain the reduced price IEGs.

The State agency may make 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 (e.g., sending the public release to the local media, employment office) and the names of the schools affected by the policy. Copies of the public release must be made available upon request to any interested person.

D. Terms Used in this Manual

Assistance Programs refers to Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF) and Food Distribution Programs on Indian Reservations (FDPIR). In this Eligibility Manual for the state of Arkansas the term Assistance Program refers ONLY to SNAP.

SNAP is the Supplemental Nutrition Assistance Program (formerly called Food Stamp Program).

The determination is made through an application with appropriate case numbers or through “direct certification”.

Categorically eligible children are those who are automatically eligible for free meal benefits because they, or any household member, receive benefits under SNAP or those children who are designated as members of Other Source Categorically Eligible Programs. An individual child’s eligibility under any of the Other Categorically Eligible Programs does not convey to other children in the household.

There are two ways to be classified as categorically eligible:

- Through participation in SNAP (a child or any member of the household, receives benefits from SNAP as determined through direct certification or an application with appropriate case numbers); or
- Through Other Source Categorically Eligible designation-homeless, runaway, migrant, foster child, Federal Head Start Program, State Funded Head Start Program, State-funded pre-kindergarten programs and Even Star Program(see Definition of Head Start and Even Star below)

Direct certification means determining children eligible for free meal benefits based on documentation obtained directly from the appropriate State or local agency or authorized individual. In most situations, direct certification of a child’s eligibility status should not involve the household. The communication exchange should be between an appropriate agency and the LEA/school.

Direct certification for SNAP can be conducted through a computer/electronic match between the SNAP program and/ or the State or LEA.

Direct certification for SNAP households must be conducted using electronic data match process.

A letter provided by SNAP to households to be submitted to an LEA no longer meets the requirement for SNAP direct certification. However, if a household provides a SNAP eligibility letter to the LEA/school, it must be accepted but is not considered direct certification.

Direct certification for Other Source Categorically Eligible Programs can be conducted through a computer/electronic match between appropriate officials from other source programs and /or the State or LEA.

Direct certification may also be conducted using lists of eligible participants provided to the state or LEA from appropriate officials from the Other Source Categorically Eligible Programs. Letters provided by such programs to eligible participants may also be used for direct certification.

No application is necessary if eligibility is determined through the direct certification process.

Direct verification means using public records as a means to verify children's eligibility for free and reduced price meals. Direct verification may be conducted with the SNAP Program, or appropriate officials in programs represented in the Other Source Categorically Eligible Programs and to a limited extent, with Medicaid/SCHIP.

Even Start refers to a Federally-funded Even Start Family Literacy Program and must be at the pre-kindergarten level.

Extension of categorical eligibility means that all children in a household with at least one child or household member who receives benefits from Assistance Programs are considered categorically eligible for free meals. Any one child's or household member's receipt of benefits under SNAP extends free school meal eligibility to all children who are members of the household.

Foster child means a child whose care and placement is the responsibility of the State or formally placed by a court with a caretaker household. A foster child is categorically eligible for free meals without further application. For purposes of determining eligibility for school meals for other children in the household, the foster child is considered a member of the household in which they reside. The foster child's income is only considered when the foster family applies for meal benefits for the non-foster children in the household.

Free Meal is a meal served in the NSLP or SBP to a child eligible for such benefits under 7CFR 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.

Free Milk is milk served in the SMP to a child eligible for free milk under 7 CFR Part 245 regulations. 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.

Head Start refers to the Federal Head Start Program and any State funded pre-kindergarten classes using identical or more stringent eligibility criteria than the Federal Head Start Program.

Household means a group of related or nonrelated individuals who are living as one economic unit. The term “family” has the same definition. These definitions are found in 7 CFR 245.2.

Income eligibility guidelines (IEGs) are the household size and income levels prescribed annually by the USDA Secretary of Agriculture for determining eligibility for free and reduced price meals. The free guidelines are at or below 130 percent of the Federal poverty guidelines and the reduced price guidelines are between 130 and at or below 185 percent of the Federal poverty guidelines.

Mixed households are households that include children designated as Other Source Categorically Eligible as well as children who are not.

Operating days are days during which meal service is provided.

Other Source Categorically Eligible Programs are those which make children automatically eligible for free benefits, either through direct certification or application, because the children are:

- Enrolled in a Federal Head Start Program;
- Enrolled in State-funded pre-kindergarten classes using identical or more stringent eligibility criteria than the Federal Head Start Program;
- Enrolled in a Federally-funded Even Start Family Literacy Program, must be at the pre-kindergarten level;
- Determined a homeless child by the school district’s homeless liaison or the director of a homeless shelter;
- Determined a runaway child who is receiving assistance from a program under the Runaway and Homeless Youth Act and is identified by the local educational liaison;
- Determined to be a foster child whose care and placement is the responsibility of the State or formally placed by a court with a caretaker

A child’s eligibility for free meals under Other Source Categorical Eligibility does not extend to any other child in the household.

Overt Identification means any action that openly identifies children as eligible for free or reduced price benefits in the NLSP or SBP.

Reduced Price Meal is 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, to a child eligible for such benefits under 7 CFR Part 245.

RCCI (Residential Child Care Institution) is generally any distinct part of a public or non-profit private institution that (1) maintains children in residents; (2) operates principally for the care of children; and (3) if private, is licensed by the State or local government to provide residential child-care services under the appropriate licensing code. The regulatory definition of “School” for NSLP or SBP includes RCCIs. See

Part 2: Application Materials and Part 4: Income Eligibility of this manual for additional guidance on how to certify residents of RCCIs.

School Year is the period between July 1 and June 30.

Working days are those days when school is open, teachers and/or school administration are on-site but food service is not in operation.

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Part 2: Application Materials

A. Design of the Application and Related Materials

The application and all supporting materials must be clear and simple in design and in an understandable and uniform format. The application materials must also conform to the requirements described in this part.

CNU, ADE distributes all forms and letters that are to be used in the Free and Reduced Price Meal Application and Verification process to the SFA in the spring of each school year for the following school year. The correctly updated application, forms and letters are in the Forms and Letter Packet that is part of the Policy Statement or Renewal of Policy Statement. This packet can be found on the CNU website (<http://cnn.k12.ar.us>) on the Forms page and the ADE Commissioner's Memos page. The most recent Commissioner's Memo that refers to the Agreement or Renewal of Agreement will have the current Forms and Letter Packet as an attachment. Make sure the Forms and Letters are for the correct school year. See Appendix B of this manual for link to website.

B. Foreign Language Translations

The application materials and other communications with households concerning eligibility determinations **must** be, to the maximum extent practicable, in a language that parents and guardians can understand. Where households need information in a language other than English, LEAs **must** make reasonable efforts, considering the number of such households, to provide household letters and application forms to them in languages other than English.

The Spanish language Free and Reduced Price Meals Application packet used in Arkansas is part of the Policy Statement or Renewal of Policy Statement distributed by ADE, CNU each spring for the following school year. See Appendix B of this manual.

The FNS web site at www.fns.usda.gov/cnd has prototype application and materials translated in a number of languages. If the household's primary language is other than English or Spanish please print the appropriate application from this USDA website link. LEAs are encouraged to provide households with assistance in completing applications through the use of personnel proficient in foreign languages.

LEAs are currently assisting Limited English Proficient (LEP) families as required under Title 6 of the Civil Rights Act of 1964. Under Title 6, LEAs have a responsibility to be aware of the language needs of LEP households and ensure these households have access to the same information other parents have in a manner they can easily understand. LEAs are reminded that free and reduced price application materials can easily be included along with educational materials that are provided to LEP families under the requirements of Title 6.

C. Informing Households

Each year at the beginning of school, a letter must be distributed to the households of children attending the school that informs families which school nutrition programs are available and that meals may be available free or at a reduced price. All LEAs must be able to provide households with paper applications and materials.

The letter should be sent to households of all school children before the time students start school in the new school year or as early as possible in the school year so that eligibility determinations may be made and free and reduced price benefits provided as soon as possible. LEAs should send out the letter NO EARLIER than four calendar weeks prior to the time students start school. Normally, this would be in mid-July through early September. Letters cannot be sent home at the end of the school year for the next school year nor can the LEA begin accepting and processing applications before the beginning of the Federally defined school year which is July 1 through June 30. As year-round schools usually follow the July 1 – June 30 school year, they would distribute letters in June, but cannot begin accepting or approving applications before July 1st.

NOTE: LEAs cannot send letters or applications home at the end of the school year for the next school year and the LEA cannot begin accepting and processing applications before July 1.

Late Enrollments

Households enrolling new students in an LEA after the start of the school year must be provided a letter and an application form when they enroll. If the LEA has the capability, the status of any newly enrolled students must be checked for SNAP eligibility at the time of enrollment.

Paper-based application processing

If the LEA uses paper applications, an application form and instructions must be included with the letter to households.

Computer or web-based application processing

If the LEA uses a computer or web-based system to process applications, the letter **must** inform the household how to access the system in order to apply for benefits. In addition, the letter **must** explain to the household how to obtain and submit a paper application. This may be done by including a telephone number or a form to return requesting that an application be sent.

Contents of Letter to Households

The letter must contain the following information:

- Income Eligibility Guidelines
 - For schools participating in the NSLP or SBP only the reduced price guidelines may be included, with an explanation that households with

- incomes at or below the reduced price limits are eligible for either free or reduced price meals;
 - For schools participating in the SMP with the free milk option, the free guidelines must be included;
 - 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 must be included.
- Instructions on how to apply for free or reduced price meals or free milk including the fact that only one application is required for all children in the household;
- Explanation that an application for free or reduced price benefits cannot be approved unless it contains complete eligibility information as indicated on the application and instructions;
- Statement that only the last four digits of the social security number of the adult household member signing the application is needed;
- 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; if the foster family is not eligible for free or reduced price meal benefits, it does not prevent a foster child from receiving free meal benefits;
- Explanation that categorical eligibility for free meals is extended (extension of categorical eligibility) to all children in a household when the application lists an Assistance Program's case number for any household member;
- Explanation that 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;
- Explanation that households with children who are categorically eligible under Other Source Categorically Eligible Programs should contact the school for assistance in receiving benefits;
- Explanation that the information submitted on the application may be subject to verification;
- Statement that a household may apply for benefits at any time during the school year;
- Statement that children of parents or guardians who become unemployed may be eligible for free or reduced price meals or for free milk during the period of unemployment;
- Statement to the effect that Special Supplemental Nutrition Program for Women, Infants and Children (WIC) participants may be eligible for free or reduced price meals;
- Explanation that a household may appeal the decision of the LEA with respect to the application using the hearing procedure described in the LEA's free and reduced price policy statement;
- Local contact information if the household has questions about the application process;
- The following two statements, as follows:

- In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discrimination on the basis of race, color, national origin, sex, age or disability.
- To file a complaint of discrimination, write USDA, Director, Office of Adjudication, 1400 Independence Avenue, SW, Washington, D.C. 20250- 9410 or call toll free (866) 632-9992 (Voice). Individuals who are hearing 13 impaired or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish). USDA is an equal opportunity provider and employer.

D. Household Applications

LEAs **must** provide household applications to families applying for free or reduced price meals. A household application is submitted by a household for all children in that household that attend schools in the same LEA.

LEAs cannot require one application for each child in a household except as discussed in the Exemptions to Household Applications below.

LEAs cannot require an application for each child in a household except for children residing in RCCI's. (See Exemption to *Household Applications*, below.)

LEA's cannot require separate applications for households with some children who are eligible based on categorical eligibility and some who are applying based on household income. An LEA can copy an application to allow them to process different eligibility determinations in mixed household situations.

The application provided to a household may only be pre-filled with the child's name. All other data required on the application must be completed by the household.

Exemptions to Household Applications

Each child residing in an RCCI is considered a household of one. An application **must** be completed for each child or the RCCI may use an eligibility documentation sheet for all children residing in the RCCI. The documentation sheet must provide information indicating the child's name and personal income received by the child, the child's date of birth, date of admission and date of release. The documentation sheet **must** be signed by an appropriate official and provide the official's title and contact information.

Children attending but not residing in an RCCI are considered members of the household in which they reside and their eligibility is determined using a household application or through direct certification

E. Electronic Applications / Scanning Paper Applications

The LEA may make the application and supporting materials available electronically via the Internet. In addition, the LEA may accept applications electronically and may provide for electronic signatures for such submissions. All disclosure restrictions must be met and acceptance of the application and electronic signatures must be in accordance with guidance (http://www.fns.usda.gov/cnd/governance/Policy-Memos/2007/SP_10-2007.pdf) issued by FNS. For information regarding electronic applications in Arkansas see Commissioner's Memo FIN-12-009.

The LEA may also scan the paper applications submitted. The scanning process must meet all regulatory requirements as well as perform functions as outlined in this guidance. For example, the software/scanner system must be able to recognize and accept less than whole dollar amounts.

NOTE: USDA, FNS and ADE, CNU does 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 the certification and verification processes meet all regulatory requirements and policies. Therefore, if software is used to perform all or part of the certification or verification process, the LEA must assure the software used is performing correctly and meets all requirements. The LEA must also assure that the letters and forms meet ADE, CNU requirements.

F. Contents of the Application

Except for the information in the attesting statement, the required information on the application form may be separate from the signature block. 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.

Because of the statutory change requiring only 4 digits of a social security number, the Privacy Act statement is no longer required. In lieu, the Use of Information Statement must be provided on the application.

The application form must contain:

- Use of Information Statement (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, 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 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), case number or other 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.

- Statement explaining the following:
 - The disclosure of the last 4 digits of a social security number is voluntary; however, the last 4 digits of a social security number, or an indication of “none,” is required for approval of the application, and
 - the last four digits of the social security number are required under provisions of the NSL.
- Attesting Statement, directly above the signature block for the signing adult, to certify that:
 - The person signing is furnishing true information and to advise that person that 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.

Categorical Eligibility Based on Assistance Programs (SNAP)

The application must provide space for identifying any household member who receives benefits from Supplemental Nutrition Assistance Program (SNAP) and the case number.

When a case number for SNAP for any household member is listed on the application, all children in the household are eligible for free meals.

Other Source Categorical Eligibility and Income Eligibility

In the case of children designated as Other Source Categorically Eligible the application must provide space for indicating each child’s status in the other source categories. 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. The LEA indicates free meal status for Other Source Categorically eligible children and then must determine eligibility for other children listed on the application through household size and income.

G. Questions and Answers

- Q1.** *A school wants to use the application for free and reduced price meal benefits to collect information from all households on their citizenship status. Is this permissible?*

- A. Schools may not collect information regarding a household's citizenship on the application for school meal benefits, because citizenship is not a requirement for participation in the school meal programs. Doing so would create a barrier to participation by deterring eligible households from applying for meals for their children
- Q2.** *How do I handle the distribution of applications for year-round schools?*
- A. Applications should be distributed on or about July 1, or soon thereafter, so that households are provided with current eligibility criteria and so that eligibility determinations are based on the current Income Eligibility Guidelines.
- Q3.** *In a computerized operation, may I submit a pre-printed copy of last year's application for the household to confirm the accuracy of the application and sign it? If not, what items may I preprint?*
- A. It is the household's responsibility to complete the application. The LEA may send households an application with the child's name, and the household's name and address pre-printed on it. No other information may be pre-printed.
- Q4.** *School applications sometimes request a birth date or other information not required through statute or regulation as a required field. Can these applications be marked as incomplete and not processed?*
- A. The LEA must not delay approval of applications, both on-line applications as well as hard copies of applications, if the household fails to provide any information **that is not required**. For example if the household fails to include its street address, or birth dates, processing of the application cannot be delayed.
- Q5.** *May I distribute applications in the lunch line?*
- A. This is not recommended. If the application is distributed in the lunch line, all students may not have access to the application, as all students may not be in the lunch line.
- Q6.** *May I distribute the applications to the children, or do I have to mail them to the households?*
- A. The school may distribute the applications and the information letter to the children to take to their family. They do not have to be sent in the mail. For example, the school could include the application in a packet of school related information addressed to the parent but carried home by the student at the beginning of the school year.

Q7. *May I announce that applications are available in the principal's office for any child or parent who wants one?*

A. Applications and letters of information to the households must be distributed in some manner. A public announcement that applications are available and that interested parties may pick one up is not sufficient.

Q8. *Must I send applications to children who were approved last year?*

A. LEAs are required to distribute applications at the beginning of each school year to households of all children in attendance at school unless the children are directly certified or are categorically eligible based on being on an appropriate list (for example: migrant or homeless).
See Part 5: Categorical Eligibility in this manual for more information.

This application distribution requirement is designed to ensure that current income and household size are correctly represented each year. If the children are directly certified or categorically eligible based on a list, then the LEA is required to send a letter to the household informing them of the status and that there is no need to complete an application.

See Appendix B of this manual for information regarding current forms and letters that must be used to fulfill this requirement, unless the LEA has had other forms and letters approved by CNU, ADE.

Q9. *Do I have to provide foreign language translations of the applications and household information letter if I have translators available to assist the households in completing the application?*

A. LEAs must send appropriate non-English language parent letters and application forms to households if a significant number of enrolled children come from households belonging to the same foreign language group and having limited English communication skills. If the number of non-English language households is not significant, the LEAs need not provide foreign language translations, unless requested by the household. Such LEAs are however, encouraged to provide assistance in filling out applications through the use of personnel proficient in the necessary foreign languages.
See Section B. Foreign Language Translations of this Part for information on obtaining non-English language forms and letters.

Q10. *Do the applications requirements apply in non-pricing situations?*

A. In LEAs in which all schools participate in Provision 1, 2, or 3 no applications should be sent home, except in those years in which applications are taken for all students in attendance (i.e., the base year).

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Part 3: Processing Applications

A. Submitting an Application

Unless the children in a household are determined eligible through direct certification or are categorically eligible based on being on an appropriate list (for example: migrant or homeless), the family **must** submit an application to receive free or reduced price meals. The information that the household **must** provide depends on whether the children are categorically eligible based on the household receiving Supplemental Nutrition Assistance Program (SNAP) benefits for the household or applying based on the household income. The information provided by the household on the application **must** be the most recent available.

Households cannot be required to submit applications for free or reduced price benefits. See ADE Commissioner's Memo IA-05-018.

B. Benefits Prior to Processing / Processing Timeframe

Before applications are processed for the school year, the LEA can only claim and be reimbursed for free and reduced price meals served to:

- Children from households with approved applications on file from the previous school year;
- New children in an LEA from households with children who are approved (by application or Direct Certification) for benefits the previous school year. A child's categorical eligibility (other than Direct Certification) may not be extended to a sibling; and/or
- Previously approved children who transfer from one school to another under the jurisdiction of the same LEA. For children transferring in the same LEA from a school using Provisions 1, 2 or 3, carryover is applicable only if the prior year was a base year and the child's individual eligibility information is available. If the applications are not centrally maintained, both the sending and the receiving school **must** maintain a copy of the child's application.

Carryover of Previous Year's Eligibility

LEAs **must** carryover the eligibility status from the previous year for any child described above. The carryover is for up to 30 operating days (beginning with the first day of school) into the current school year. This applies to direct certification, categorical eligibility determinations and income applications. **However, the new eligibility determination supersedes the carryover eligibility.** Any student with eligibility from the previous year **must** be allowed the full 30 day carryover unless they turn in a new application, or are listed on a new categorical eligible list. When the new application is processed or the new list completed then the LEA **must** implement the new eligibility status in accordance with the "Application Processing Timeframe" discussed below. If the student does not turn in a new application and is

not listed on a categorical eligible list, then the carryover is discontinued after 30 operating days.

Carryover of the eligibility status from the previous year also applies to children in Head Start Programs *if* the SFA administers both the Head Start Program and the school in which the child attends kindergarten.

Local school officials are encouraged to expedite eligibility determinations for all new enrollees. In addition, LEAs **must** determine and implement the eligibility status of all applications submitted for the current school year within 10 working days of the receipt of the application, unless otherwise stipulated by CNU, ADE.

Prior to processing applications for the school year, LEAs cannot claim or be reimbursed for free and reduced price meals served to new students who are not part of households approved the previous school year or to children who transfer between schools under the jurisdiction of different LEAs unless the receiving school obtains a copy of the prior year's application. Therefore, local school officials are encouraged to expedite eligibility determinations for all such new enrollees.

NOTE: SAs and LEAs cannot establish a shorter time frame for carryover of previous year's eligibility (cannot be shorter than 30 operating days). For example, the LEA cannot state that the household **must** have an application turned in by a certain date (like September 1st) or carryover will be discontinued. Carryover for students that have not submitted a new application or are not on a categorically eligible list cannot be discontinued before the 30th operating day. However, once an application is processed and approved or denied, the LEA **must** implement that determination in accordance with the time frames discussed in "Application Processing Timeframe" below.

Student's Eligibility and Claiming Free and Reduced Price Reimbursements

Except during the initial carry-over period, in order for a child to be eligible for free or reduced price meals, the household **must** submit a complete application, be either directly certified, on a list of other categorically eligible, or live in the same household as a child on the direct certification list. Further, in order for a child's meal to be claimed for Federal reimbursement at the free or reduced price rate the LEA or school **must** have an approved application on file, the child's name **must** be on a list of directly certified, the child lives in the same household as a student on the direct certification list, or the child's name must be on a list of other categorically eligible children

Application Processing Timeframe

Applications **must** be reviewed in a timely manner. An eligibility determination **must** be made and implemented within 10 working days of the receipt of the application. Whenever possible, applications should be processed immediately, particularly for children who do not have approved eligibility benefits on file from the previous school year.

Households should be notified immediately if benefits are denied or reduced from the level of the previous year in order to provide adequate time for the family to make appropriate arrangements for payment to prevent the household from accumulating meal charges.

A new lower eligibility determination should be implemented only after the family has been notified. For example, in the case of a household that received free benefits the previous year and will now receive reduced price benefits for the new school year; adequate notice should be provided.

C. Determining if Submitted Applications are Complete

To be considered complete, an application **must** include the required information. The information required depends on the basis of the application, i.e., household income or categorical eligibility based on SNAP case number. The LEA should make reasonable efforts to contact the household in order to obtain or clarify required information.

Categorical Eligibility Applications

SNAP Benefits

This source of categorical eligibility may be determined based on an application submitted by a household because this program provides distinct case numbers.

There are no “mixed households” under the Assistance Program (SNAP) because if any member of the household receives benefits from SNAP, all children listed on the application are eligible for free meals. If income information is also provided, it should be ignored.

For this situation, a complete application **must** include:

- The names of the children for whom the application is made;
- A SNAP case number for the household for whom the application is made;
- Name of a household member receiving SNAP benefits; and
- The signature of an adult household member.

Extension of Categorical Eligibility

LEAs must ensure that children in a household that lists an Assistance Program case number on an application for any household member are provided free meal benefits. This extension of categorical eligibility also applies to the direct certification process.

Other Source Categorical Eligibility (Except Foster Children)

Children may be categorically eligible due to Other Source Categorical Eligibility status through an application (or direct certification). Under this designation, an appropriate box on the application must be checked indicating the child’s status. The child is determined eligible for free meals and the LEA must then document the status with appropriate officials for each program (as described below).

A complete application must provide:

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

While children may be categorically eligible due to their migrant, homeless or runaway status or due to enrollment in income based Head Start / Even Start programs, they cannot be determined eligible based on self-declaration of such status on an application.

There is no provision for establishing eligibility for these programs based on case numbers as is permitted for the SNAP Program even if the sponsoring agency *provides case numbers*.

These children **must** be certified as being eligible through the school district's Migrant Education Program (MEP) liaison, homeless / runaway liaison or other official sources. In Arkansas the LEAs **must** have a list from each of these programs (migrant, homeless, runaway, Head Start, Even Start) designating each student that is eligible based on being involved in the program. See Part 5: Categorical Eligibility of this manual for more information.

If there is an indication on the application that a child may be categorically eligible due to being a member of one of these categories, LEA officials **must** contact the appropriate liaison or school official to confirm categorical eligibility. If the eligibility is confirmed the LEA **must** send the household a notice of approval. The current approved letter is part of the Forms and Letters packet of the Policy Statement or Renewal of Policy Statement. See Appendix B for website link.

If the eligibility is not confirmed the LEA official **must** contact the household and request the household complete an application with household income information. LEA officials **must** determine eligibility under these circumstances through the appropriate officials as discussed in Part 5: Categorical Eligibility of this manual.

Foster Children Eligibility

A foster child whose care and placement is the responsibility of the State or who is placed by a court with a caretaker household is categorically eligible for free meals. The child's status for free meals is taken at face value, as with income applications. No further action/follow up is required. If an application is submitted for a foster child or the foster child is included on the foster family's application, then the application is part of the verification pool and the foster child's eligibility must then be verified, if it was not directly certified.

A complete application must provide:

- Name of the foster child;
- Checked box indicating a child's foster care status; and
- Signature of an adult household member.

Income Eligibility

A complete income eligible application **must** provide:

- The names of **all** household members;
- The amount of current income by each member, the source of the income and the frequency of the income;
- The signature of an adult household member; and
- The last four digits of the social security number of the adult household member who signs the application or an indication that the household member does not have a social security number (box checked for “no social security number”).

If the family’s current income does not reflect the income that will be available during the school year, the family should contact the LEA for assistance in completing the application. See Section C. Determining Household Income in Part 4: Income Eligibility of this manual for additional information.

Indication of Different Types of Eligibility

On applications indicating mixed households, where some children are Other Source Categorically Eligible and some children are not, the LEA must have a method to process different eligibility statuses that may result from these applications. While the household cannot be required to submit multiple applications, the LEA may reproduce the application to accommodate more than one eligibility status or may process the application separately in a computer-based system.

After the Other Source Categorically Eligible children are determined eligible for free meal benefits, the LEA must then use the household’s income and size (including children in the other source category) to determine if the non-categorically eligible children listed on the application are eligible for meal benefits.

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

A complete mixed application must provide:

- Names of all household members;
- An indication of the Other Source Categorical Eligibility status of a child; for a foster child, list any personal income made available to the foster child, and earned by the foster child as appropriate;
- Signature of an adult household member; and
- Last four digits of the social security number of the adult household member who signs the application or, an indication that the household member does not have a social security number.

Reviewing Submitted Applications for Completeness

The determining official **must** review each incoming application to ensure that the household has submitted a complete application. If the application is complete, the official **must** then determine whether the children are categorically eligible or income eligible for benefits based on the information provided on the application.

Any application that is missing required information, that contains inconsistent information, or is unclear is considered an **incomplete application and cannot be processed**. The LEA **must** make reasonable efforts to contact the household in order to obtain or clarify required information. This contact **must** be documented on the application.

To obtain the required information on any incomplete application the LEA **must** contact the household either by phone or in writing. The determining official **must** document the details of the contact on the application, date and initial the entry. Applications missing the signature of an adult household member **must** be returned to the household for signature.

The LEA **must not** delay approval of the application if the household fails to provide any information that is not required. For example, if the household fails to include its street address, processing of the application cannot be delayed.

D. Citizenship / 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 not-citizens.

The United States Department of Agriculture (USDA) has determined that the NSLP and SBP are not subject to Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) which restricts certain welfare and public benefits for aliens.

LEAs may not request citizenship status on the application as this may deter otherwise eligible households from applying.

E. Current Income / Conversion of Different Income Frequencies

For the purposes of certification of eligibility for free or reduced price meals, the household **must** provide their current income which is based on the most recent information available. **This may be for the current month, the amount projected for the first month the application is made for or for the month prior to application.** If the household's current income is not a reflection of income that will be available over 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 households.

Income Received at Different Intervals

Households may have income from different sources which are paid on different schedules or frequencies. For example, the household may receive paychecks on a

weekly basis and child support on a monthly basis. This section explains when conversion of income is required and how conversion is done.

- No conversion required
 - ◆ if there is only one source of income or if all sources are received in the same frequency, no conversion is required. The LEA would total all sources and compare them to the appropriate IEG. For example, if a household of 3 reported receiving a monthly Social Security check and monthly child support, those amounts would be added together and the result compared to the monthly IEG for a household of three.
- Conversion required
 - ◆ if there are multiple income sources with more than one frequency, the LEA **must annualize** all income by multiplying:
 - weekly income by 52;
 - bi-weekly income (received every two weeks) by 26;
 - semi-monthly income (received twice a month) by 24; and
 - monthly income by 12
 - ◆ **do not round** the values resulting from each conversion
 - ◆ add all of the un-rounded converted values and compare the un-rounded total to the appropriate IEG for annual income for the 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. Any conversions **must** be to annual income, not monthly income. Software used **must** reflect this policy.

Indicating which household members have income and sources of income

Each household **must** provide the total amount of their current income. Income **must** be identified with the individual who received it, and the source of the income (for example, wages, Social Security, child support). Each household member who does not have income **must** also be identified and **must** have an indication of zero income on the application. Zero income may be indicated by checking a “no income” box, by writing in “zero” or “no income” or by inserting \$0.

F. Determining Eligibility

How the LEA official determines eligibility depends on the basis for potential eligibility – categorical eligibility with case numbers, categorical eligibility without case numbers or income eligibility.

Determining Eligibility for Categorical Eligibility Using Case Numbers

If the application indicates a SNAP case number then the determining official **must** assure that the SNAP case number is valid (i.e., in Arkansas the valid format is a 9 digit number). LEA officials need to be familiar with the format of valid case numbers. If there is any doubt concerning the validity of a case number submitted on an application, an LEA official should contact local SNAP officials. Applications with invalid case numbers **must** not be approved. However, for all children on an

application with a valid case number, the LEA **must** approve the children as eligible for free benefits.

Only the case number may be used to determine eligibility on SNAP approved applications; for example, the electronic benefit (EBT) card number used by the SNAP Program **cannot** be used to establish categorical eligibility.

Determining Eligibility for Categorical Eligibility without Case Numbers

LEA officials **must** determine eligibility under these circumstances through the appropriate officials as discussed in Part 5: Categorical Eligibility of this manual. Further, if an LEA official or an official of the school district has knowledge that a child may be Other Source Categorically Eligible (migrant, homeless or runaway child), that official may apply on that child's behalf in accordance with the procedures in Section J: Households that Fail to Apply in this Part of this manual.

When an LEA receives an application with any of the Other Source Categorical Eligibility (migrant, homeless or runaway child) categories indicated, the determining official must document free meal eligibility for each child in any of those categories as described in Part 5. An appropriate official from the agencies must confirm a child's status either through direct contact to the agency or by a list of names provided by the agency.

Determining Eligibility Based on Income

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

- LEA officials **must** determine countable income (see Part 4: Income Eligibility of this manual);
- 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 any **required** information is missing, the information **must** be obtained before eligibility determination can be made;
- To get the required information, the school may contact the household either by phone or in writing. The determining official should document the details of the contact on the application, and date and initial the entry;
- Applications missing the signature of an adult household member **must** be returned for signature;
- Every reasonable effort should be made to obtain the missing information prior to denying the application;
- **Information about all attempted contacts should be documented on the application.**

Verification for Cause

The LEA has an obligation to verify all approved applications that may be questionable (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 on face value. **Only after the determination of eligibility has been made can the LEA begin the verification process.** See Section D. Verification for Cause in Part 8: Verification of Eligibility for School Meals in this manual for more information.

G. Duration of Eligibility

A child’s eligibility is in effect from the date of eligibility for the current school year and for up to 30 operating days in the subsequent school year. However, this does not apply when the initial eligibility determination was incorrect or when verification of household eligibility does not support the level of benefits for which the household was approved. In those instances, officials **must** make appropriate changes in eligibility.

H. Temporary Approval

Temporary approval of an application is no longer applicable because of the year long duration of eligibility provision. After approval of applications at face value, if a SFA/LEA is concerned with the authenticity of the information provided on an application, they may, on a case by case basis, verify the application for cause.

I. Unapproved Applications

Any child who is not categorically eligible or who is in a household that does not meet the income eligibility standards cannot be approved for benefits. If there are any inconsistencies or questions concerning the required eligibility information provided, the household’s application **must** be denied unless the inconsistencies or questions are resolved. For instance, if it is unclear whether the household provided weekly or monthly income, this issue **must** be resolved before an eligibility determination can be made. School officials should contact the household prior to denial, document the details of the contact on the application, and date and initial the entry.

J. Households That Fail to Apply

Local school officials may complete an application for a child known to be eligible if the household fails to apply. When exercising this option, the school official **must** complete an application on behalf of the child based on the best household size and income information. The source of the information **must** be noted on the application. Names of household members, social security number, and 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. A statement from the teacher, counselor and / or school official that is aware of the circumstances should be attached to these applications.

Once the documentation is received, that information **must** be noted on the application and the child's eligibility status is effective for the remainder of the school year and also would carry-over for up to 30 operating days in the next school year. If no documentation is received to confirm the child's status as a migrant, homeless or runaway child, the child's benefits are terminated and a new application **must** be filed either by a school official or by the child's parent or guardian.

K. Notification of Eligibility Determination

All households that complete an application **must** be notified in writing of the eligibility status.

Households with children who are denied benefits **must** be given written notification of denial. The notification **must** advise the household of:

- The reason for the denial of benefits;
- The right to appeal;
- Instructions on how to appeal; and
- A statement that the family may re-apply for free and reduced price benefits at any time during the school year.

Households with children who are approved for free or reduced price benefits either by application or categorical eligibility **must** be notified in writing.

L. Changes in Household Circumstances

Because of year-long duration of eligibility, households are no longer required to report changes in income or household size or changes with regard to participation in a program that makes the children categorically eligible. However, families may voluntarily report changes. If a change is reported that will increase benefits, the LEA **must** put that change into effect. However, if the change will decrease benefits (free to reduced price) or terminate free or reduced price benefits (free or reduced price status to paid status), the LEA **must** explain to the household that the change **does not have to go into effect** but, that the household **may** request that the lower benefits go into effect. If the household does request the lower benefits then the LEA would provide the household a notice of change in eligibility for benefits.

M. Appeals

A household may appeal either the denial of benefits or the level of benefits for which they have been approved. When a household requests an appeal the hearing procedures outlined in the LEA's approved free and reduce price policy statement on file with CNU, ADE **must** be followed. The LEA should have a copy of the most

recently approved policy statement with these appeal procedures on file at the district. See Part 8: Verification of Eligibility for School Meals, Section K. Notice of Adverse Action and Section L. Benefits During an Appeal of this manual.

N. Recordkeeping

LEA officials **must** do the following:

- For approved applications:
 - ◆ indicate the approval date;
 - ◆ indicate the level of benefit for which each child is approved;
 - ◆ indicate the date the approval notice sent to household; and
 - ◆ sign or initial the application.
- For denied applications:
 - ◆ indicate the denial date;
 - ◆ indicate the reason for the denial;
 - ◆ indicate the date the denial notice was sent; and
 - ◆ sign or initial the application.

Documentation of Eligibility Notification to Households

The LEA must document when eligibility notifications are sent to households. One method of documentation could be that each day notification letters are sent home a list could be generated to indicate the correspondence has been sent to the households. If the LEA chooses this method of documentation the list **must** have identifying information (i.e.: student's name or application number) and the date the determination letter was sent to the household.

The LEA could develop another method of documenting the dates of notification letters sent to households (i.e.: column added to master roster for date of notification letter). The LEA **must** keep a sample copy of the letter sent to households.

Updating Records for Changes during the School Year

If any change, such as a transfer to another school within the LEA or if the household voluntarily requests that a change be made, is made after the initial approval for the current school year, the LEA officials **must**:

- Note the change on the application;
- Write the date of the change on the application;
- Implement the change by updating district master rosters and any other methods used at the point of sale, and all child nutrition records.

When a student transfers to another school within the LEA, the date of the transfer **must** be noted on the application. The LEA **must** have a method of tracking students transferred within the district.

Record Retention

All free and reduced price applications, including applications from households denied benefits and inactive applications, **must** be kept on file for a minimum of five (5) years after the final claim is submitted for the fiscal year to which they pertain. Files **must** be kept longer if they are 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.

Applications may be maintained either at the school or at a central location with a list of eligible children maintained at the school. If an LEA maintains applications at a central location, applications **must** be readily retrievable by school, and the LEA **must** ensure that any changes in eligibility status and transfers in and out of the school are accurately and promptly reflected on each application and master roster.

LEAs in a non-pricing situation such as Provision 1, 2, or 3, **must** keep base year applications for a minimum of five (5) years after the last school year in which meals were claimed for reimbursement based on those applications. This includes the original four year approval period, plus all extension periods. For example, schools **must** keep applications for five years after the establishment of a new base year or for five years after the school is no longer on Provision 1, 2 or 3.

O. Transferring Eligibility between LEAs

When a child transfers within the same LEA from a school using Provision 1, 2, or 3, a new application or direct certification is required unless the transfer is in a base year and the child's individual eligibility information is available. If the transfer is done in a non-base year, a new application is required. This is also applicable when a child transfers to a new school district.

When a student transfers to another school district, the receiving LEA may accept the eligibility determination from the student's former LEA (transferring LEA) without incurring liability for the accuracy of the initial determination. A copy of an application **must** be provided for the receiving LEA to accept the transferring LEAs determination. The receiving LEA should review the application for arithmetic errors and compare the income and household size to the applicable IEGs to assure that the correct level of benefits was assigned. If the receiving LEA determines that an error occurred, the receiving LEA **must** notify the household that it **must** file an application in the new LEA in order to receive benefits. Also the receiving LEA must make changes that occur as a result of any verification activities or review findings conducted in that LEA.

Categorical determination can be transferred by letter from the transferring LEA to the receiving LEA. The letter **must** state the method of categorical determination (i.e. directly certified, migrant, etc.) and be signed and dated by an official of the transferring LEA.

P. Other Uses of Information from the Application

The information provided by families will be used only for determining eligibility for meal benefits and verification of eligibility. LEAs that plan to disclose children's eligibility status for purposes other than for determining and verifying free or reduced price eligibility **must** inform households of this potential disclosure. Additionally, in some cases, the LEA **must** obtain parental consent prior to the disclosure. LEAs that anticipate disclosure specifically to Medicaid or ARKids 1st **must** notify households of this potential disclosure and give households the opportunity to decline the disclosure. See Part 7: Confidentiality / Disclosure, in this manual.

Distribution and processing applications *solely for information about household income* to determine the funding or benefits for programs other than the school meals programs or to determine eligibility for other programs **is not permitted**. Therefore, 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 schools or LEAs collect such information for *non-program purposes*, the applications *may not be labeled as applications for meal benefits* under the school meals/milk programs or give any indication that such benefits are contingent upon a household returning the application.

If LEAs provide households with multi-use applications, which include both meal program benefits as well as non-food benefits, 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 consent from the parent(s) or guardian(s) to use the information provided on the application for non-program purposes or for purposes not permitted in this guidance.

Q. Questions and Answers

Processing Applications

Q1. *How much judgment or discretion may the LEA exercise in determining whether a household does or does not meet the eligibility criteria for benefits?*

A. Frequently questions arise concerning what is to be included as income and what constitutes a household. This manual is intended to provide guidelines for those individuals making eligibility determinations. The guidance cannot, however, address each individual situation. Determining officials will occasionally have to apply the broad concepts set forth in this guidance to

some individual situations. If unusual situations unlike any examples in the guidance arise, the LEA determining official should contact the CNU, ADE.

Q2. *How quickly should I process applications?*

A. Applications for new students and others who cannot be provided meal benefits based on the prior year's eligibility should be processed as quickly as possible. For children with an application on file from the prior year, an eligibility determination should be made and implemented within 10 working days of the return of the new application, unless otherwise stipulated by the SA.

Q3. *A school sent home a statement requiring all households to complete and submit the application for free and reduced price meal benefits. Is this permissible?*

A. No. Schools cannot require a household to submit an application if they choose not to do so.

Q4. *If any item of required information is missing from the free and reduced price application, may the determining official complete the application for the household using information derived from other records available to the school?*

A. No. All required information **must** be provided on the application and cannot be derived from another source (i.e. last four digits of adult social security number on income applications).

Q5. *Can the determining official make an eligibility determination based on other income sources, which were not declared on the application but about which the official knows?*

A. No. The determining official **must** make the initial determination based upon the face value of the application. However, immediately after the application is approved, the LEA may verify that application for cause.

Q6. *A household voluntarily provided pay stubs that conflict with the income information on the application. According to the income information on the application, the household is eligible for benefits. However, from the pay stubs, it appears that the household is not eligible. What should the determining official do?*

A. The submission of documentation that does not support the information provided on the application **must** not affect the initial eligibility determination. The determining official **must** approve or deny the application on face value and notify the household of the initial eligibility determination.

Under the circumstances in this question, an LEA official **must** take appropriate action by either:

- Sending the household a notice of approval and a notice of adverse action at the same time. This provides the household opportunity to resolve the discrepancy during the 10-day advance notice of adverse action; or
- Sending the household a notice of approval and a notice of verification letter (based on verification for cause) at the same time.

LEA officials are in the best position to determine the appropriate action to take. However, the inconsistency **must** be resolved expeditiously.

Q7. *A household voluntarily provided pay stubs with the application but did not write the amount of each person's income on the application. All other items were completed. According to the pay stubs, the household is eligible for benefits. What should the determining official do?*

A. Rather than denying the application or returning the application to the household, the determining official should contact the household to ensure that the household submitted information about **all** sources of income. The official should document the contact, enter the information on the application and initial and date the action. The application would then be processed depending on whether it was approved or denied.

Q8. *May the approval of applications be delegated to a food service management company (FSMC) along with other management responsibilities?*

A. An employee of the 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 being met and the information on the application remains the property of the LEA and cannot be used or possessed by the food service management company for any use other than to determine eligibility for free or reduced price meals.

Q9. *In computerized operation, where the computer generates the determination, does the determining official have to sign or initial each application?*

A. No. The determining official may sign or initial and date a sheet of paper that would then be attached to a batch of applications. However, the computer system should be able to capture the original date of approval, the basis for the determination (i.e., what household size and income was used), and to update the status of applications to account for transfers, withdrawals, terminations, and other changes. The LEA **must** have sufficient paper audit trail to back up eligibility determinations used for meal reimbursement claiming purposes. The determined eligibility **must** be indicated on the application.

Q10. *A number of children from a Federally declared disaster are temporarily moved to my school district. How do I certify these children?*

A. If these children are determined homeless by the school district's homeless liaison, they **must** be certified for free meal. Contact the State agency for assistance. See Part 5: Categorical Eligibility for more information.

Determining if an Application is Complete

Q1. *What is acceptable as an adult signature?*

A. Any printed name or cursive signature appearing in the space following the attesting statement is an acceptable signature. We cannot expect all legal signatures to be cursive.

Q2. *Does an emancipated child sign his/her own applications? Is a social security number required?*

A. An emancipated child who lives alone as a household of one or as a member of a household with no adult household members **must** sign his or her own application. No social security number is required for the emancipated child.

Q3. *Who signs the application of a foster child?*

A. The foster parent or guardian or other official representative for the child **must** sign the application for a foster child; however, the foster parents' or guardians' income, household size, and social security number are not needed on the application.

Q4. *When foster parents apply for benefits for their own children, do they include their foster children as household members?*

A. Yes. Foster parents who apply for meal benefits for their children may include their foster child (ren) (including a preschool foster child) on the application as a household member. A foster child's income (personal income provided to the child or earned by the child) is only considered when the foster parent(s) submit an application for the non-foster children in the household.

Q5. *What if there is no income listed on an application and the boxes for "no income" are not checked? Do I consider it as zero or should I go back to the household for additional information?*

A. If no income is listed on the application and the boxes for "no income" are not checked, the determining official should contact the household for additional information. If the determining official is unable to contact the household, the application **must** be denied because it is incomplete.

- Q6.** *What if the racial / ethnic data collection question is not completed?*
- A.** Parents' submission of this information is voluntary, and failure to provide this information **must not** affect the child's eligibility for benefits. The LEA must follow the procedures outlined in the SFAs approved Policy Statement on file with CNU, ADE.
- Q7.** *An application was approved for benefits and the household notified. During a review of the applications later in the school year, the reviewer discovered that the determining official had made an error and that the information on the application did not support the household's eligibility for benefits. What should be done?*
- A.** Whenever (during the course of a school year) there is a reduction or termination of benefits, for whatever the reason, households **must** be provided the 10 calendar day advance written notice of adverse action. When there is an increase in the level of benefits, the household **must** be notified and the increase in benefits implemented no later than 3 operating days from the date of determination.
- Q8.** *If a school is providing benefits for a child during the first 30 operating days of the school year based upon income information from the previous years eligibility, and upon receiving the current year's application for the household, the school determines that there is a decrease in the child's benefits, is it necessary to provide a notice of adverse action at the end of the 30 days?*
- A.** No, it is not necessary to provide a notice of adverse action. The LEA **must**, however, notify the household of the decision made on the current school year's application.
- Q9.** *What kind of notice is recommended for children determined to be eligible for free or reduced price meals?*
- A.** Households **must** be notified in writing of their eligibility for benefits. LEAs **must** notify households of their children's eligibility for free or reduced priced benefits by letter. The letter from the LEA **must** comply with the most recent USDA requirements as supplied by CNU, ADE in the forms and letter packet of the current years Policy Statement or Renewal of Policy Statement. See Appendix B for link to this packet.
- LEAs may also use an automated system which assures accuracy of information and confidentiality and uses the current letters and forms as supplied by CNU, ADE. When an application is submitted, the household **must** always be notified of the determination of eligibility in writing.
- Q10.** *When foster parents apply for benefits for their own children, do they include their foster children as household members?*

A. Yes. Foster parents who apply for meal benefits for their children may include their foster child(ren) (including preschool foster children) on the application as a household member. A foster child's income (personal income provided to the child or earned by the child) is only considered when the foster parent(s) submits an application for non-foster children in the household.

Q11. *A child and his mother are living with her sister's family because they were evicted. The child was determined homeless by our liaison and is therefore categorically eligible for free meals. Can the sister count the child and his mother in her household?*

A. Yes, unless the mother and her child are not part of the same economic unit as her sister. This homeless child is always eligible for free meals even if the sister's children are ineligible or only qualify for reduced priced meals. Further, based on year long duration, the homeless child retains his / her free meal status when his / her family is no longer homeless and the sister's children also retain their eligibility status for the current school year.

Custody Situations

Q1. *Parents share the custody of their daughter and the child lives alternately with her mother and her father. Based on the mother's income, she is entitled to free meals. I understand that the child is entitled to free meals even when she is with her father. My question is – can the father include her as a household member in his household?*

A. Yes. Since the daughter is part of each parent's economic unit while she is in residence at the respective households, both parents may include her as a household member.

Q2. *In a split custody situation, a child is eligible for free meals based on the application submitted by his mother. However, his father told us he doesn't want his son to get free meals while he is with him. Can I still claim the boy's meals at the free rate?*

A. No, when the child is residing with his father and the father pays for the meals, you cannot claim that child's meal at the free rate.

Accepting Benefits

Q1. *What if a child is eligible for free meals, but the household wants to pay the reduced price?*

A. The school should respect the family's wishes and allow the child to pay the reduced price charge. The application should correctly reflect that the child is eligible for free meals. However, the school should note on the application

that the family has elected to pay the reduced price charge. The meals served to such a child **must** be claimed for reduced price reimbursement since the school received the reduced price payment from the household.

Maintenance of Applications

- Q1.** *May changes in the status of an application be maintained in a computer instead of being noted on the application?*
- A.** No. Changes in the status of an application **must** be maintained on the application **AND** in the computer system. The LEA **must** have a paper audit trail to back up claims for reimbursement. School officials **must** ensure that the changes are readily retrievable by school and are provided to State and Federal reviewers along with the applications during a review of applications. Also, any changes **must** be promptly noted on eligibility rosters and any necessary child nutrition records.

Part 4: Income Eligibility

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Part 4: Income Eligibility

A. General

To determine if a household meets income eligibility requirements for benefits, LEA officials **must** compare the household size and the total household income to 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 for benefits. Although LEA officials may have to use their own discretion in some instances, this section explains the requirements for determining household composition and income and also provides guidance on how to handle special situations.

B. Determining Household Composition

Household composition for the purpose of making an eligibility determination for free and reduced priced benefits is based on economic units.

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 who share housing and/or significant income and expenses of its members. 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 economic independence from one another.

Special Situations

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. (See Question 5 at the end of this part.)

Because some adopted children were first placed in families as foster children, parents may not be aware that, once the child is adopted, he / she **must** be determined eligible based on the economic unit and all income available to that household, including any adoption assistance, is counted when making an eligibility determination.

Due to year-long eligibility, the free eligibility status of a foster child does not change within the school year if the child changes from foster child to adopted child. However, for subsequent school years, an adopted child’s eligibility must be determined.

Child Attending an Institution – A child who attends but does not reside in an institution is considered a member of the household in which she / he resides.

Child Residing in an Institution – A child residing in an RCCI participating in the NSLP and / or the SBP or in the SMP 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. If a child is attending a participating boarding school and wishes to apply for meal benefits, s/he is not considered a household of one. Instead, the child's eligibility is determined based on his family's size and income. This also applies to foreign students attending boarding schools.

Child Living with One Parent, Relative, or Friends – In cases where no specific welfare agency or court is legally responsible for the child or where the child is living with one parent, other relatives, or friends of the family, the child is considered to be a member of the household with whom she / he resides. Children of divorced or separated parents are generally part of the household that has custody.

Joint Custody – When joint custody has been awarded and the child physically changes residence, the child is considered part of the household where she / he reside. In these situations, if both parents apply for benefits in the same LEA for the child, and different eligibility statuses result, the greatest benefit level is used. For example, if the mother's situation results in eligibility for free meals but the father's application is denied, the child would receive free meals regardless of which parent had custody at the time.

Emancipated Child – A child living alone or as a separate economic unit is considered to be a household of one.

Foreign Exchange Student – A foreign exchange student is considered to be a member of the household in which she/he resides, i.e., the household hosting the student.

Foster Child – A foster child is a child whose care and placement is the responsibility of the State or who is placed by a court with a caretaker household. Such a child is considered a member of the foster parent(s) household. A foster child placed with relatives through a formal arrangement by the courts or State is also considered a foster child. A child is not considered a foster child if placed informally with relatives and not through court or State intervention.

Family Members Living Apart – Family members living apart on a temporary basis are considered household members. Family members not living with the household for an extended period of time are not considered members of the household for purposes of determining eligibility, but any money made available by them or on their behalf for the household is included as income to the household.

Deployed Service Personnel – While family members not living with the household for an extended period of time are not usually considered household members, any member of the armed services who is activated or deployed in support of any military combat operation is still counted as a household member. Any money made

available by them or on their behalf for the household is included as income to the household with the exception of combat pay (See Part4C: Determining Household Income/Special Situations).

C. Determining Household Income

Reportable Income

Income is any money received on a recurring basis, including **gross** earned income, unless specifically excluded by statute. Gross earned income means all money earned **before** such deductions as income taxes, employee's social security taxes, insurance premiums, and bonds. Income includes but is not limited to:

- Earnings from work
 - ◆ Wages, salaries, tips, commissions;
 - ◆ Net income from self-owned business and farms;
 - ◆ Strike benefits, unemployment compensation, and worker's compensation.
- Welfare / child support / alimony
 - ◆ Public assistance payments / welfare benefits (General Assistance, General Relief, etc.);
 - ◆ Alimony or child support payments.

Note: SNAP benefits are **not** counted as income.

- Retirement / disability benefits
 - ◆ Pensions, retirement income, veteran's benefits;
 - ◆ Social security benefits;
 - ◆ Supplemental security income;
 - ◆ Disability benefits.
- Any other income
 - ◆ Net rental income;
 - ◆ Annuities;
 - ◆ Net royalties;
 - ◆ Interest;
 - ◆ Dividend income;
 - ◆ Cash withdrawn from savings;
 - ◆ Regular contributions from persons not living in the household;
 - ◆ Any other money that may be available to pay for children's meals; or
 - ◆ Income from estates, trusts and / or investments.

Current Income

Households **must** report current income on a free and reduced price application. Current income means income received by the household for the current month, the amount projected for the first month the application is made for or 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 LEA officials, project its annual rate of income based on the guidelines on Special Situations below.

Special Situations

Projected Income for Seasonal Workers and Others – 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.

When a Household has a Seasonal Worker - The LEA must determine the period of time any earnings are received for seasonal workers as well as the amounts and sources. For example, school employees may be paid over 10 or 12 months. In order to do verification, the LEA must determine their payment schedule.

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.

- Gross receipts include the total income from goods sold or services rendered by the business;
- Deductible business expenses include the cost of goods purchased, rent, utilities, depreciation, wages and salaries paid, and business taxes (not personal, Federal, State, or local taxes).
- Non-deductible business expenses include the value of saleable merchandise used by the proprietors of retail businesses;
- Net income for self-employed farmers is figured by subtracting the farmer's operating expenses from the gross receipts;
- Gross receipts include 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 farmhands; depreciation; cash rent; interest on farm mortgages; farm building repairs; and farm taxes (but not local, State, and Federal income 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 may not be reduced by the amount of the business loss. If income from self-employment is negative, it should be listed as zero income.

Military Benefits – Benefits received in cash, such as housing allowances and food or clothing allowances, are considered income.

Deployed service members – Only 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. Deployed service members may be counted as members of the household. Combat Pay is always excluded.

Foster Child's Income – If the household where the foster child resides applies for benefits for their non-foster children, then the foster child's personal income is considered for eligibility purposes for the non-foster children.

Income for a Child Residing in an RCCI or Institutions – Only the income a child earns from full-time or regular part-time employment and / or personally receives while in residence at the RCCI or institution as income.

Child's Income – The earnings of a child who is a full-time or regular part-time employee **must** be listed on the application as income. Irregular income is not included as income, for example, income from baby-sitting or lawn mowing would not be listed on the application.

Alimony and Child Support

- Any money **received** by a household in the form of alimony or child support is considered as income to the receiving household.
- Any money **paid** by a household in the form of alimony or child support **is not** excluded from income for the household.
- Alimony or child support that is to be received by a household but the household does not regularly receive the payments can be excluded from income.

Garnished Wages and Bankruptcy – Income is the gross income received by a household **before** deductions. 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

General

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

- Any cash income or value of benefits excluded by statute (see Question and Answer number 2 in this part for statutory exclusions); common exclusions are the value of SNAP and some Federal educational benefits;
- Payments received 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;
- The value of in-kind compensation such as housing for clergy and similar non-cash benefits; and

- Occasional earnings received on an irregular basis, for example, payment for occasional baby-sitting or lawn mowing.

Military Benefits

An in-kind benefit, such as non-privatized on-base housing, where no cash is provided to the household is excluded from income.

Other sources of excluded income related to the military:

- Family Subsistence Supplemental Allowance (FSSA) – By law, the FSSA is not counted as income in determining eligibility for free and reduced price meals;
- Privatized housing allowances received under the Military Housing Privatization Initiative are not counted as income. Under this privatization initiative, a housing allowance appears on the leave and earnings statement of service members living in privatized housing. The exclusion only applies to service members living in housing covered under the Military Housing Privatization Initiative. Housing allowances for households living off-base in the general commercial / private real estate market **are counted** as income. Additional information about DOD's Military Housing Privatization Initiative, including a list of affected installations, may be accessed at: www.acq.osd.mil/housing
- Combat pay is excluded if it is:
 - Received in ADDITION to the service member's basic pay,
 - Received as a result of the service member's deployment to or service in an area that has been designated as a combat zone; AND
 - Not received by the service member prior to his/her deployment to or service in the designated combat zone. Combat pay as described is extended to Deployment Extension Incentive Pay (DEIP). DEIP 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 that are not considered deployed are not exempt.

Institutionalized Child's Income – Payments from any source directly received by the RCCI or institution on the child's behalf are not considered as income to the child.

Child's Income – Infrequent earnings, such as income from occasional baby-sitting or lawn mowing are not counted as income and should not be listed on the application.

Lump Sum Payments – 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. However, 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.

D. Questions and Answers

Q1. *Why is the housing allowance provided to service personnel counted as income when the value of provided housing is not?*

A. Income is defined as all cash received on a recurring basis. In-kind benefits, by definition, 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, such as housing for clergy, cars for salespersons, employee medical or dental benefits, etc. The income exclusion for in-kind benefits is uniform throughout the school meal programs. To treat in-kind benefits provided to military households differently from in-kind benefits provided to the general population would create an inequity. The fact that the value of military on base housing is more readily identifiable than other sources of in-kind benefits would not lessen the inequity.

Q2. *What payments from Federal programs are excluded from consideration as income by legislative prohibition?*

A. The following payments are **excluded** as income:

- The value of assistance to children and their families under the National School Lunch Act, the Child Nutrition Act of 1966, and the Food Stamp Act of 1977;
- Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- 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 that Act;
- Payments to volunteers under section 8(b)(1)(B) of the Small Business Act (SCORE and ACE);
- National Flood Insurance Program (NFIP) payments – payments received by property owners under the NFIP;
- Income derived from certain sub-marginal land of the U.S. that is held in trust for certain Indian tribes;
- Student financial assistance received under Title IV of the Higher Act of 1965, including the Pell Grant, Supplemental Education Opportunity Grant, State Student Incentive Grants, National Direct Student Loans, PLUS, College Work Study and Byrd Honor Scholarship programs, to the extent excluded by that Act;
- Payments under the Agent Orange Compensation Exclusion Act (Public Law 101-201);
- Payments under the Child Care and Development Block Grant (Public Law 102-508);

- Payments and allowances to individuals participating in AmeriCorps to the extent excluded by the National Community Service Act of 1990;
- Payments under the Low-income Home Energy Assistance Act (Public Law 99-125);
- Payments under the Disaster Relief Act of 1974, as amended by the Disaster Relief and Emergency Assistance Amendments of 1989 (Public Law 100-707);
- 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 (Public Law 101-392);
- Value of any child care payments made under section 402(g)(1)(E) of the Social Security Act;
- Value of any “at-risk” block grant child care payments made under section 5081 of Public Law 101-508, which amended section 402 (i) of the Social Security Act;
- Value of any child care provided or paid for under the Child Care and Development Block Grant Act, as amended (Public Law 102-586, Sec. 8(b));
- Payments received under the Old Age Assistance Claims Settlement Act, except for per capita shares in excess of \$2,000;
- Payments received under the Cranston-Gonzales National Affordable Housing Act (Public Law 101-625); and
- Payments received under the Housing and Community Development Act of 1987.

This list is NOT inclusive. Legislation is periodically enacted that excludes income for the purposes of the school meals programs. Here is a link to the list of income excluded by Federal law that is maintained by the Supplemental Security Income Program:

http://www.ssa.gov/OP_Home/cfr20/416/416-ap01.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 always contact CNU, ADE 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 for the purposes of the school meals programs.

Q3. *If one household owns a housing unit and rents living space to another household, **must** the household receiving the rental fee report this amount as income?*

A. Yes. Income includes money derived from rent to room(s), apartment(s), etc. If a household receives rental income from another household, it **must** be included as income. The treatment of rental income would be similar to the treatment of self-employment income.

- Q4.** *If two separate households rent living space (for example, an apartment or house), and one household gives its portion of the rent to the other household which, in turn, transmits the full rent to the landlord, does the rental income given to the transmitting household count as rental income?*
- A.** No. The transmitting household has not received income; rather it is performing a simple financial transaction that does not provide it with additional income.
- Q5.** *Are children for whom households receive adoption assistance payments under Title IV-E of the Social Security Act automatically eligible for free school meals?*
- A.** No. Although Sections 673 and 674 of the Social Security Act specify that, for purposes of Titles XIX (medical assistance) and XX (child care), children whose parents receive adoption payments shall be deemed to be recipients of the Aid to Families with Dependent Children program (now TANF), the statute did not extend this TANF equivalency to the NSLP, SBP, or SMP. Additionally, since there is no legislative prohibition from considering the adoption assistance payments as income, the amount of assistance **must** be included as household income in the free and reduced price meal eligibility determination.
- Q6.** *If a child lives with his / her parents and is required to pay for room and board, is the child a separate household?*
- A.** The child is considered to be a separate household only in those cases where the child is living alone or as a separate economic unit. Separate economic units are usually characterized by the prorating of most household expenses. Most children paying room and board are usually paying a token amount and are not economically independent of their parents and are therefore not considered to be emancipated.

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Part 5: Categorical Eligibility

A. Members of Supplemental Nutrition Assistance Program Households

A child who is a member of household receiving assistance from the **Supplemental Nutrition Assistance Program (SNAP)** is **categorically eligible** for free benefits. LEAs **must** give households applying for free and reduced price meals for their children the opportunity to indicate on the application that the children are categorically eligible for free benefits due to a member of the household receiving SNAP benefits and to provide the SNAP case number.

The free and reduced price household meal application has a section for the household to indicate a SNAP case number. If the application includes a SNAP case number then each child in the household listed on the household application is eligible for free meal benefits. Households are required to provide the SNAP case number on the meal application. LEAs/schools need to be familiar with case numbers in Arkansas in order to ensure the case numbers are viable.

Free meal benefits **must** be extended to all children in the household when one child in the household is on the Direct Certification list.

If a household submits an application for children who were directly certified (see Part 6 of this Manual), the LEA may use that application to establish names of other students in the SNAP household. **Direct certification takes precedent over an application submitted by the household.** These applications would not be used for verification.

B. Other Source Categorically Eligible

Other Source Categorically Eligible includes:

- Homeless
- Runaway
- Migrant
- Foster Children
- Federal Head Start Programs
- State Head Start Programs
- Even Start Programs

Other Source Categorical Eligibility of a child does not extend to other children in the household. The household must indicate on the application the child's status in one of the other source categories. Documentation of the Other Source Categorical Eligibility is required (excludes foster children, except through verification).

LEAs are encouraged to conduct direct certification with appropriate officials and agencies for Other Source Categorically Eligible Programs. The procedures for mandatory and voluntary direct certification are the same. When conducting direct certification for Other Source Categorically Eligible Programs, the required documentation depends on the agency providing the information.

For example, direct certification may be accomplished by an agency by providing a letter to the household which in turn the household provides to the school district, or through an electronic match, or lists of eligible students exchanged between appropriate agency officials and the LEA/school. **In any case, for direct certification, a method of data exchange between the agency and the LEA/school that does NOT involve the household is encouraged.**

In cases of form letters to households or direct computer matches, which may or may not include the official's signature, sufficient documentation must include correspondence or a written agreement between the Other Source Categorically Eligible Program designated officials and the LEA.

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.

No application is necessary once Other Source Categorical Eligibility has been established.

NOTE: Categorical eligibility is not extended to children receiving assistance from the State's Medicaid Program.

C. Head Start / Even Start

Head Start Enrollees

Children enrolled in Federally-funded Head Start centers are considered categorically eligible for free meals in the NSLP. Children enrolled in State funded pre-kindergarten Head Start programs with eligibility requirements identical to or more stringent than those used by the Federally-funded Head Start centers are also considered categorically eligible.

Even Start Enrollees

For a child to be categorically eligible for free meals based on their participation in Even Start, the child **must** be enrolled as a participant in a Federally-funded Even Start Family Literacy Program and **must** be at the pre-kindergarten level.

Documentation of Head Start or Even Start Participation

Documentation of a child's participation in a Federally-funded Head Start or Even Start is required to establish categorical eligibility for free meals in the NSLP or SBP.

Confirmation that the child has not yet entered kindergarten **must** be included in the documentation from the Even Start official.

Acceptable documentation includes:

- An approved Head Start or Even Start application for the child's family or statement of enrollment in Head Start or Even Start; or
- A list of children participating in Head Start or Even Start; and
- In the case of Even Start, confirmation that the child has not yet entered kindergarten.

D. Migrant Education Program

A child is considered categorically eligible if she / he 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 or local Migrant Education Program (MEP) coordinator or the local education liaison.

The basic definition of a migrant child for MEP is that the child has moved across school district lines, within the last three years, in order to accompany or join a parent or guardian who has moved to seek or obtain temporary or seasonal work in agriculture or fishing. **It is not necessary for LEA officials to make the determination about whether a child is considered as a migrant for MEP.** State education agencies and local MEP staff are responsible for identifying (and maintaining supporting documentation) as to who is an eligible migrant child.

MEP Contacts

Most State educational agencies sub-grant MEP funds to local operating agencies (LOAs) to provide program services. These operating agencies are typically school districts; however, in some States, the LOAs may be regional units that administer the MEP in multiple school districts. When a LOA or school district receives MEP funds, a MEP coordinator is usually designated. (This may be a Federal program director that administers multiple Federal programs including the MEP). The operating agency or school district identifies and recruits migrant children in their geographic area and maintains a list of eligible migrant children.

Contact CNU, ADE if there are any questions regarding Migrant Education Program contacts.

Documentation of MEP Enrollment

LEAs should work directly with their LOA or school district's MEP coordinator or, where appropriate, the State MEP director, to identify migrant children and to document their eligibility for free school meals. LEAs **must** accept documentation that the children are migrant children from the LOA or school district's MEP Coordinator.

Acceptable documentation for MEP enrollment is:

- A dated list with each child's name
- The signature of the MEP coordinator or the State MEP director

This documentation is in lieu of free and reduced price meal applications and **must** be sought, as much as possible, prior to a household completing an application. Once documentation is obtained, the LEA **must** notify the household in writing as soon as possible about the child's free meal eligibility. Because documentation of MEP enrollment is acceptable in lieu of a free and reduce price meal application, any application submitted on behalf of the child would be disregarded.

It is particularly important that newly arrived migrant children in the LEA be documented and certified for free meals as promptly as possible. LEAs need to establish procedures with the MEP coordinator to assure prompt notification when a new migrant child is identified.

Transferring Information

To assure that an eligible migrant child continues to receive benefits transferring LEAs are encouraged to share the child's free meal eligibility status with the receiving LEA when a migrant child moves from their jurisdiction if the family knows their new location. See Section O. Transferring Eligibility between LEAs, in Part 3: Processing Applications of this manual for additional information.

E. Runaway and Homeless Youth Act

A runaway child is one who is identified as a runaway receiving assistance through a program under the Runaway and Homeless Youth Act (RYHA) by the local education liaison.

These programs for runaways are established by the Family and Youth Services Bureau (FYSB) of the U.S. Department of Health and Human Services. Because the FYSB coordinates with school district homeless liaisons, LEA officials should be able to obtain documentation of a child's participating in a RHYA-funded program.

The following is a website that may assist LEAs in obtaining more information about operations of the RHYA programs in their State: www.acf.dhhs.gov/programs/oro/ . For further information on FYSB, see their web site at: www.acf.hhs.gov/programs/fysb/index.html

Documentation of Runaways' RHYA Participation

Acceptable documentation to substantiate participation in a program for runaway children sponsored by RHYA **must** include:

- The child's name or a list of names of participating children;
- The effective date(s); and
- The signature of the school district's homeless liaison or designee.

Because documentation of enrollment in an RHYA-funded program is acceptable in lieu of a free and reduced price meal application, any application submitted on behalf of the child would be disregarded.

It is particularly important that runaway children who may be enrolled in an RHYA-funded program be documented and certified for free meals as promptly as possible. Therefore, LEAs need to establish procedures with the homeless coordinator.

If an application is submitted for a runaway child participating in a RHYA program runaway, the child must receive free meal benefits.

A school principal who has direct knowledge of a child's circumstances or an RHYA coordinator may complete an application for a child that participates in the RHYA program. The RHYA coordinator may also submit appropriate documentation with the required information to certify a child as a participant in the RHYA program.

F. McKinney-Vento Homeless Assistance Act

A child is considered homeless if she / he is identified as lacking a fixed, regular and adequate nighttime resident under the McKinney-Vento Homeless Assistance Act by the homeless liaison, or the director of a homeless shelter.

The term "homeless" means individuals who lack a fixed, regular, and adequate nighttime residence. The definition includes:

- Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;
- Are living in emergency or transitional shelters; are abandoned in hospitals; or are waiting 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 places, 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.

This list is provided to assist LEA officials who may know a child's circumstances that may qualify them as homeless. However, as discussed below, **the determination of whether a child meets the definition of homeless is made by the school district's homeless liaison or their designee.**

Documenting Free Meal Eligibility for Homeless Children

Acceptable documentation that the children are homeless is obtained from the school district homeless liaison or directors of homeless shelters where the children reside. Documentation to substantiate free meal eligibility **must** include:

- the child's name or a list of children's names;
- effective date(s); and
- the signature of the district homeless liaison, their designee or the director of the homeless shelter.

Homeless Children Residing With Another Household

A child or family may temporarily reside with another household and still be considered homeless under the definition of homeless in McKinney-Vento. In these cases the household size and income of the host family is not taken into consideration in determining the free meal eligibility for the child(ren) designated as homeless by the school district's homeless liaison.

When a host family applies for free and reduced price meals 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, such as shelter, utilities, clothing or food. In such cases, the host family **must** also include any income received by the homeless family. School officials **must** determine eligibility for the host family in the traditional manner. However, free meal eligibility for the homeless child is based on the documentation provided by the school district's homeless liaison, even when the child is included on the host family's free and reduced price meal application.

G. 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 children who are formally placed by the State or a court. Informal arrangements outside of the State or court system do not meet this definition. A child may still be considered a foster child if placed with relatives provided that the placement is made by State or local foster care systems or the courts.

Foster children are categorically eligible for free meals and do not require a meal application. A foster family may include their foster child (children) on a household application along with 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 meals based on household size and income.

Documenting Free Eligibility for Foster Children

The LEA is 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. LEA's and foster care agencies should have a written agreement between the agency or court and the LEA to determine and confirm the manner in which LEA officials would be provided the children's status.

Documentation can be submitted by an appropriate State agency or court (direct certification) in the following ways:

- Electronic/computer match directly to the LEA indicating the status of the child as a foster child without further application;

- LEAs can accept a letter from the State agency or the court, submitted by the household, confirming the child’s status as a foster child; or
- Foster parents may complete an application and check the appropriate box indicating the child’s status as a foster child. No further documentation is needed. **These applications are subject to verification.**

H. Duration of Categorical Eligibility

Because households are not required to report changes in income or household size during the school year, the household is not required to report a change in their categorical eligibility status because they no longer receive benefits or participate in the programs discussed above. For households that voluntarily report changes, see Section L. Changes in Household Circumstances in Part 3: Processing Applications of this manual.

I. Recordkeeping

LEAs **must** keep documentation for categorical eligibility on file for a minimum of five (5) years after submission of the final claim for reimbursement for the fiscal year to which they apply. Documentation **must** be kept longer if required by an audit. If audit findings have not been resolved, the documentation **must** be maintained 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 with a list of eligible children maintained at the school. If the LEA maintains documentation at a central location, children’s categorical eligibility status **must** be readily retrievable by school, and the LEA **must** ensure that any changes and transfers in and out of the school are accurately and promptly reflected on each school’s eligibility list (master roster).

See Appendix G for required items that must be on categorical eligibility lists.

J. Questions and Answers

Q1. *A child who has been certified as homeless by the homeless liaison earlier this year returns home. The child remains categorically eligible based on having been determined categorically eligible earlier in the year – but he was with a host family, that family could apply for meal benefits, and had the option of including the homeless person(s) on their application. Now that the child is back home, can his “home” family apply for free or reduced price benefits and include him as a household member?*

- A.** There are several points that need to be addressed in responding to this question.
- The homeless child’s eligibility status cannot “convey” to the other children in either the host or “home” family. However, the homeless child is counted as a household member in the other households.

- The homeless child remains eligible for free meals for the current school year (and up to 30 days in the next) regardless of where he is living.
- The host family gets to include the child if they apply for benefits while the child is living with them and if he moves out, there is no change in eligibility status for the remaining children because of year-long eligibility.
- When the child returns to his “home” family, he is counted as a household member if his family applies for benefits for the other children in the household. By the same token, if the homeless child leaves the family which has an approved application on file, the status of the remaining children doesn’t change unless something happens that would improve their status.

Q2. *May a private school serve free meals to homeless students using documentation provided by a public school homeless liaison or the State Coordinator for Education of Homeless Children and Youth?*

A. Even though the McKinney-Vento Homeless Assistance Act only applies to public schools, public school liaisons or the State Coordinator for Education of Homeless Children and Youth may share documentation with a private school and the private school may use this information to support serving of free meals to this population. Private schools may also use documentation obtained from shelter directors for this purpose. While there is no policy requiring private schools to establish a homeless / runaway liaison, they are encouraged to do so for school meal program purposes.

Q3. *Does the categorical eligibility of a homeless student remain in effect for the entire school year even if the homeless student secures permanent housing and continues to reside in the same SFA?*

A. Yes. A homeless child remains eligible for free meals for the current school year, plus up to 30 operating days in the subsequent school year, even if that child secures a permanent residence (e.g. returns home) at some point during the current school year.

Q4. *Does the categorical eligibility status of a homeless student remain in effect for the entire school year even if the homeless student secures permanent housing but now attends a school in a different LEA?*

A. The new LEA may accept the eligibility determination for the student provided by the former LEA as described in ***Transferring Eligibility Between LEAs***. However, if the LEA elects not to accept the eligibility determination from the prior LEA, then the household is required to reapply for benefits with the new LEA. The homeless coordinator may still make a determination that the student is homeless and thus eligible for free meal benefits even if the student is considered to have a permanent residence, (not with his/her family). If the student’s status is not

designated as homeless, the household where the student resides must apply for meal benefits based on household size and gross income.

- Q5.** *Is a child considered a foster child if placed in a relative's home?*
- A.** If the child is placed in a relative's home by a State or court system, they are considered a foster child and are eligible for free meals. Informal arrangements among relatives do not qualify a child as a foster child. If this type of situation, the child is not considered a foster child and is not categorically eligible for free meals. The household where the child resides may complete a household application and the child's meal status will be determined based on household size and gross income.
- Q6.** *Does a foster child's categorical eligibility extend to other children in the household the same as with SNAP?*
- A.** No. A foster child's categorical eligibility status does not extend to other children in the household.
- Q7.** *Is the direct certification process required for a foster child and what documentation is required to verify a child's status?*
- A.** Direct certification is not required for foster children; however, LEAs are strongly encouraged to establish formal methods with State and local foster care agencies or courts to receive information directly from these agencies to facilitate certification for free meals for foster children. Documentation may consist of welfare agency or court documents stating that the courts have taken legal custody of a child and he/she has been placed in the foster care system. Also, if an appropriate list of children in the foster care system may be obtained from the court system.
- Q8.** *What if one of the children on an income application is checked as a foster child?*
- A.** Since foster children are categorically eligible for free meals, the LEA will determine the foster child's meal status as free and then must determine the eligibility of the other children on the application based on household size and income. The foster child is counted with the total number of members living in the house although the other children may have a different status.
- Q9.** *Is direct certification required for children in Head Start, migrant, runaway, or homeless?*
- A.** No. Direct certification is not required for these programs, but it is strongly encouraged by FNS.

Q10. An application is submitted indicating a student is one of these categories: Heat Start, Migrant, Runaway, or Homeless. Is additional documentation needed?

A. Yes. Additional documentation is required to certify that a child participates in one of these programs. This does not apply to foster children.

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Part 6: Direct Certification with Supplemental Nutrition Assistance Program (SNAP)

A. General

Direct certification is a simplified process under which LEAs certify children who are members of households receiving assistance under the Supplemental Nutrition Assistance Program (SNAP) as eligible for free school meals, without further application, based on information provided by the State / local agency administering this program. The LEA and / or SA (on behalf of the LEA) obtains documentation from the appropriate State SNAP program that enables the LEA to determine that children are members of households currently certified to receive SNAP benefits.

This section only discusses direct certification for the SNAP program. Other categorically eligible children, such as homeless children identified by the school district's homeless liaison, may be processed using procedures similar to direct certification. Those procedures are found in Part 5: Categorical Eligibility of this manual.

During the 30 day carry-over 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 the SNAP program.

Because children who are directly certified are determined eligible based on documentation received from SNAP, these students are not subject to verification.

There are two categories of Direct Certification in Arkansas – Mandatory Direct Certification through an Agreement between CNU, ADE and Department of Human Services (DHS) as indicated in Section B below; and Optional Direct Certification by the LEA at the local district level as discussed in Section C below.

B. Mandatory Direct Certification with Supplemental Nutrition Assistance Program (SNAP)

Method of Direct Certification

By federal law, all LEAs **must** be directly certifying children from SNAP households. The Arkansas Department of Education (ADE), Child Nutrition Unit (CNU) has an Agreement with the Arkansas Department of Human Services (DHS) that matches student information with the SNAP records and provides a printed Direct Certification list by school to the LEAs each school year. **Extending this direct certification to other children in the household began in SY 2009-10. Beginning with School Year 2012-2013, direct certification with SNAP must use a data matching**

technique between the SNAP office and the LEA/school. The SNAP household can no longer be required to provide the LEA with a SNAP letter notifying the household of eligibility for free meal benefits.

SNAP agencies may continue to provide letters to families as a secondary method along with the use of an automated system, especially during the initial use of an automated system. The additional notification to families would help to ensure that they were aware of their children's categorical eligibility **IF** the children were not matched during the data exchange.

Frequency of Direct Certification

Beginning in School Year 2011-2012, LEA's must conduct direct certification with SNAP at least three times during the school year. More frequent direct certification efforts are permissible and encouraged. This must be done:

- At or around the beginning of the school year (July 1);
- Three months after the beginning of the school year;
- Six months after the beginning of the school year.

LEAs must conduct direct certification at least 3 times during the school year.

Subsequent direct certification efforts are required for children who were not initially directly certified and who are currently reduced price or paid. If the LEA has the capability, the status of any newly enrolled child must be checked for a 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.

See Part 5: Categorical Eligibility, Section A. Members of SNAP Households of this manual.

Direct Certification with the SNAP program does extend to students in the same household even if they are not listed on the Direct Certification list. Any student from the same household that is not on the direct certification list may have an approved Free and Reduced Price Meal Application on file with the LEA to establish free meal benefits for the other students in the household. Direct Certification with the SNAP Program **does extend to students in the same household.** However, the determining official may use district enrollment records to establish benefits for other students in the household of students listed on the Direct Certification list.

Since children's eligibility for free meals is based on documentation obtained from SNAP officials, **verification of eligibility is not required for children who have been directly certified or other students in the household of directly certified students.**

Recordkeeping for Mandatory Direct Certification

Documentation to establish children's eligibility for free meals under direct certification for the SNAP program and to substantiate claims for reimbursement, **must** include:

- Names of any household member currently certified to receive SNAP benefits;
- At least one piece of identifying information that will match each child with a child attending a particular school. Examples of identifiers include:
 - ◆ Children's birth dates;
 - ◆ Addresses;
 - ◆ Parents' names;
 - ◆ Last four digits of the social security numbers;
 - ◆ Other identifiers;
- The date; and
- The signature of a SNAP official

Sufficient documentation **must** include a written agreement between the SNAP office and the SA setting out or confirming the manner in which LEA officials would be provided the children's SNAP status. This Agreement is between DHS and CNU, ADE and therefore each LEA **does not** have an agreement with DHS unless the LEA performs the optional Local District Direct Certification as explained in Section C. Beginning in School Year 2012-2013, direct certification with SNAP will no longer be optional. LEAs will be required to establish and maintain a method of matching benefits with the SNAP office. SNAP households will no longer be required to provide the LEA with a SNAP letter notifying the household of eligibility for free benefits.

The Medicaid Program cannot be used as a source for direct certification.

C. Additional Direct Certification Methods used by Local District

Local district direct certification can be accomplished in different ways including:

- Computer match with SNAP information or through paper-based exchange of information.
- The household receives a letter from the SNAP office notifying them of their eligibility to receive SNAP benefits. The household presents the letter to the school to establish eligibility for free meals.

Recordkeeping for Direct Certification for the SNAP Program at the Local District

Documentation of direct certification at the local district to establish children's eligibility for free meals under direct certification for the SNAP program and to substantiate claims for reimbursement, **must** include:

- Names of children currently certified to receive SNAP benefits;
- At least one piece of identifying information that will match each child with a child attending a particular school. Examples of identifiers include:
 - ◆ Children's birth dates;
 - ◆ Addresses;
 - ◆ Parents' names;
 - ◆ Social security numbers; or
 - ◆ Other identifies;
- The date; and
- The signature of a SNAP official

In cases of form letters to households or direct computer matches which may not include the official's original signature, sufficient documentation **must** include correspondence or a written Agreement between the SNAP office and the LEA setting out or confirming the manner in which LEA officials would be provided the children's SNAP 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.

D. Notification to Households about Eligibility Established through Direct Certification

The LEA **must** notify the household in writing that:

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

LEAs **must** ensure that families receive either a direct certification notification or an application for free and reduced price school meals. LEAs that distribute the application materials through the mail, individual student packets, or other method that prevents the overt identification of children eligible for direct certification are not required to distribute application materials to families in which children were determined eligible through the direct certification process.

Age of Documentation

LEA officials **must** obtain from SNAP officials documentation based on the most current certification information available and as close to the beginning of the children's school year as possible. If possible, data should be no older than four calendar weeks prior to the start of each LEA's school year. This would be consistent with the timeframe for distributing applications.

E. Delivery of Benefits

The LEA **must** provide benefits promptly. Eligible children may receive benefits immediately and the LEA may assume consent if refusal has not been received within a certain number of days, as determined by the LEA.

If the household refuses benefits, the LEA **must** discontinue benefits immediately and **must** document the refusal. The LEA **must** send a letter of adverse action and retain a copy for district files. The LEA **must** make sure the eligibility is accurately and promptly reflected on each school's list (master roster).

F. Expiration of Categorical Eligibility

Because of year-long duration of eligibility, the households are no longer required to report changes in their categorical eligibility status. If subsequent direct certification matches indicate a child is no longer a SNAP beneficiary, no change is required in the current school year. Households may voluntarily report a change. If a household reports a change that may reduce or terminate benefits, the LEA **must** explain to the household that the change does not have to go into effect but, that at the household's request the change will go into effect. If the household wants the change to go into effect, the LEA **must** provide a notice of adverse action.

G. Recordkeeping

LEAs **must** keep documentation for both mandatory and local district direct certification on file for a minimum of five (5) years after submission of the final claim for reimbursement for the fiscal year to which they apply. Documentation **must** be kept longer if required by an audit as long as required for resolution of the issues raised in the audit. If audit findings have not been resolved, the documentation **must** be maintained 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 with a list of eligible children maintained at the school. **If the LEA maintains documentation at a central location, children's categorical eligibility status MUST be readily retrievable by school, and the LEA MUST ensure that any changes and transfers in and out of the school are accurately and promptly reflected on each school's direct certification list and master roster.**

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Part 7: Confidentiality / Disclosure of Eligibility Information

A. General

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

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 is the law that sets forth the disclosure limits for the Child Nutrition Programs. **Disclosure is always an option, not a requirement.**

The agency responsible for making the free and reduced price meal eligibility determination makes the decision on whether or not children's information will be disclosed (the Determining Official). The LEA may opt to disclose children's eligibility information to Medicaid or State Children's Health Insurance Program (SCHIP)* officials if the family does not decline to have their children's eligibility information released.

*In Arkansas SCHIP is ARKids 1st.

B. Aggregate Information

The LEA may disclose aggregate information to any program or individual when 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 and reduced price meals in the school district. As aggregate data does not identify individual children, parental notification and parental 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 or subset when the number of eligible children is very small.

C. Disclosure Chart

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. If you have concerns or questions about disclosing children's eligibility information, contact CNU, ADE for further guidance.

Recipient of Information	Information that May be Disclosed	Required Notification and Consent
<i>Programs under the National School Lunch Act or Child Nutrition Act</i>	All eligibility information	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	Prior notice and consent not required
<i>Federal education programs</i>	Eligibility status only	Prior notice and consent not required
<i>State education programs administered by a State agency or local education agency</i>	Eligibility status only	Prior notice and consent not required
<i>Local education programs</i>	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Medicaid or the State children's health insurance programs (SCHIP), administered by a State or local agency authorized under titles XIX or XXI of the Social Security Act to identify and enroll eligible children (ARKids 1st)</i>	All eligibility information, unless parents elect not to have information disclosed	Must give prior notice to parents and opportunity for parents to decline to have their information disclosed
<i>State health programs other than Medicaid / SCHIP, administered by a State agency or local education agency</i>	Eligibility status only	Prior consent not required
<i>Federal health programs other than Medicaid / SCHIP</i>	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Local health program</i>	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Comptroller General of the United States for purposes of audit and examination</i>	All eligibility information	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	Prior notice and consent not required

See Appendix D for a chart showing grouping by what information may be released.

D. “Need to Know”

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 Medicaid and SCHIP agencies (ARKids 1st) and health insurance program operators receiving children’s free and reduced price meal eligibility information **must** use that information to enroll eligible children in State Medicaid or SCHIP. The State Medicaid or SCHIP enrollment process may include: seeking to identify and identifying children from low income households, who are potentially eligible for State Medicaid or SCHIP for the purpose of enrolling them in State Medicaid or SCHIP.

E. National Assessment of Education Progress (NAEP)

LEAs may disclose, without parent / 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 / guardian consent, but the program **must** be established at the State, not local level.

The term “persons directly connected” for the purpose of disclosure of 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” 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. See Section I. Agreements / Memoranda of Understanding in this Part of this manual.

F. No Child Left Behind (NCLB)

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

LEA officials, prior to their 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 school meals 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 NCLB and how the information will be protected from unauthorized uses and third-party disclosures, and should include a statement of the penalties for misuse of the information. See Appendix C: Prototype Disclosure Agreement in this manual.

See ADE Commissioner’s Memo IA-05-018 regarding privacy of free and reduced price meal eligibility.

G. Family Educational Rights and Privacy Act (FERPA)

Federal Department of Education has established that education records are under the purview of FERPA. **However, for the school meals programs program, the restrictions imposed by the laws governing these programs, not FERPA, apply.**

H. Parental Notification for Disclosure

Unless otherwise indicated, LEAs **must** inform households if they plan to disclose or use eligibility information outside the operating program, i.e., lunch or breakfast program. 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 meal 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.

Parents / guardians **must** be notified of the potential disclosure or specific disclosure and given the opportunity to elect **not** to have their children’s information disclosed.

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

- That they are not required to consent to the disclosure;

- That the information will be used to facilitate the enrollment of eligible children in a health insurance program or other named programs; and
- That their decision will not affect their children's eligibility for free and reduced price meals.

The notice of either potential or specific disclosure **must** be given prior to disclosure and parents / guardians 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 / guardians of their children's eligibility for free meals through direct certification.

See Appendix B for the link to the Forms and Letters Packet that includes the CNU, ADE notification of disclosure.

I. Agreements / Memoranda of Understanding

An Agreement of Disclosure 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 of the United States. These activities are part of routine operations of the Child Nutrition Programs and enforcement.

Non-Medicaid / SCHIP 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;
- Described the information to be disclosed and how it will be used;
- Describe how the information will be protected from unauthorized uses and disclosures; and
- Describe the penalties for unauthorized disclosure.

Medicaid / SCHIP Agencies

For any disclosures to Medicaid or SCHIP (ARKids 1st), the LEA and receiving agency **must** have an agreement or Memorandum of Understanding which includes:

- The health insurance program or health agency receiving children's eligibility information;
- The information that will be disclosed and specify that the information **must** only be used to seek to enroll children in State Medicaid or SCHIP;
- How the information will be used and how it will be protected from unauthorized uses and disclosures;
- The penalties for unauthorized disclosure; and
- The signature of the determining agency and the official of the State Medicaid/ SCHIP program or other 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 1 year, or both.

See in Appendix C for a prototype Disclosure Agreement.

J. Other Disclosures that Require Parental Consent

Children's parents or guardians may always provide consent for the disclosure of any or all of the information related to their children's eligibility status (i.e., whether children are eligible for free or reduced price meals), or the information that the household provided through the free and reduced price meal eligibility process.

A disclosure of **all** eligibility information to any other Federal, State or local program or individual not included in the NSLA requires parental 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 and not State 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, determining agencies **must** obtain consent prior to disclosure.

K. 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**:

- Identify the information that will be shared and how the information will be used;
- 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 may be signed by any adult household member;
- State that failing to sign the consent statement will not affect eligibility or participation for the program and that the information will not be shared by the receiving program with any other entity or program; and
- Enable the parent / guardian / adult to limit consent to only those programs with which he or she wishes 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 he or she wants to have information disclosed to determine eligibility for benefits from a certain program.

L. Social Security Numbers

By law, the last 4 digits of the social security number of the adult household member who signs the application are required, or the “no social security number” box checked on the application. Most programs that request children’s free and reduced price meal eligibility information will not need the last 4 digits of the adult’s social security number.

M. Penalties for Improper Disclosure

The NSLA established a **fine of not more than \$1000 or imprisonment of not more than one (1) year**, or both, for publishing, divulging, disclosing, or making known in any manner or extent not authorize 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.

N. Questions and Answers

- Q1.** *What does disclosure mean as it relates to children’s personal free and reduced price meal eligibility information?*
- A.** 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 (approval for meal benefits). 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 reduce price application or through direct certification and whether the children are eligible for free meals or reduced price meals.
- Q2.** *May representatives of State or local education agencies evaluating the results and compliance with student assessment programs have access to children’s eligibility information?*
- A.** State and local representatives of State or local education agencies would be covered only to the extent that the assessment program was established at the State, **not local level**.

Q3. *May the principal of a school compare the test scores of students in his / her school, by socioeconomic status, to the test scores of students in another school in the same district?*

A. The principal cannot compare test scores without parental consent of disclosure. Students' names and free or reduced price eligibility status may be disclosed, without consent, for a Federal or State education program. However, parental consent is required for disclosure to a local education program.

Q4. *May the LEA disclose eligibility information to other Child Nutrition Programs?*

A. The LEA may disclose all eligibility information from children's free and reduced price applications or information obtained through direct certification to persons directly connected with administration or enforcement of the programs authorized under the NSLA or Child Nutrition Act of 1966. This includes the NSLP, SBP, SMP, Child and Adult Care Program (CACFP), Summer Food Service Program (SFSP), and the Special Supplemental Nutrition Program for Women, Infants and Children (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 parental consent, to a SFSP administered by a parks and recreation agency.

Q5. *Can we disclose children's eligibility information to State health insurance programs?*

A. State health programs may be provided children's eligibility information provided the programs are administered by a SA or a local education agency. In the case of Medicaid and SCHIP, there is no requirement that a SA or local education agency administer them.

Q6. *Who are persons "directly connected" to the administration or enforcement of a program?*

A. 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;
- A means-tested nutrition program; also,
- Persons directly connected with the Comptroller General's Office or law enforcement for an authorized activity.

Persons directly connected to program administration or program enforcement include Federal, State and local program operators responsible

for the ongoing operation or activities of their respective program, and compliance officials responsible for monitoring, reviewing, auditing or investigating a program authorized to have access to free and reduced price eligibility information.

- Q7.** *Who are persons “directly connected” with the administration of State Medicaid and SCHIP (ARKids 1st)?*
- A.** Persons directly connected with the administration of State Medicaid and SCHIP for purposes of disclosure of free and reduced price meal eligibility information are State employees and persons authorized under Federal and State Medicaid and SCHIP requirements to carry out initial processing of applications or to make eligibility determinations. Check with your State Medicaid / SCHIP coordinator to determine the persons or entities in your State authorized to enroll children in Medicaid and SCHIP.
- Q8.** *What eligibility information may an LEA disclose to means-tested nutrition programs?*
- A.** Without parental consent, the LEA may only disclose name and eligibility status. Disclosure of other information, such as parents’ names and address, requires parental notification and consent.
- Q9.** *Who is responsible for making the decision on whether to disclose children’s eligibility status and / or to disclose other personal information?*
- A.** Whether or not to disclose children’s eligibility information is a local decision. The LEA should develop a policy on disclosing free and reduced price meal eligibility information. However, for disclosure to Medicaid and SCHIP, the decision on disclosure is a joint SA / LEA decision. Both the SA and LEA **must** agree to disclose children’s information to Medicaid and SCHIP.
- Q10.** *When I notify parents that their information will be disclosed to Medicaid or SCHIP unless they decline to have their information shared, how long do I have to wait for a response from the parent before I release their information?*
- A.** LEAs should provide adequate time for any parental response. A minimum of 10 calendar days should be provided. It is a good idea to include a date in the parental notification statement that informs households that they **must** respond by a specified date if they do not want their information disclosed to Medicaid or SCHIP.
- Q11.** *Can the SA enter into a Memorandum of Understanding for all LEAs for disclosing information to Medicaid / SCHIP?*
- A.** No

Q12. *How do I know who to contact for more information regarding Medicaid and SCHIP?*

A. For State and Federal Medicaid, visit:

<http://www.cms.hhs.gov/home/medicaid.aspx>

For SCHIP, visit: <http://www.cms.hhs.gov/home/schip.asp>

For ARKids 1st (the SCHIP program in Arkansas) visit

<http://www.arkidsfirst.com>

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Part 8: Verification of Eligibility for School Meals

A. General Definitions

Verification is confirmation of eligibility for free and reduced price meals under the NSLP and SBP. **Verification is only required when eligibility is determined through an income eligible or Supplemental Nutrition Assistance Program (SNAP) case number application, not through direct certification of SNAP benefits or inclusion on a categorically eligible list.** Verification *must* include either confirmation of income eligibility or confirmation that the child is a member of a family (household) receiving assistance under the SNAP Program. Verification may include confirmation of any other information required on the application. See Part 6: Categorical Eligibility of this manual for more information.

Direct verification is using records from public agencies to verify income and / or program participation. See Part 9: Direct Verification of this manual.

Error prone applications are all income eligible applications within \$1200 per year or \$100 per month of the applicable Income Eligibility Guideline.

Random sampling means each application has an equal chance of being selected. A statistically valid random sample is not required. The LEA may determine a selection interval by dividing the number of applications by the required sample size. The LEA would then choose a starting place in the applications and count the selection interval between applications. Those applications that are on the selection interval would be chosen for verification.

Sample pool means the total number of income eligible and SNAP case number applications approved as of October 1 of that school year.

Sample size means the total number of applications subject to verification.

Alternate 1 (previously called **Random Sampling Verification**) is the verification selection procedure in which the LEA randomly chooses the applications to be verified from all income eligible and SNAP case number applications. The sample size that *must* be verified is 3% of all applications approved by the LEA as of October 1 of that school year or 3000 applications, whichever is less. A random selection procedure *must* be used.

Alternate 2 (previously called **Focused Sampling**) is the verification selection procedure in which the LEA selects some of the applications to be verified from error prone applications and some from SNAP case number applications. The sample size from **error prone** applications is equal to 1% of all applications approved by the LEA as of October 1 of that school year **OR** 1,000 applications, whichever is less; **PLUS** the sample size of SNAP case number applications equal to .5% (one half of

one percent) of all applications approved by the LEA as of October 1 of that school year or 500 applications whichever is less.

Standard Sample Size (previously called **Error Prone Verification**) is the verification selection procedure in which the applications to be verified are selected from error prone applications. The number of applications the LEA **must** verify is 3% of all applications approved by the LEA as of October 1 of that school year or 3,000 applications, whichever is less.

See Appendix H for chart of change in verification terms beginning 2008-09 school year.

B. Exceptions from Verification Requirements

Verification efforts are not required:

- For children who have been certified under SNAP direct certification procedures – the Direct Certification List;
- For Children living in the same household as the children listed on the Direct Certification List;
- For children documented as eligible migrant, runaway or homeless children by being on the migrant list, homeless list or runaway list;
- For children documented as Head Start and Even Start students;
- For children living in RCCIs attending a public school **and** the RCCI completed the application for the child;
- Foster children who are directly certified.
- In schools in which the FNS has approved special cash assistance claims based on economic statistics regarding per capita income, for example, Puerto Rico and the Virgin Islands;
- In schools in which all children are served with no separate charge for food service and no special cash assistance is claimed, i.e., non-pricing programs claiming only the paid rate of reimbursement;
- In LEAs in which all schools participate in Provisions 1, 2 or 3 *except* in those years in which applications are taken for all students in attendance. i.e., the base year;

C. Initial Verification Procedures

Each LEA **must** annually verify eligibility of children from a sample of household applications approved for free and reduced price meal benefits for that school year unless the SA 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. This 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 adjusted accordingly.

Once households have been requested to provide documentation for verification, the LEA *must* complete the verification process for these households.

An Application Tracker *must* be completed for each application that is chosen for verification activities. This Application Tracker is part of the Forms and Letter packet of the Policy Statement or Renewal of Policy Statement. See Appendix B of this manual for link to this packet.

Establishing the Sample Pool

The sample pool uses the total number of approved income eligible and SNAP case number applications on file as of October 1 of the current school year. **The sample pool depends on the number of applications (paper or electronic) and is not based on the number of children eligible for free and reduced priced meals.**

Establishing the Sample Size – General Conditions

Once the sample pool is determined, **the LEA calculates the sample size – 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 than or less than the sample size required by the verification method being used. The LEA ***must not*** verify all (100% of) applications. Verification conducted “for cause” is done in addition to the required verification sample size. See Section D below for more information.

Verification Completion Deadlines

The LEA *must* complete the verification activities specified in this section not later than **November 15** of each school year. Documentation for all applications being verified *must* be received and a determination of verification made no later than November 15. However, the LEA may request an extension of the November 15 deadline, in writing, from CNU, ADE. The Director of CNU, ADE 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 USDA, FNSRO for approval. See Section J. Continuing the Verification Process of this Part of this manual for more information.

D. Verification for Cause

The LEA has an obligation to verify all questionable applications (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 on face value. Only after the determination of eligibility has been made can the LEA begin the verification process.

To verify an approved application for cause, the LEA **must** send the household a letter explaining that it **must** submit verification of eligibility information with the application for continued eligibility. See H. Household Notification of Selection in this Part of this manual. The notice of verification letter may be sent at the same time as a notice of eligibility.

The LEA verifies applications for cause following the procedures in Sections H. through N. in this Part of this manual. Any household that fails to submit requested verification information by the date specified by the LEA or that submits verification information that does not support the initial determination of eligibility **must** be sent a notice of adverse action. See Section K. Notice of Adverse Action, in this Part of this manual.

Once households have been requested to provide documentation for cause, the LEA **must complete** the verification process for these households.

E. Application Selection Procedures

Available Sample Sizes

There are three sample size selection procedures established for verification activities (Standard Sample Size, Alternate 1 and Alternate 2). Each year the LEAs that are required to use the Standard Sample Size are determined by CNU, ADE. This list of LEAs is published each year in a Commissioner’s Memo of required verification activity, as well as at the CNU, ADE Directors’ Conference and is further discussed in the September Distance Learning. It is the LEAs responsibility to annually check this published list to determine if the LEA is required to use the Standard Sample Size. SFAs in first year of operation, such as Charter School Entities or new Consolidated School Districts **must** use Standard Sample Size verification procedures.

Standard Sample Size (previously called Error Prone Sample)

The standard sample size is the lesser of:

- Three (3) percent of all applications approved (income eligible and SNAP applications) by the LEA for the school year, as of October 1 of the school year, selected from error prone applications; or
- 3,000 error prone applications approved by the LEA for the school year, as of October 1 of the school year

The term Error Prone Application means an approved income eligible household application that either:

- indicates annual income that is within \$1200 of the IEGs, or monthly income that is within \$100 per month of the IEGs; or
- in lieu of the criteria established above, meet criteria established by the Secretary of Agriculture.

Under Standard Sampling the LEA **must** verify **3%** (or 3,000 whichever is less) **of the total number of approved applications** on file as of October 1 of that school year. These applications **must be randomly** selected from the applications that are determined to be **error prone**. An application is considered to be error prone if the yearly income indicated on the application is within \$1200 of the IEGs or the monthly income indicated is within \$100 of the IEGs.

Standard Sample Size procedures for calculation and selection:

1. Count the total number of approved applications on file as of October 1. Multiply the total approved applications by .03 **ROUND DECIMALS UP TO WHOLE NUMBERS**. At least one application **must** be verified.
Example: 440 approved applications x .03 = 13.2 applications. Round upward. LEA **must** verify 14 applications.
2. Pull and count applications that meet the criteria for an error prone application. An error prone application would be an approved income application for free or reduced price meals that is within \$1200 annually or \$100 monthly of the IEGs.
Example: For the 440 approved applications on file only 12 meet the criteria for an error prone application. These 12 applications are set aside.
3. Compare the number of applications to be verified (as determined in Step 1) and the number of applications in the error prone sample size (as determined in Step 2).
 - If the number of Error Prone applications (Step 2) exceeds the sample size needed for verification (Step 1) then randomly select the number of applications needed to be verified from your error prone applications. Every application in your sample should have the same opportunity to be selected for verification.
 - If there are not enough error prone applications (Step 2) to meet the sample size needed for verification (Step 1) then select **ALL** of the error prone applications **plus** randomly select applications from the other approved applications (income and SNAP case number applications) until the minimum sample size established in Step 1 is reached.

Example: The number of applications to verify = 14 applications (Step 1). There were only 12 applications that met the error prone criteria (Step 2). Two additional applications **must** be randomly selected from the remaining approved applications (both income eligible and SNAP case number applications) and added to the 12 error prone applications to get the full 14 applications needed for verification (Step 1).

Alternate Sample Sizes

LEAs that are not required to use the Standard Sampling procedures may select one of the following sample sizes:

Alternate one (previously called **Random Sampling Verification**):

The sample size equals the *lesser* of:

- Three (3) percent of all applications selected at random from applications approved by the LEA as of October 1 of the school year ; or
- 3,000 of all applications selected at random from applications approved by the LEA as of October 1 of the school year.

Under **Alternate 1 sampling** the LEA **must** verify a minimum 3% of the approved applications or 3,000 approved applications, whichever is less. A random selection procedure **must** be used.

Alternate 1 Sample Size procedures for calculation and selection:

1. Count the total number of approved applications on file as of October 1 (both income eligible and SNAP case number applications).
2. Multiply the total number of applications by .03 (3%) to get the total number of applications that **must** be verified. If this number is over 3,000 then the LEA will select to verify 3,000 applications rather than 3% of applications.
3. Randomly select the number of applications to be verified (Step 2) from ALL approved applications (Step 1).

Example: If the LEA has 340 approved applications on file and 11 are required to be verified, divide 340 by 11 = 30.9. In this case, the selection interval is 31. Randomly select an application from the total approved, and then choose every 31st application until 11 applications have been selected. All applications must have an equal chance of being selected.

Alternate two (previously called **Focused Sampling**):

The sample size equals the *lesser* of the **sum of**:

- One percent (1%) of all applications approved by the LEA as of October 1 of the school year, **selected from error prone** applications; **OR** 1,000 of all applications approved by the LEA as of October 1 of the school year, **selected from error prone** applications.

PLUS

- The *lesser* of:
One-half of one percent (0.5%) of applications approved by the LEA as of October 1 of the school year that provide a SNAP case number in lieu of income information; **OR** 500 applications approved by the LEA as of October 1 of the school year that provide a SNAP case number in lieu of income information.

Under **Alternate 2 sampling** the LEA **must** verify a minimum of:

The lesser of 1% or 1,000 of the total number of approved applications (both income eligible and SNAP applications). The sample **must** be selected from error prone applications.

PLUS

The lesser of .5% (one half of one percent) or 500 of the SNAP case number approved applications. The sample **must** be selected from SNAP case number applications.

Alternate 2 Sample Size procedures for calculation and selection:

1. Pull and count the **total** number of approved applications on file as of October 1 (both income eligible and SNAP case number applications).
2. Multiply the total approved applications by .01 (1%) **ROUND DECIMALS UP TO WHOLE NUMBERS**. At least one application **must** be verified.
Example: 4,500 approved error prone applications x .01 = 45 applications. (If needed round upward to the next whole number). The LEA **must** verify 45 applications **randomly chosen from only error prone applications**. If this number exceeds 1,000 the LEA would select to verify 1,000 error prone applications rather than 1%.
3. Pull and count all error prone applications.
If the number of applications in your error prone sample size (Step 3) exceed the number of applications needed for verification (Step 2) then randomly select the number of applications needed to be verified from your error prone applications. Every application in your error prone sampling should have the same opportunity to be selected for verification.
If the number of applications needed for verification (Step 2) exceeds the number of error prone applications (Step 3) then select **ALL** of the error prone applications **plus** randomly select from the remaining approved applications (income and SNAP case number applications) until the minimum sample size established in Step 2 is reached.
4. Pull and count the total number of approved applications on file as of October 1 with a SNAP case number.
5. Multiply the total approved SNAP case number applications (Step 4) by .005 (one half of one percent). This is the number of applications with a SNAP case number that the LEA **must** verify. When this number exceeds 500, the LEA will select to verify 500 applications with a SNAP case number rather than one half of one percent.
Example: An LEA has 1,000 approved applications with SNAP case numbers. Multiply 1,000 x .005 = 5 applications. The LEA **must** verify 5 applications with a SNAP case number.

Summary of Example:

In the example provided above, the LEA with 4,500 applications (3,500 income eligible and 1000 with SNAP case numbers) **must** verify 45 error prone applications and 5 applications with a SNAP case number for a total of 50 applications.

See also Appendix E Sample Size Chart in this manual.

F. Qualifying to use an Alternate Sample Size

SFAs in the first year of operation, such as Charter School Entities or new Consolidated School Districts, **must** use Standard Sample Size verification procedures.

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 – All LEAs

Any LEA may use an alternate sample size for any school year when its non-response rate for the preceding school year is less than twenty percent (20%).

For example, for School Year 2010-2011, the LEA may elect to use one of the alternate sample sizes because in School Year 2009-2010, the LEA's non-response rate was 18%.

Improved non-response rate – LEAs with more than 20,000 children approved for free and reduced price meals by application

An LEA with more than 20,000 children approved by application as eligible for free or reduced price meals 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 is at least ten percent below the non-response rate for the second preceding school year.

Continuing Eligibility for Use of an Alternate Sample Size

CNU, ADE publishes a list each year of all school districts that are required to use Standard Sample Size for verification purposes. This list is distributed at the CNU, ADE Directors' Conference, as well as through the September Distance Learning class. Also, a Commissioner's Memo regarding required verification activities is published each year. This memo includes the list of LEAs required to use Standard Sample Size verification. All other school districts may use either Alternate 1 or Alternate 2 sampling. It is the LEAs responsibility to know when the district is required to use the Standard Sample Size verification.

State Agency Responsibilities

The SA may establish criteria for reviewing and approving the use of an alternate sample size, including deadlines for submissions.

Random Selection Technique

When randomly selecting applications for verification a selection interval may be used. This can be accomplished by dividing the total number of approved applications on file by the sample size to determine the selection interval.

Example: If there are 340 approved applications on file on October 1 and the LEA is using Alternate 1 then 11 applications **must** be verified ($340 \times .03 = 10.2$ round up to 11). Divide the number of approved applications by the number of applications

that **must** be verified ($340 / 11 = 30.9$). In this case the selection interval is 31. Randomly select an application from the total approved applications as a starting point for the selection process. Then choose every 31st application after that starting point until 11 applications have been selected.

LEAs are not required to select a statistically valid random sample (as described in the above example). Any selection method in which each application has an equal chance of being selected is sufficient.

G. 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, an LEA official (the Confirming Official), **must** review each approved application selected for verification to ensure that the initial determination was accurate. The Confirming Official is reported to the SA on the Policy Statement or Renewal of Policy Statement each school year. The Confirming Official can not be the Determining Official or the Hearing Official. The Application Tracker **must** be signed or initialed by the Confirming Official to verify that the Confirmation Review was performed.

Any LEA that conducts a confirmation review of **all** applications at the time of certification is not required to conduct a second confirmation review prior to verification. However, each application should be initialed and dated by the confirming official to document the confirmation review.

Outcome of Confirmation Reviews

Depending on the outcome of each confirmation review, the LEA takes one of the following actions:

No change in status

If the initial eligibility status was correct, the LEA verifies the application.

Status changes from reduced price to free

The LEA:

- Makes the increase benefits available immediately;
- Notifies the household of the change in benefits; and
- Verifies the application. If verification reduces the level of benefits (from free to reduced price or paid), the household is sent a notice of adverse action.

Status changes from free to reduced price

The LEA:

- Does not change the child's status; and

- Verifies the application. If the child's free status is verified, the LEA does not notify the household. However, if the child's status changes from free to either reduced price or paid, the household is sent a notice of adverse action.

Status changes from free or reduced price to paid

The LEA:

- Immediately sends the household a notice of adverse action;
- Does not verify the application;
- Selects a similar application (for example, another error-prone application) for verification; and
- Follows the confirmation review procedures for the newly selected application.

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.

Any application removed **must** be replaced with another approved application selected on the same basis (i.e., an error-prone application **must** be substituted for a withdrawn error-prone application). The newly selected application **must** then have confirmation review.

In those LEAs where five percent of total applications result is less than one, one application may still be replaced. All results of the five percent calculation are rounded up to the next whole number.

H. Household Notification of Selection

Once the LEA has completed the post selection procedures, it proceeds with household notification.

Once households have been requested to provide documentation for verification, the LEA **must** complete the verification process for these households.

Contacting the Household

When a household is selected for verification and is required by the LEA to submit documents or other forms of evidence to document eligibility, the household **must** be sent a letter informing them of their selection and of the types of information acceptable to the LEA. The CNU, ADE approved notification letter can be found in the Forms and Letters Packet of the Policy Statement or Renewal of Policy Statement. See Appendix B of this manual for the website link.

The letter **must** include the following:

- That the household was selected for verification;

- Use of Information Statement (Please note that the Social Security Number (SSN) is no longer required for verification.);
- The types of acceptable information that may be provided to confirm current income, including pay stubs, award letters from assistance agencies, social security and support payment decrees from courts;
- That the household may provide proof that the child is a member of a household receiving assistance under the SNAP Program instead of providing income information and social security numbers of adult household members;
- **That documentation of income or receipt of assistance 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; all documentation must be from the same time period.**
- That information **must** be provided by a date as specified by the LEA and that failure to do so will result in termination of benefits;
- The name of an LEA official who can answer questions and provide assistance; and
- A no-cost to the household telephone number.

For verification inquiries, the LEA **must** provide a telephone number that is available at no cost to the household. The LEA may establish a toll-free number or allow the household to reverse the charges if any households 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.

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, since the household will not have to provide documents.

See Section I. Sources of Verification, Agency Records in this part and Part 9: Direct Verification in this manual.

I. Sources of Verification

Written Evidence – Written evidence is the primary source of eligibility confirmation for all households including SNAP households. Written evidence is most often pay stubs from employers or award letters from welfare agencies submitted by the household to the verifying officials as confirmation of eligibility.

Acceptable written evidence for income eligible households **contains the name of the household members, amount of income received, frequency received, and the date the income was received.** For example, a pay stub with no dates would be insufficient.

Acceptable written evidence for categorically eligible households based on a SNAP case number is a written statement from the SNAP agency that specifies that the child is a member of a household which is receiving benefits. This written evidence may be a notice of eligibility. Electronic Benefit Transfer (EBT) cards cannot be

used to confirm eligibility in the SNAP Program, and therefore cannot be used for categorical eligibility purposes. A SNAP document that does not specify the certification period is not adequate for documentation. For example, the SNAP identification card is not acceptable because it usually does not have an expiration date.

A household that does not have satisfactory SNAP documentation may request a signed, dated letter from the SNAP office, certifying that the household for whom the application is being submitted is currently receiving SNAP benefits.

Verification of eligibility for households that provided a SNAP case number on the application may be accomplished by submitting a list of names and SNAP case numbers to the local SNAP or welfare office for confirmation of certification of receipt of benefits from agency records. See Part 9: Direct Certification in this manual.

For other source categorical eligibility programs, an official letter, notice, or list from the appropriate State agency is sufficient.

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 or SNAP status or other categorical eligibility such as being a migrant. 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. A collateral contact would not be expected to provide social security numbers of the adult household members. These still **must** be provided by the household.

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 their 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 a SNAP case number on the application may be accomplished by submitting a list of names and case numbers to the local SNAP office for confirmation of certification of receipt of benefits from agency records. See Part 9 Direct Verification in manual for more information.

Agency Records – A household’s eligibility may be confirmed through the use of information maintained by other government agencies to which the SA, 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.

One source of agency records is the wage and benefit information maintained by the State employment agency if that information is available to the verifying official. Such records are State records, and the release of information maintained by State employment offices is governed by State law. Also see Part 9: Direct Certification in this manual.

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 indicates no income

If a household is selected for regular verification or verification 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.

J. Continuing the Verification Process Subsequent to Household Verification

To continue the verification process, 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.

When Verification is Considered Complete

The following list shows how the LEA determines if the household adequately responded and follow-up is not required:

- The household submits (income applications only) adequate written evidence or collateral contact corroboration of **all income listed on the application** or of categorical eligibility. Verification is considered complete for this household.
- The household submits (income applications only) adequate written evidence or collateral contact corroboration of **all income listed on the application** which indicates that the child should receive either a greater or lesser level of benefits. Verification is considered complete for this household when the notice of adverse action is sent or the household is notified that its benefits will be increased.
- The household indicates, verbally or in writing, that it no longer wishes to receive free or reduced price benefits. Verification is considered complete when the notice of adverse action is sent.
- When it is determined that a child listed on a SNAP application is not part of a household currently certified to receive SNAP benefits. Verification is considered complete when the notice of adverse action is sent.

If verification results in higher benefits (for example, a child who is moved from the reduced price to free category), this change is effective immediately and **must** be implemented no later than 3 operating days later. Parents should be notified in writing of approval for increased benefits.

Follow-up Attempt Requirement

The LEA **must** make **at least one follow-up attempt** to contact the household when the household does not adequately respond to the request for verification. Follow up attempts **must be documented** by the verifying official. The Application Tracker has a place to indicate follow up attempts. Each follow up attempt should be documented and have the initials or signature of verifying official on the Application Tracker.

When Follow-up Must Be Initiated

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

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

Follow-up Procedures

The follow-up attempt may be in writing (including e-mails) or by telephone and the LEA **must** document that a contact was attempted.

- 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;
- The follow-up contact **must** attempt to obtain the missing written evidence or obtain collateral contact 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.

If after at least one follow-up attempt:

- The household responds and provides all needed evidence. Verification is considered complete for this household if:
 - There is no change in benefits;
 - Household is notified that its benefits will be increased; or
 - When the notice of adverse action is sent
- The household does not respond. Verification is considered complete for this household when the notice of adverse action is sent.
- The LEA is unable to continue its verification activities because the household fails to provide adequate written evidence or knowledgeable collateral contacts. Verification is considered complete for this household when the notice of adverse action is sent.

K. Verification Results

Verification of a household's application **must** result in one of the following:

1. **No change in benefit level** – The household's current documentation supports the level of benefits for which the household has been approved.
2. **Reduction in benefit level** – The household's current documentation identifies income too high for the level of benefits for which the child has been approved. Therefore, the household's eligibility **must** be changed from free to reduced price, free to paid, or from reduced price to paid.
3. **Increase in benefit level** – The household's current documentation qualifies the household for free meals rather than reduced price meals. Therefore, the household's eligibility **must** be changed from reduced price to free meals.
4. **Termination of benefits** – Free and reduced price benefits **must** be terminated for households that **do not respond** to verification efforts or whose current documentation does not support eligibility for either free or reduced price meals.

The result of the verification process **must** be noted on the Application Tracker for each application that was verified.

If verification results in a lower benefit level or termination of benefits, the change **must** be extended to all children on the application who were determined eligible by information that no longer supports the benefit level. A Notice of Adverse Action **must** be sent to the household (see below) giving the household 10 calendar days to appeal the lowering of benefits.

If verification results in a higher benefit level (i.e., a child is moved from reduced price to free benefits) this change **must** be extended to all children on the application. This change is effective immediately and **must** be implemented no later than 3 operating days later. Parents **must** be notified in writing of this benefit increase.

L. Notice of Adverse Action

All households for whom benefits are to be reduced or terminated **must** be given 10 calendar days' written advance notice of the change. The current approved notice of adverse action is part of the Forms and Letters packet of the Policy Statement or Renewal of Policy Statement. See Appendix B for website link.

The first day of the advance notice period is the day the notice is sent. The notice **must** advise the household of the following:

- The change in benefits;
- The reasons for the change;
- That an appeal **must** be filed within the 10 calendar day advance notice period to ensure continued benefits while awaiting a hearing and decision;
- The instructions on how to appeal;

- That the household may reapply for benefits at any time during the school year; and
- Applications with SNAP case numbers from households that could not verify receipt of SNAP benefits may submit an application containing household names and income information and provide written evidence of current household income and the social security numbers of adult household members.

If the household does not appeal within 10 calendar days then the LEA has 10 operating days to change the meal status on all records, including master roster.

M. 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 appeal a reduction or termination of benefits during the 10 calendar day advance notice period, or 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 10 calendar day advance notice period, or 10 operating days after the decision by the hearing official.

N. Hearing Procedure

The hearing procedure in the LEA's approved free and reduced price policy statement on file with CNU, ADE **must** be followed. The hearing official is designated by the LEA to CNU, ADE on the Policy Statement or Renewal of Policy Statement. The hearing official **must** be an individual who was not connected with the approval or verification process.

The household may request a school conference prior to a formal hearing. Any such conference **must** not prejudice a later appeal.

O. Households that Reapply for Program Benefits

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 reduced or terminated by verification results and the household reapplies in the same school year, the household is required to submit income documentation or proof of participation in SNAP at the time of reapplication. These are not considered new applications.

P. Recordkeeping

General

Documentation, including documentation concerning any appeals, **must** be kept by the LEA to demonstrate compliance with the verification requirements. This documentation **must** be made available to State or Federal reviewers.

LEAs **must** maintain a description of the 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 description must also include the criteria for replacing applications for verification. This description **must** be made available for review purposes.

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.

An Application Tracker **must** be completed for each application that is chosen for verification activity. This Application Tracker is part of the Forms and Letter Packet that section of the Policy Statement or Renewal of Policy Statement that is revised each school year. See Appendix B for website link.

Verified applications **must** be readily retrievable by school and the LEA **must** document correspondence between the selected households and the LEA or school. Auditors and reviewers will examine copies of all written correspondence to support the verification summary report.

Individual Household Applications

For each application, 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. The LEA **must** retain:

- Copies of all relevant correspondence between the households selected for verification and the LEA;
- One of the following for all documentation used to verify eligibility:
 - ◆ All documents submitted by the household or reproductions of those documents; or
 - ◆ 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 (for example, wage stubs or letter from an employer) income shown on the document, time period of the income, and the date of the document and any changes in eligibility as a result of verification procedures, the reasons for the changes, and the date the change was made;
- Any change in eligibility as a result of verification procedures, the reason for the change and the date the household was notified, and the date the change became effective; and

- Records of follow-up attempts and results.

LEAs should also record:

- Any additional information necessary to show the efforts made by the LEA to meet the verification requirements;
- The title and signature of the verifying official; and
- The criteria for replacing applications for verification.

When verification information is needed for coordinated review effort (CRE) purposes, the LEA **must** be able to provide this information for each school selected for review.

Q. Questions and Answers

Q1. *When do I have to have verification completed?*

A. The LEA must complete verification of the minimum required sample size by November 15 each year. Completion of verification includes having all documentation from the household, determination of verification results and letters of verification results mailed to the household.

Q2. *What kind of written evidence is required for verification of a foster child's application?*

A. School officials should contact the household in which the foster child resides and ask for the name, agency, and phone number of the social worker assigned to that child. A phone call to the social worker confirming the child's status as a foster child and the amount of money designated by the agency for the child's personal use is sufficient verification. The school official should, however, document the phone conversation with the social worker (identifying the social worker, agency, phone number, status of the child, and the child's personal-use income.) Another approach would be to ask the foster family for a copy of a written communication between the foster family and the placement agency in which the status of the child and the financial arrangement is stated. If the family is unable to provide such information, a phone call to the placement agency to confirm the child's status should be made prior to denying the child free meals.

Q3. *Can I get a list of foster children from the courts or other responsible agency?*

A. Yes, as long as the documentation discussed in Question 2 can be provided. Unless part of the court or agency record, the LEA would be responsible for determining which school the foster child attends.

Q4. *What if an application is selected for verification, but the household transfers out of the school district before the information can be verified?*

- A.** If a household selected for verification transfers out of the district before the information can be verified, verification cannot be completed. To meet the minimum verification requirements, a new application **must** be selected.
- Q5.** *What if I use other agency records and the agency does not provide a response before November 15?*
- A.** The LEA should document that it contacted another agency well in advance of deadline which demonstrates good faith. This would be a valid reason for the LEA to request a deadline extension from the SA.
- Q6.** *How is overtime income counted for the purposes of verification?*
- A.** The LEA 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.
- Q7.** *If a household is paid weekly and submits a pay stub for a week, **must** I go back and ask for pay stubs for a whole month?*
- A.** No. If the weekly pay stub is representative of what the household normally receives each week, one pay stub is sufficient. The income on this pay stub **must** be annualized to determine the eligibility status of the household.
- Q8.** *In our school district, no one lives outside of the local calling area. Do we have to provide a no-cost telephone number for verification questions?*
- A.** The LEA doesn't have to have a toll-free number to call but a parent **must** be able to call collect if, for example, she / he works outside of the local calling area and is unable to contact the LEA through a local number during the LEAs hours of operation.
- Q9.** *Am I verifying eligibility at the time of the application or current eligibility at the time of verification?*
- A.** Verification is intended to establish current eligibility. However, with the year long eligibility, the household can provide evidence that they were eligible for benefits at any time from the month prior to completion of the application through the time the household is required to provide documentation. If the household can provide that documentation of eligibility then the household should continue receiving benefits even if they would not qualify for benefits with their current income.
- Q10.** *If my sample size is 4.2 applications, do I verify 4 or 5 applications?*

A. Partial numbers **must** be rounded up to the next whole number. You **must** verify 5 applications.

Q11. *Do we have to maintain the actual documentation from verification or just the results of verification?*

A. If the application is verified by documents submitted by the household, the LEA **must** either retain the documents or a photocopy. If that is not possible, the relevant information can be written down and kept with the Application Tracker. If the LEA chooses to write down the relevant information, enough of a record **must** be retained from the document to verify eligibility, including the type of document (pay stub or Social Security letter), time period of eligibility or pay period, income shown on document, and the date of the document. If other sources are used to document eligibility, such as the SNAP office or collateral contacts, records of those sources and the information received must be documented as well.

The LEA **must** also keep a record of any change in eligibility as a result of the verification procedures, the reason for the change, and the date the change was made. This information **must** be maintained on the Application Tracker.

The LEA **must** also keep copies of all correspondence with the household relating to verification activities. See Section O. Recordkeeping in this Part of this manual.

Q12. *When a Notice of Adverse Action has been sent to a household, can the LEA claim reimbursement for that child during the period covered by the advance notice?*

A. Yes. The household **must** be given 10 calendar days' advance notice that a change is being made in the child's eligibility status. During that time, the child **must** continue to receive free or reduced price meal benefits and the LEA may continue to claim reimbursement for free or reduced price meals served to the child during this period. See Section K. Notice of Adverse Action in this Part of this manual for more information.

Q13. *Can the determining official make an eligibility determination based upon other income sources, which were not declared on the application but about which the official knows?*

A. No. The determining official **must** make the initial determination based on the face value of the application. However, immediately after the application is approved, the LEA may begin the verification for cause process for that application. See Section D Verification for Cause in this Part of this manual for more information. Verification for cause would be in addition to the required verification activities.

Q14. *What if the determining official suspects that there are other sources of income?*

A. Any application that contains questionable information **must** be verified for cause as soon as possible. See Section D Verification for Cause in this Part of this manual for more information. Verification for cause would be in addition to the required verification activities.

Q15. *If I have an application with 5 students on it does that count as 5 applications for verification purposes?*

A. No. This would count as 1 application.

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Part 9: Direct Verification

A. General

Direct verification is using records from public agencies to verify income and/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 wishes to conduct direct verification **must** contact the SA for assistance with establishing a direct verification method.

LEAs may conduct direct verification activities with the Supplemental Nutrition Assistance Program (SNAP) as well as the agency that administers the State plan for Medicaid, and the State Children's Health Insurance Program (ARKids 1st). 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 for verification.

B. 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 the eligible program (for example, the SNAP Program or the Medicaid program). The names of other household members (all adults, children who are not attending school, or children not approved for free or reduced price meals) cannot be submitted for direct verification purposes.

C. Direct Verification with the SNAP Program

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

D. Direct Verification with Medicaid and SCHIP

For States with Medicaid and / or SCHIP income limits of 133% or less:

- If the income eligibility used for the Medicaid or SCHIP is not more than 133% of the official poverty line or where those households that have income that is not more than 133% of the official poverty line can be indentified, records from these agencies may be used to verify eligibility.

- ◆ If information obtained through direct verification with these programs verifies the eligibility status of the child or children listed on the application, no additional verification is required.
- For States with Medicaid and/or SCHIP income limits between 133%-185%:
 - ◆ Direct verification information **must** include either:
 - The percentage of the official poverty line upon which the applicant's participation is based; or
 - The income and household size used by Medicaid or SCHIP in order to determine that the applicant is either at or below 133% of the Federal poverty line for free eligibility, or is between 133% and 185% of the Federal poverty line for reduced price eligibility.
 - ◆ Verification for children approved for free meals is complete if the data indicates that the percentage is at or below 133% 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% of the Federal poverty line.
 - ◆ If information obtained through direct verification with Medicaid or SCHIP verifies eligibility status, no additional verification is required.

E. Documentation Timeframe

The information used for direct verification **must** be the most recent information available which is defined as data which is 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, if the application was approved on September 10th, the SA or LEA may request data from the month of September or, if available, for August through October.

F. Incomplete or Inconsistent Information from Direct Verification

If information provided by the public agency does not verify eligibility, the LEA ***must*** proceed with regular verification activities. See Part 8: Verification of Eligibility for School Meals of this manual.

Part 10: Appendices

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Appendix A

Contents of the Free and Reduced Price Policy Statement

Required Information

The free and reduce price policy **must** contain, at a minimum, the following:

- The names of official(s), 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;
- The LEAs specific procedures to accept applications for benefits and its direct certification procedures;
- A description of the method(s) 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; and
- A copy of the application form and letter to households.

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

- The media release;
- The notice to households of approval or denial of benefit;
- The notice to households of selection for verification;
- The notice to households of adverse action; and
- The notice to households of eligibility under direct certification.

Amendments to Policy Statement

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 SA approval. Routine changes, such as inclusion of the new income eligibility guidelines (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 SA that accurately describes its current free and reduced price policies. Amendments with substantive changes (i.e. change in application materials) **must** be submitted to the SA for approval by October 15. The amendments **must** be approved by the SA prior to implementation.

The amendments **must** reflect:

- Changes made necessary by law / regulations;
- Changes made by the LEA, for example, changes in collection procedures, designation of new approving / hearing official(s), changes in procedures for accepting applications, and revisions in the letter to households or application for free and reduced price meals;
- Additional information specified by the SA.

Appendix B

Free and Reduced Price Meal Applications and Related Materials

The Child Nutrition Unit of the Arkansas Department of Education distributes the Agreement and Policy Statement or Renewal of Agreement and Policy Statement in the spring of each year for the following school year.

To access the most recent Free and Reduced Price Meal Applications and the Forms and Letters packet go to the Forms page of the CNU website at <http://cnn.k12.ar.us> as well as under ADE Commissioner's Memos. Click on the most recent Agreement or Renewal of Agreement memo, making sure it is for the correct school year. The links in this memo include the Forms and Letters Packet, Free and Reduced Price Meal Application materials as well as the Spanish Translation of the Free and Reduced Price Meals Packet as amended for use in the state of Arkansas. **Make sure the forms and letters being used are for the correct school year.**

The SFA / LEA should have on file with CNU, ADE a signed and approved Original Agreement and Policy Statement and the Renewal of Agreement and Renewal of Policy Statement as well as all attachments. These forms **must** be made available for Federal or State review purposes.

Appendix C

PROTOTYPE DISCLOSURE OF FREE AND REDUCED PRICE INFORMATION AGREEMENT

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 the 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 State children's health insurance program. 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:

Check all that apply	Program	Information authorized
	<i>Medicaid</i> or the <i>State children's health insurance program (SCHIP) (ARKids 1st)</i> , administered by a State or local agency authorized under titles XIX or XXI of the Social Security Act. Specify Program:	All eligibility information, unless parents elect not to have information disclosed.
	<i>State health program</i> other than Medicaid / SCHIP, administered by a State agency or local education agency. Specify Program:	Eligibility status only; consent not required.
	<i>Federal health program</i> other than Medicaid / SCHIP Specify Program:	NO eligibility information unless parental consent is obtained.
	<i>Local health program</i> Specify Program:	NO eligibility information unless parental consent is obtained.
	<i>Child Nutrition Program</i> under the National School Lunch Act or Child Nutrition Act Specify Program:	All eligibility information; consent not required.
	<i>Federal / State or local means tested nutrition program</i> with eligibility standards comparable to the National School Lunch Program Specify Program:	Eligibility status only; consent not required.
	<i>Federal education program</i> Specify Program:	Eligibility status only; consent not required.
	<i>State education program</i> administered by a State agency or local education agency Specify Program:	Eligibility status only; consent not required.

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)(A)(iv) specifies that for State Medicaid or SCHIP, parents **must** be notified and given 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.

III. RESPONSIBILITIES

(Insert Name of Determining Agency) will:

When required, secure parent / guardian consent 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 SCHIP 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 purposes(s):

Describe:

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 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 or reduced price meals shall be fined not more than \$1000 or imprisonment of not more than 1 year of 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; that unauthorized use of free and reduced price meal 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

Printed Name: _____
Title: _____ Phone: _____
Signature: _____
Date: _____

Determining Agency Administrator

Printed Name: _____
Title: _____ Phone: _____
Signature: _____
Date: _____

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

Appendix D

Disclosure Chart by What May be Released

All Eligibility Information		
Recipient of Information	Information that May be Disclosed to Recipient	Required Notification and Consent
<i>Child Nutrition Programs</i> under the National School Lunch Act or Child Nutrition Act (NSLP, SBP, SMP, CACFP, SFSP, and WIC)	All eligibility information	Prior notice and consent not required
<i>Federal, State or local law enforcement officials</i> investigating alleged violations of any of the programs under the NSLA and CNA or investigating violations of any of the programs authorized to have access to names and eligibility status	All eligibility information	Prior notice and consent not required
<i>Comptroller General</i> of the United States for purposes of audit and examination	All eligibility information	Prior notice and consent not required
<i>Medicaid</i> or the <i>State children's health insurance programs (SCHIP)</i> , administered by a State or local agency authorized by a State or local agency authorized under titles XIX or XXI of the Social Security Act to identify and enroll eligible children.	All eligibility information, unless parents elect not to have information disclosed	Must give prior notice to parents and opportunity for parents to decline to have their information disclosed
Eligibility Status Only		
Recipient of Information	Information that May be Disclosed to Recipient	Required Notification and Consent
<i>Federal / State or local means tested nutrition programs</i> with eligibility standards comparable to the NSLP	Eligibility status only	Prior notice and consent not required
<i>Federal education programs</i>	Eligibility status only	Prior notice and consent not required
<i>State education programs</i> administered by a State agency or local education agency	Eligibility status only	Prior notice and consent not required
<i>State health programs</i> other than Medicaid /SCHIP, administered by a State agency or local education agency	Eligibility status only	Prior notice and consent not required
No Eligibility Information, Unless Parental Consent Is Obtained		
Recipient of Information	Information that May be Disclosed to Recipient	Required Notification and Consent
<i>Local education programs</i>	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Federal health programs</i> other than Medicaid / SCHIP	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Local health program</i>	NO eligibility information, unless parental consent is obtained	Must obtain parental consent

Appendix E

Sample Size Chart

Sample Size Option	Why random sampling is required	How to apply random sampling technique
Standard	Number of error prone applications exceeds required sample	Divide total number of error prone applications by the required sample size
Standard	Number of error prone applications is less than required sample	Divide total number of non-error prone applications by the number of applications needed to complete the sample size
Alternate 1	Alternate 1 only uses randomly selected applications	Divide the total number of applications on file on October 1 by the number of applications required for the sample size
Alternate 2	Number of error prone applications or case number applications exceed required sample	Divide total number of error prone applications OR the total number of case number applications by the required sample size
Alternate 2	Number of error prone applications or case number applications is less than required sample	Divide total number of non-error prone/non-case number applications by the number of applications needed to complete the sample size

Appendix F

Acronyms Used in This Manual

ADE	Arkansas Department of Education
CNA	Child Nutrition Act
CACFP	Child and Adult Care Food Program
CFR	Code of Federal Regulations
CNU	Child Nutrition Unit
CRE	Coordinated Review Effort
DHS	Department of Human Services
DOD	Department of Defense
FERPA	Family Educational Rights and Privacy Act
FNS	Food and Nutrition Services
FSSA	Family Subsistence Supplemental Allowance
FYSB	Family and Youth Services Bureau
IEG	Income Eligibility Guideline
LEA	Local Education Agency
LOA	Local Operating Agency
MEP	Migrant Education Program
NAEP	National Assessment of Education Progress
NCLB	No Child Left Behind
NSLA	Richard B. Russell National School Lunch Act
RCCI	Residential Child Care Institution
RHYA	Runaway or Homeless Youth Act
SA	State Agency
SCHIP	State Children's Health Insurance Program
SFA	School Food Authority
SFSP	Summer Food Service Program
	Supplemental Nutrition Assistance Program
SNAP	(formerly called Food Stamp Program)
USDA	United States Department of Agriculture
WIC	Women, Infants and Children

Appendix G

Required Items on Categorically Eligible Lists

* Per applicable federal regulations for each program.

Migrant Education Program	Names of students enrolled in Migrant Education Program Effective Date of the List Signature of MEP Coordinator or designee*
Federally Funded Head Start Enrollees	Names of students enrolled in Program Effective Date of the List Signature of Head Start Program Director or designee*
Federally Funded Even Start Enrollees	Names of students enrolled in Program Effective Date of the List Statement that the Even Start Program is Pre-kindergarten Signature of Even Start Program Director or designee*
Runaway List	Names of students determined to be runaway by LEAs Homeless Liaison Effective Date of the List Signature of Homeless Liaison or designee*
Homeless List	Names of students determined to be homeless by the LEAs Homeless Liaison or Director of Homeless Shelter Effective Date of the List Signature of LEAs Homeless Liaison, Homeless Shelter Director or designee*

Appendix H

Terms Used for Verification

Terms Prior to 2008-09 School Year	Terms Beginning 2008-09 School Year
Error Prone Sampling	Standard Sample – still uses Error Prone applications
Random Sampling	Alternate 1
Focused Sampling	Alternate 2