

# Eligibility Manual for School Meals

## Determining and Verifying Eligibility



USDA Food and Nutrition Services  
Child Nutrition Programs

July 18, 2017

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

This edition incorporates clarifications identified by the Food and Nutrition Service and State agencies, as well as applicable guidance issued since the last revision in July 2016. Notable changes are highlighted in yellow throughout the manual. Formatting changes and minor changes to the language are not highlighted, as they do not represent a change in policy.

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## About This Guidance

Millions of children across the nation participate in the Federal Child Nutrition Programs (CNPs) each day, receiving benefits that make an important contribution to their overall nutrition and academic success. In 2016, an average of 30.3 million children participated in the National School Lunch Program (NSLP) and 14.5 million children participated in the School Breakfast Program (SBP) each day school was in session. Seventy-three percent of all lunches and 85 percent of all breakfasts were served at the free and reduced price rate.

The *Eligibility Manual for School Meals* provides comprehensive information on the Federal requirements, policies, and procedures for establishing eligibility in the Programs. This is intended to help State and local educational agencies (LEAs) accurately determine, certify, and verify children's eligibility for free and reduced price school meals and free milk.



The United States Department of Agriculture's (USDA) Food and Nutrition Service (FNS) understands the importance of reducing paperwork and administrative errors, emphasizing flexibility in how the Programs operate, and maintaining strong accountability for outcomes, all while promoting access for eligible families. It is critical that State and local procedures encourage and support effective methods for establishing eligibility, including direct certification, to reach children who qualify for benefits, but who are not participating.

The *Eligibility Manual* provides practical information for State and local agencies responsible for administering the School Meal Programs, including guidance on determining eligibility for free and reduced price meals and free milk, protecting student privacy, and ensuring the accuracy of eligibility determinations through the verification process. By using this manual, State and local agencies can ensure their policies and procedures for establishing eligibility are effective, improve Program integrity, and reduce administrative burden, without compromising access for families in need.

While the requirements in this manual are generally directed towards LEAs, FNS recognizes there is wide variation in the structure of school districts at the local level. As such, in some cases, the school food authority (SFA) may assume responsibility for certain requirements included in this manual. Additionally, CNP operators will find this manual useful when establishing eligibility for individual children in the Summer Food Service Program (SFSP) or

for children and adult participants in the Child and Adult Care Food Program (CACFP). The income eligibility, categorical eligibility, confidentiality, and disclosure sections of this manual are also applicable to the SFSP and CACFP.

The sections of the *Eligibility Manual* include:

- **Section 1:** An overview of the CNPs: the NSLP, SBP, CACFP, and SFSP.
- **Section 2:** Information about determining eligibility based on household size and income, Assistance Program participation, and Other Source Categorical Eligibility designations.
- **Section 3:** A guide to processing and reviewing applications and notifying households of application approval or denial.
- **Section 4:** An overview of application requirements and information about various application types and formats.
- **Section 5:** A guide to confidentiality and disclosure requirements, including when, how, and to whom a child's eligibility status or other eligibility information may be disclosed.
- **Section 6:** An overview of the verification requirements for the School Meal Programs.
- **Appendices:** Additional resources LEAs may use to learn more about eligibility determinations in the CNPs.

This edition replaces the *Eligibility Manual* issued in July 2016. FNS issues this guidance periodically to ensure that CNP operators have current policy information to begin the application and certification process at the start of each school year.

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

#### **Statutory Authority**

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

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

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

# Section 1: Getting Started

In this section, you will find information on:

- The administration of USDA's CNPs,
- Policy requirements for operating the CNPs,
- Public outreach requirements for LEAs, and
- A list of key terms used throughout the *Eligibility Manual*.

## Child Nutrition Programs

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

According to 7 CFR 245.1(a), State agencies that administer the CNPs must issue free and reduced price policy guidance and any other instructions necessary to LEAs and other program sponsors to ensure awareness of Federal and State requirements pertaining to free and reduced price meals and free milk. Participating LEAs must provide free and reduced price meal benefits to eligible children in accordance with the statutory and regulatory requirements as detailed in this manual.



## Key Requirements

All schools participating in NSLP or SBP must make free and reduced price meals available to all eligible children. All schools and institutions participating in the free milk option of the SMP must make free milk available to eligible children [7 CFR 245.1(a)]. No person shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the CNPs [7 CFR 15.1].



## **Policy Statements**

According to 7 CFR 245.10(a), each LEA participating in the NSLP and SBP must have an approved free and reduced price policy statement on file at the appropriate State agency (or the FNSRO, if the LEA participates under a ROAP). Likewise, each LEA participating in the SMP with the free milk option must have an approved policy statement on file. If some schools in an LEA participate in the SMP and others participate in the NSLP or SBP, the LEA may submit a single policy statement for all of its schools.

When an LEA begins participation in the NSLP, SBP, or SMP, the LEA must submit a policy statement to the State agency for approval as part of the application process. Once approved, the policy statement becomes a permanent document, though it must be amended when the LEA makes a substantive change in its free and reduced price policy statement [7 CFR 245.10(c)]. The State agency provides specific instructions on the development of the policy statement and policy approval process [7 CFR 245.10(a)(1)]. Please see [Appendix A](#) for the requirements for the policy statement and amendments.

## **Public Outreach Requirements**

As required at 7 CFR 245.5(a), near the beginning of each school year the public must be notified that free and reduced price meals and free milk are available. This notice must include the eligibility criteria for free and reduced price meals or free milk. The public notice must be provided to the local news media, the unemployment office, and any major employers contemplating large layoffs in the attendance area of the school [7 CFR 245.5(a)(2)].

The State agency may issue the public release on behalf of all LEAs in the State. In this case, the free and reduced price policy statement must specify the responsibilities the State agency will assume, such as sending the public release to the local media and employment offices, and the names of the schools covered under the policy. Copies of the public release must be made available upon request to any interested person [7 CFR 245.5(b)].

In addition to the required notification at the beginning of the school year, LEAs are strongly encouraged to share information about the availability of school meals in routine contacts throughout the school year. LEAs may post the application on school or district websites, provide information in newsletters regularly sent to families, and use other existing notification methods (e.g., print, telephone, email, text message, and social media) to encourage eligible families to apply.

LEAs must ensure that communication with applicants, participants, members of the public, and companions with disabilities are as effective as communications with people without disabilities through the provision of auxiliary aids and services, such as alternative formats, taped text, audio recordings, Brailed materials, large print and sign language interpreters [28 CFR 35.160].

Additionally, in order to participate in the School Meal Programs, program operators must comply with the USDA regulation Non Discrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance [7 CFR 15b]. This includes ensuring children with disabilities have an equal opportunity to participate in and benefit from the NSLP and SBP. For more detailed guidance about accommodating disabilities, please see issued SP 26-2017: *Accommodating Disabilities in the School Meal Programs: Guidance and Questions and Answers (Q&As)*, <https://www.fns.usda.gov/school-meals/accommodating-disabilities-school-meal-programs-guidance-and-qas>.

LEAs also must take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency. More information about this requirement may be found in *Application Content* and in SP 37-2016: *Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&As*, <http://www.fns.usda.gov/meaningful-access-persons-limited-english-proficiency-lep-school-meal-programs-guidance-and-qas>.

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

The public media release must include the same information supplied in the letter to households. Additionally, the public release must contain the Federal Income Eligibility Guidelines (IEGs) for free as well as reduced price school meals. However, a public release solely for the SMP only provides the free IEGs, and is not required to provide the reduced price IEGs. To view the current IEGs, please see: <http://www.fns.usda.gov/school-meals/income-eligibility-guidelines>.

The public release also must explain the following information:

- When known to the LEA, households will be notified of their children’s eligibility for free meals based on their participation (or a household member’s participation) in the:
  - Supplemental Nutrition Assistance Program (SNAP);
  - Food Distribution Program on Indian Reservations (FDPIR); or
  - Temporary Assistance for Needy Families (TANF), if the State program meets Federal standards.



- When known to the LEA, households will be notified of any child’s eligibility for free meals based on the individual child’s designation as Other Source Categorically Eligible, as defined by law. Children are determined Other Source Categorically Eligible if they are:
  - Homeless,
  - Migrant,
  - Runaway,
  - A foster child, or
  - Enrolled in Head Start or an eligible pre-kindergarten program  
(see: SP 40-2013: *Q&As Regarding the Participation of Head Start Programs in Child Nutrition Programs*, <https://www.fns.usda.gov/qas-regarding-participation-head-start-programs-child-nutrition-programs-0>).
- If children or households receive benefits under Assistance Programs or Other Source Categorically Eligible Programs and are not listed on the notice of eligibility and are not notified by the school of their free meal benefits, the parent or guardian should contact the school or should submit an income application.
- Households notified of their children’s eligibility must contact the LEA or school if they choose to decline the free meal benefits.

### *Information Letters to Households*

To inform families about the availability of free and reduced price meals or free milk, schools must distribute information letters to the households of children attending the school [7 CFR 245.5(a)(1)]. LEAs are encouraged to inform households that all school-aged children in income-eligible households can receive school meal benefits regardless of a child’s immigration status. In addition, the letter may inform households that LEAs do not release information for immigration-related purposes in the usual course of operating CNPs.

The information letter must be sent to households before children begin attending school. The letters may be distributed by the postal service, e-mailed to the parent or guardian, or included in information packets provided to students. LEAs also are encouraged to provide applications and information about school meals in routine household contacts throughout the school year through school newsletters, social media updates, or other household notification processes. Information letters may not, however, be sent to households at the end of the school year for the subsequent school year, nor can the LEA accept and process applications before the federally defined school year, which begins on July 1. (Year-round schools, however, may distribute the letters in June.)

Direct certification allows LEAs to establish student eligibility for free meals using participant data from other means-tested programs, eliminating the need for an application. (See: *[The Direct Certification Process](#)*.) LEAs must ensure all households receive either a direct certification notification of their child’s approval or, for those children not directly certified, an application

for free and reduced price meal benefits [7 CFR 245.6(c)(6) and 7 CFR 256.6(c)(6)(ii)]. Notification of a child's eligibility through direct certification may be done through e-mail if the LEA has an e-mail address for a parent or guardian.

When distributing the application materials for those children not directly certified, LEAs must prevent the overt identification of those children determined eligible through the direct certification process and who do not need application materials [7 CFR 245.6(b)(10)]. See [\*Preventing Overt Identification\*](#) for more information.

As outlined at 7 CFR 245.5(a), the information letters must include:

- The IEGs, as follows:
  - For schools participating in the NSLP and/or SBP only, the information letter must include the reduced price guidelines and an explanation that households with incomes at or below the reduced price income limit may be eligible for free or reduced price meals.
  - For schools participating in the SMP with the free milk option only, the information letter must include the free guidelines.
  - For schools participating in the NSLP and/or SBP, and also participating in the SMP with the free milk option (e.g. for split-session kindergarten students), the information letter must include the free and reduced price guidelines.
- Instructions on how to apply for free and reduced price meals or free milk, including:
  - Local contacts and mailing addresses, prominently displayed.
  - An explanation of how to submit an application to a school or LEA office.
  - Instructions for where to direct questions about the application process.
- General application information:
  - A household may apply for benefits at any time during the school year. Children of parents or guardians who become unemployed or experience a financial hardship mid-year may become eligible for free and reduced price meals or free milk at any point during the school year.
  - Only one application is required for all children in the household attending schools in the same LEA.
  - No application is necessary if the household was notified by the LEA their children have been directly certified. If the household is not sure if their children have been directly certified, the household should contact the school.
  - Only the last four digits of the Social Security Number of the household's primary wage earner or another adult household member (or an indication of "none") is needed when submitting the application.
  - Information submitted on the application may be subject to verification.

- Special Supplemental Nutrition Program for Women, Infants and Children (WIC) participants may be certified as eligible for free and reduced price meals through the application process.
- An explanation of Assistance Program (SNAP, FDPIR, or TANF) household eligibility:
  - Categorical eligibility for free meal benefits is extended to all children in a household when the application lists an Assistance Program’s case number for any household member.
  - Households with any member who is currently certified to receive Assistance Program benefits may submit an application with abbreviated information as indicated on the application and instructions.
- An explanation of Other Source Categorically Eligibility:
  - Households with children who are categorically eligible through an Other Source Categorically Eligible designation may be eligible for free benefits and should contact the school or LEA for assistance in receiving benefits.
  - A foster child is categorically eligible for free meals and may be included as a member of the foster family if the foster family chooses to also apply for benefits for other children. Including children in foster care as household members may help other children in the household qualify for benefits.
  - If non-foster children in a foster family are not eligible for free or reduced price meal benefits, an eligible foster child will still receive free benefits.
- An explanation of eligibility determinations:
  - An application for free and reduced price benefits cannot be approved unless complete eligibility information is submitted, as indicated on the application and in the instructions.
  - A household may appeal the application decision, using the hearing procedure described in the LEA’s free and reduced price policy statement.
- An explanation of carryover policy:
  - For up to 30 operating days into the new school year (or until a new eligibility determination is made, whichever comes first) an individual child’s free or reduced price eligibility status from the previous year will continue within the same LEA.
  - When the carryover period ends, unless the household is notified that their children are directly certified or the household submits an application that is approved, the children’s meals must be claimed at the paid rate. Though encouraged to do so, the LEA is not required to send a reminder or a notice of expired eligibility.



- The full USDA Nondiscrimination Statement, revised as of October 2015, as follows:

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

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

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

*(1) Mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;*

*(2) Fax: (202) 690-7442; or*

*(3) E-mail: [program.intake@usda.gov](mailto:program.intake@usda.gov).*

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### ***Information Letters for Late Enrollments***

Households enrolling new students in an LEA after the start of the school year must be provided an information letter, application, and materials when they enroll, and the LEA must determine eligibility promptly [7 CFR 245.6(a)(1)]. The LEA must notify the household of the children's eligibility and provide free or reduced price meal benefits to eligible children within 10 operating days of receiving the application from the household [7 CFR 245.6(c)(6)(i)]. If the LEA has the capability, the status of any newly enrolled child must be checked for participation in an Assistance Program and in Other Source Categorical Eligibility at the time of enrollment.

## Definitions

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

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

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

There are two common automated data matching processes:

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

***Carryover of Eligibility:*** When a child transitions from one standard counting and claiming school to another standard counting and claiming school within the same LEA between school years, the child's eligibility status from the previous school year is carried into the current school year for up to 30 operating days, beginning on the first operating day of school. A child's prior year's eligibility remains in effect until a new eligibility determination is made or, if no determination is made, for up to 30 operating days [7 CFR 245.6(c)(2)]. For more information, see: [\*Carryover of Previous Year's Eligibility\*](#).

***Categorical Eligibility:*** Automatic eligibility for free meals or free milk due to a child's (or any household member's) receipt of benefits under an Assistance Program, or a child's designation as Other Source Categorically Eligible [7 CFR 245.2]. There are two ways children may be classified as categorically eligible:

- Participation in an Assistance Program [7 CFR 245.6(b)(7)]: A child or any member of the household receives benefits from an Assistance Program, as determined either through direct certification or an application with the appropriate case number.

- Other Source Categorically Eligible designation [7 CFR 245.6(b)(8)]: A child is documented as meeting the applicable definition, as defined in this section, as:
  - Homeless, runaway, or migrant child;
  - Foster child; or
  - Enrolled in a federally-funded Head Start or comparable State- or Indian Tribal Organization-funded Head Start or pre-kindergarten program.

An individual child's eligibility for free benefits under any of the Other Source Categorically Eligible Programs does not convey to other children in the household [7 CFR 245.6(b)(8)]. Except for a foster child, the household indication of Other Source Categorically Eligible Status must be confirmed through documentation prior to certifying the child's eligibility for free meals. If documentation does not confirm eligibility for an Other Source Categorically Eligibility, the household should be asked to resubmit the application and include income information.

***Community Eligibility Provision (CEP):*** Rather than collecting school meal applications to make individual eligibility determinations, schools that adopt CEP are reimbursed using a formula based on the percentage of students who are normally certified for free school meals without an application, such as students who participate in the Supplemental Nutrition Assistance Program and homeless students. See the *Community Eligibility Provision Resource Center*.

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

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



***Direct Certification for Assistance Programs:*** A process conducted through automated data matching or an exchange of information between the Assistance Program agency and the State agency or LEA. No application from the household is necessary. Letters from Temporary Assistance for Needy Families and Food Distribution Program on Indian Reservations agencies submitted by households are considered direct certification. However, direct certification for Supplemental Nutrition Assistance Program households must be conducted using an automated data matching process [7 CFR 245.6(b)(1)]. If a household provides a Supplemental Nutrition Assistance Program eligibility letter to the LEA or school, the letter must be used to establish eligibility, but it is not considered direct certification for reporting purposes.

***Direct Certification for Other Source Categorically Eligible Programs:*** A process conducted through an automated data matching or an exchange of information between appropriate State or local agencies and officials from Other Source Categorically Eligible Programs, such as the LEA's homeless liaison. Direct certification also may be conducted using lists of eligible children provided to the State agency or LEA from appropriate officials of these programs. Letters and contacts from officials of these may also be used as direct certification. [7 CFR 245.6(b)(2)]

***Direct Verification:*** The use of public records as a means to verify children's eligibility for free and reduced price benefits. Direct verification may be conducted with Assistance Program agencies or appropriate officials of Other Source Categorically Eligible Programs to confirm eligibility for free meals. Direct verification with Medicaid or the Children's Health Insurance Program may confirm eligibility for either free or reduced price meals, depending on the Medicaid or Children's Health Insurance Program eligibility criteria in the State. Direct verification may be used for applications included in the verification sample or those verified for cause. [7 CFR 245.6a(g)]

***Extension of Categorical Eligibility for Assistance Programs:*** A child or other household member's receipt of benefits from an Assistance Program automatically extends eligibility for free benefits to all children who are members of the household. [7 CFR 245.6(b)(7)]

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

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

***Foster Child:*** An Other Source Categorical Eligibility Program designation for a child who is formally placed by a court or a State child welfare agency. Whether placed by the State child welfare agency or a court, in order for a child to be considered categorically eligible for free meals, the State must retain legal custody of the child. This definition does not apply to informal arrangements or permanent guardianship placements that may exist outside of State or court-based systems. [7 CFR 245.2]

***Free Meal:*** A meal served in the National School Lunch Program or School Breakfast Program to a child eligible for such benefits under 7 CFR Part 245. Neither the child nor any member of the household pays or is required to work in the school or in the school's food service to receive a free meal. [7 CFR 245.2]

***Free Milk:*** Milk served in the Special Milk Program to a child eligible for free milk under 7 CFR Part 245. Neither the child nor any member of the household pays or is required to work in the school or in the school's food service to receive free milk. [7 CFR 245.2]

***Head Start:*** An Other Source Categorical Eligibility Program, which refers to Federal Head Start and any State-funded pre-kindergarten program that use eligibility criteria that are identical or more stringent than Federal Head Start. [7 CFR 245.2]

***Homeless:*** An Other Source Categorical Eligibility Program designation for a child who is identified by the LEA's homeless liaison or by an official of a homeless shelter as lacking a fixed, regular, and adequate nighttime residence. [7 CFR 245.2]

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

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

***Local Educational Agency (LEA):*** According to 7 CFR 210.2, the term "local educational agency" refers to:

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

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

***Migrant:*** An Other Source Categorical Eligibility designation for a child who is enrolled in the Migrant Education Program as determined by the State or local Migrant Education Program coordinator or as documented by an appropriate local educational agency official, such as the homeless liaison. [7 CFR 245.2]

***Mixed Households:*** Those households that include children designated as Other Source Categorically Eligible and other children who are not. [7 CFR 245.2]

***Operating Days:*** The days on which reimbursable meals or milk are provided by a school or another program sponsor. [7 CFR 245.2]

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

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

***Overt Identification:*** Any action that may result in a child being recognized as certified for (or potentially eligible to receive) free or reduced price school meals or free milk. Local educational agencies and school food authorities must assure that a child's eligibility status is not

disclosed at any point in the process of providing free and reduced price meals or free milk, including:

- When the child or household is notified of the availability of free and reduced price benefits;
- During certification and notification of eligibility;
- During the provision of meals in the cafeteria;
- At the point of service;
- During the provision of additional services, such as educational services to low income children; or
- When the child pays for their meals.

See SP 45-2012: *Preventing Overt Identification of Children Certified for Free or Reduced Price School Meals*, <http://www.fns.usda.gov/preventing-overt-identification-children-certified-free-or-reduced-price-school-meals>.

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

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

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

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

***Runaway:*** An Other Source Categorical Eligibility designation for a child who is identified by the LEA’s homeless liaison or a program official as receiving assistance from a program under the Runaway and Homeless Youth Act. [7 CFR 245.2]

***School Food Authority (SFA):*** The governing body responsible for the administration of one or more schools. The SFA has the authority to enter into a legal agreement with the State administrating agency to operate the School Meal Programs. [7 CFR 210.2]

***School Year (SY):*** The period from July 1 through June 30. [7 CFR 210.2]

***Supplemental Nutrition Assistance Program (SNAP):*** SNAP offers nutrition assistance to millions of eligible, low-income individuals and families and provides economic benefits to communities. Children from households that receive benefits under SNAP are deemed categorically eligible for free school meals.

***Temporary Assistance for Needy Families (TANF):*** A Federal designation for a State-funded program under Part A of Title IV of the Social Security Act. Each State has its own name and acronym for the program. Categorical eligibility for free benefits is limited to beneficiaries in States with TANF standards that are comparable to or more restrictive than those in effect on June 1, 1995. See SP 22-2010, CACFP 10-2010, SFSP 08-2010: *Categorical Eligibility—Temporary Assistance to Needy Families*.

***Without Further Application:*** “Without further application” means that no action is required by the household of a child who has been directly certified to receive free meal benefits.  
[42 U.S.C 1758(b)(4)(G)(i)]

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

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

## Section 1: Questions and Answers

### **1. When should schools distribute information about the application, and when should schools distribute the household application itself?**

Schools should send the information letter to households very early in the school year, which begins July 1. Applications should also be distributed on July 1 or soon thereafter. Distributing applications early in the school year ensures households have sufficient time to complete and return the application prior to the first day of school.

Additionally, schools are encouraged to provide families with information about the School Meal Programs in routine contacts throughout the school year, and remind families that applications may be submitted at any time during the school year.

Information letters may not, however, be sent to households before the end of one school year for the subsequent year, nor can the LEA accept and process applications before the federally defined school year. (Note: Year-round schools may distribute the letters in June.)

### **2. May schools require all households to complete and submit an application for free and reduced price meals?**

No. Schools may not require households to complete and submit an application. It is the household's choice to complete and submit an application for meal benefits. However, LEAs must inform households that they may receive meal benefits if they are eligible.

### **3. May schools include IEGs for free school meals, in addition to including the IEGs for reduced price meals, when sending out the application and any descriptive materials?**

No. The application and any descriptive materials distributed to households may only contain the income levels for reduced price school meal eligibility. This requirement is statutory [42 U.S.C 1758 (b)(2)(B)(i) and (ii)].

## Section 2: The Basis of Eligibility

This section provides an overview of how to determine:

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

### Determining Eligibility Based on Income Applications

To establish income eligibility for a household, determining officials must compare the household size and the total household gross income to the applicable IEGs. Families may ask determining officials to explain whom to include as a household member or what to include as income when submitting the application. This section explains the overarching requirements for determining household composition and income and provides guidance on how to handle special situations. LEAs with additional questions should contact the State agency for further clarification.

### Determining Household Composition

For the purpose of making an eligibility determination for free and reduced priced benefits, household composition is based on an economic unit. An economic unit is a group of related or unrelated individuals who are not residents of an institution or boarding house but who are living as one economic unit, and whose members share housing, significant income, and expenses [7 CFR 245.2].

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

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



<b>Special Situations for Determining Household Composition</b>	
<b>Adopted child</b>	
	An adopted child for whom a household has accepted legal responsibility is considered to be a member of the household. If the household receives assistance payments or a subsidy for the adoption, the assistance payments or subsidy are included as income.
<b>Child attending an institution or Residential Child Care Institution (RCCI)</b>	
	A child who attends, but does not reside in an institution or RCCI is considered a member of the household in which the child is a resident.
<b>Child residing in an institution or RCCI</b>	
	A child who is a resident of a non-participating institution and attends a participating school during the week, or a child who resides in a participating RCCI, is considered a household of one.
<b>Child away at school</b>	
	A child who is temporarily away at school (e.g., attending boarding school or college) is included as a member of the household. A child attending a participating boarding school who applies for meal benefits is also considered a member of the parent's or guardian's household. Eligibility is determined based on the family's size and income.
<b>Child living with one parent, relative or friend</b>	
	In cases where the child is living with one parent, relative, or friend, the child is considered to be a member of the household with whom the child resides. Children of divorced or separated parents are considered part of the household with custody.
<b>Families with joint custody</b>	
	In joint custody situations, a child may physically change residence regularly. If both parents/guardians apply for meal benefits within the same LEA, but the eligibility determination is different, the greater benefit level is used. For example, if one parent or guardian's application results in eligibility for free meals but the other parent or guardian's application is denied, the child would receive free meals regardless of where the child resided on a given school day.  However, one parent or guardian may elect not to have the child receive free or reduced price meal benefits while residing with them. When the child is residing with this parent or guardian, the school should respect their wishes and allow the parent or guardian to pay for the meals. In this situation, the child's meals must be claimed at the paid rate.
<b>Emancipated child</b>	
	A child living alone or as a separate economic unit is considered to be a household of one. If an emancipated child lives alone as a household of one, or as a member of a household with no adult household members, the emancipated child must sign the application. No portion of the Social Security Number is required on the application of an emancipated child.



<b>Special Situations for Determining Household Composition</b>	
<b>Child paying room and board</b>	
	Separate economic units are usually characterized by prorating most household expenses. Children living within a household and paying for room and board are usually paying a token amount, and are not economically independent of the household. Therefore, in most situations, these children are not considered to be a household of one and are instead included in the larger household for purposes of determining eligibility.
<b>Foreign exchange student</b>	
	A foreign exchange student is considered to be a member of the household (the “host household”) in which the foreign exchange student resides.
<b>Foster child</b>	
	A foster child is a child whose care and placement is the responsibility of an agency that administers a State plan under Part B or E of Title IV of the Social Security Act, or a child who is formally placed with a relative or other caretaker household by a court or State child welfare agency. For CNP eligibility purposes, a foster child is considered a member of the foster parents’ household if the child is placed through a formal arrangement by a court or State child welfare agency. Whether placed by the State child welfare agency or a court, in order for a child to be considered categorically eligible for free meals, the State must retain legal custody of the child.
<b>Family members living apart from family</b>	
	Family members who are living apart on a temporary basis are considered household members. Family members who are not living with the household for an extended period of time are not considered members of the household for purposes of determining eligibility.
<b>Deployed service personnel</b>	
	Members of the armed services who are activated or deployed in support of any military combat operation are counted as household members.

## **Determining Household Reportable Income**

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

- **Income** is any money (before deductions), received on a recurring basis, including earnings, pensions, and child or spousal support, unless an income source is specifically excluded by law for the CNPs. (See: [\*Income Exclusions.\*](#))
- **Gross earned income** means all money earned before deductions such as income taxes, employee’s Social Security taxes, insurance premiums, and bonds.
- **Current income** means the gross income received by a household, before deductions, for the current month, or the amount projected for the first month for which the application is filled out, or for the month prior to application. If this income is higher or lower than

usual and does not fairly or accurately represent the household's actual circumstances, the household may, in conjunction with determining officials, project its annual rate of income. FNS does not set any specific requirements regarding the frequency (e.g., weekly, bi-weekly, monthly) at which household income is reported on an application. While in most cases earners report income on a more frequent basis, there is no prohibition against annual income reporting. For more information, see: SP 19-2017: *Reporting Annual Income on School Meal Applications*.

### ***Indicating Income and Income Sources***

Each household must provide the total amount of current gross income. The application must identify the source of the income earned by adults or children as applicable, and the adult or child who received it (such as wages or Social Security) [7 CFR 245.6(a)(5)(i) and 245.6(a)(5)(ii)].

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

Each household member must be listed on the application, even if they have no reportable income. Household members must be asked to report their status as zero income earners. This may be done by indicating zero or no income. A paper application must include a clear and easy to understand instruction that communicates to households that any income field left blank is a positive indication there is no income to report. When no income is provided for any of the adult household members, the application is still considered complete. On web-based applications, LEAs may incorporate functionality that prevents applicants from progressing or making a final submission when fields have been left blank. This eliminates the possibility of blank fields altogether, and is recommended as an integrity-promoting feature. Web-based applications may also include error or warning messages that highlight missing information and/or direct the applicant to fields where that information must be submitted.



If local officials have knowledge or available information suggesting a household has intentionally misreported its income, including by leaving the income fields blank, the LEA must verify the household's application for cause [7 CFR 245.6a(c)(7)].

The following table, Determining Household Reportable Income, provides an overview of income types to include when determining household reportable income.

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



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

USDA has identified several “special situations” LEAs may encounter when determining children’s eligibility for free and reduced price meals. This section provides guidance for LEAs to use when determining eligibility in special situations.

### ***Projected Income for Seasonal Workers***

Certain workers, such as seasonal workers, experience income fluctuations throughout the year, meaning they earn more money in some months than in other months. For these workers, reporting the previous month’s income may distort the household’s actual financial circumstances. In these situations, the household may project its annual rate of income, and report this amount as its current income. If the prior year’s income provides an accurate reflection of the household’s current annual rate of income, the prior year may be used as a basis for the projected annual rate of income.

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

### ***Income for the Self-Employed***

Self-employed persons may use their previous 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-employed farmers, for example, is figured by subtracting the farmer’s operating expenses from the gross receipts.

- Deductible business expenses include:
  - The cost of goods purchased;
  - Rent;
  - Utilities;
  - Depreciation charges;
  - Wages and salaries paid; and
  - Business taxes.

- Non-deductible business expenses include:
  - The value of salable merchandise used by the proprietors of retail businesses; and
  - Personal, Federal, State, or local income taxes.
- Gross receipts include:
  - The total income from goods sold or services rendered by the business;
  - The value of all products sold;
  - Money received from the rental of land, buildings, or equipment to others; and
  - Incidental receipts from the sale of items such as wood, sand, or gravel.
- Operating expenses include:
  - Cost of feed, fertilizer, seed, and other farming supplies;
  - Cash wages paid to employees;
  - Depreciation charges;
  - Cash rent;
  - Interest on farm mortgages;
  - Farm building repairs; and
  - Farm taxes.

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

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

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

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

### ***Military Benefits***

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

For deployed service members, income only includes the portion of a deployed service member's income made available to the household by the deployed service member, (or on their behalf). For more information, see: SP 06-2010, CACFP 03-2010, SFSP 04-2010: *Exclusion of Military Combat Pay*.

### *Foster Child's Income*

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

### *Child's Income*

The current earnings of a child, regardless of age, or student grade 12 or below who is a full-time or regular part-time employee, must be listed on the application as income. Additionally, children's income from other sources, such as Supplemental Security Income or Social Security, must be listed on the application as income.

Infrequent earnings, such as income from occasional baby-sitting or mowing lawns, are not counted as income and should not be listed on the application. The same requirement applies to children residing in an RCCI: only the income earned from full-time or regular part-time employment or personally received by the child, while in residence at the RCCI, is considered income. For more information, see [\*Income Exclusions\*](#).

### *Alimony and Child Support*

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

### *Garnished Wages and Bankruptcy*

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



## Income Exclusions

Income excluded from the determination of a household's eligibility for free and reduced price meal benefits includes:

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

With regard to eligibility determinations for the CNPs, FNS has adopted the income exclusions provided under the Social Security Act and other Federal laws. A number of these exclusions are discussed below. This manual does not list all sources of income excluded from the eligibility determination. To view a list of all income sources excluded by the Social Security Act, please see: Section 1612 of the Social Security Act.



To see a list of income sources excluded by other Federal laws, see: Appendix to Subpart K of Part 416—List of Types of Income Excluded under the SSI Program as Provided by Federal Laws Other Than the Social Security Act

Unless a source of income is specifically listed as excluded by the Social Security Act or Appendix to Subpart K, it should be included as income on the household application. Determining officials should contact the State agency when there is a question of whether specific payments are to be included as income. The following tables provide examples of payments from Federal programs excluded as income and examples of other payments excluded as income in the CNPs. Please note, this is not an exhaustive list.

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



<b>Examples of Payments Excluded as Income</b>	
<b>Category</b>	<b>Description</b>
<b>Disaster assistance</b>	<ul style="list-style-type: none"> <li>• National Flood Insurance Program (NFIP) payments received by property owners. See: SP 02-2006, CACFP 02-2006, SFSP 01-2006: <i>Treatment of Family Subsistence Supplemental Allowance and National Flood Insurance Program payments in Income Eligibility Determinations for Food and Nutrition Service Programs,</i></li> <li>• Payments under the Disaster Relief Act of 1974, as amended by the Disaster Relief and Emergency Assistance Amendments of 1989, P.L. 100-707.</li> </ul>
<b>Utility assistance</b>	<ul style="list-style-type: none"> <li>• Payments under the Low-income Home Energy Assistance Act, P.L. 99-125.</li> </ul>
<b>Military compensation</b>	<ul style="list-style-type: none"> <li>• Payments under the Agent Orange Compensation Exclusion Act, P.L. 101-201.</li> <li>• Family Subsistence Supplemental Allowance (FSSA). See: SP 30-2006, CACFP 14-2006, SFSP 07-2006: <i>U.S. Armed Forces Family Supplemental Subsistence Allowance – Permanently Excluded from Income Consideration for the Child Nutrition Programs,</i></li> <li>• Privatized housing allowances to service members living in housing covered under the Military Housing Privatization Initiative. (See: Department of Defense (DOD) Military Housing Privatization for a description of this type of housing.)</li> </ul>
<b>Combat pay</b>	<ul style="list-style-type: none"> <li>• Deployment Extension Incentive Pay (DEIP) given to active-duty service members who agree to extend their military service by completing deployment with their units without re-enlisting. This exemption applies only until the service members return to their home station. DEIP payments provided to service members who are not considered deployed are not exempt.</li> <li>• Also exclude combat pay: <ul style="list-style-type: none"> <li>○ Received in addition to the service member’s basic pay;</li> <li>○ Received as a result of deployment to (or service in) an area that has been designated as a combat zone; and</li> <li>○ Not received by the service member prior to deployment to or service in the designated combat zone.</li> </ul> </li> </ul>

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

## Determining Categorical Eligibility Using an Application

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

### Assistance Program Participants

A child who is a member of a household that receives Assistance Program benefits (SNAP, TANF, FDPIR) is categorically eligible for free meals or milk. If one child or adult in the household receives Assistance Program benefits, categorical eligibility for free meal benefits through the CNPs is extended to all children in that household [7 CFR 245.6(b)(7)].

LEAs are required to use direct certification to identify children receiving SNAP benefits. (See: [Mandatory SNAP Direct Certification](#).) LEAs may still accept SNAP notification letters to a household as a secondary method of recognizing categorical eligibility for free meals for SNAP

households [7 CFR 245.6(b)(5)(ii)(A)]. If a household provides a SNAP eligibility letter to the LEA or school, the letter must be used to establish eligibility, but it is not considered direct certification for reporting purposes.



When using an application to establish eligibility, LEAs must give households the opportunity to provide SNAP, TANF, or FDPIR case numbers or identifiers for any household member [7 CFR 245.6(a)(6)]. Households receiving benefits under Assistance Programs must list a case number when submitting an application. Determining officials must ensure the Assistance Program's case number or identifier listed on the application is consistent with the format used by the Assistance Program in the State. If the case number seems incorrect, the LEA should contact the household or the local Assistance Program agency to confirm the household's eligibility or verify the application for cause. (See: [Verification for Cause.](#))

When a household submits an application indicating an Assistance Program:

- The applicable Assistance Program must be identified and the program case number must match the applicable Assistance Program.
- The child must be given free meals.
- The LEA official should compare the applications with case numbers to the direct certification list to determine if any children listed on the application are on that list.
  - When a match is found:
    - The application must be disregarded;
    - The household must be placed on the direct certification list; and
    - Categorical eligibility must be extended to all children in the household.
  - When a match is not found, the LEA should:
    - Contact the household for further clarification; or
    - Verify the application for cause.

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

Children designated as Other Source Categorically Eligible can also be determined eligible for free meals through the application process. To determine Other Source Categorical Eligibility through the application, the household must submit an application indicating the applicable program. Only the individual children designated on the application as participating in an Other Source Categorically Eligible Program may receive free meal benefits. Other Source Categorical Eligibility of one child in a household does not convey free eligibility to other children in the household [7 CFR 245.6(b)(8)].

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

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

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

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



## The Direct Certification Process

Direct certification allows LEAs to certify children as eligible for free meal benefits using participant data from other means-tested programs (as permitted), eliminating the need for an application. The direct certification process uses information provided by State or local agencies administering Assistance Programs and Other Source Categorically Eligible Programs. The data exchange, most often completed by using either State or local-level matching, may use automated data matching, an e-mail exchange, or an exchange of faxes with appropriate agency officials. Automated data matching is

required for SNAP, and encouraged for TANF and FDPIR [7 CFR 245.6(b)(4)]. The exchange must include a date and signature. An electronic signature is acceptable. See: SP 10-2007, CACFP 07-2007, SFSP 06-2007: *Update on Electronic Transactions in the Child Nutrition Programs*, <http://www.fns.usda.gov/update-electronic-transactions-child-nutrition-programs-1>. There are many steps State agencies and LEAs can take to improve the direct certification process and increase access among eligible children. For an overview of strategies to improve the process, see SP 43-2016 (v.2): *Ensuring Access to Free and Reduced Price School Meals for Low-Income Students - Revised*, <http://www.fns.usda.gov/ensuring-access-free-and-reduced-price-school-meals-low-income-students>.

## Assistance Program Participants

Eligibility for free meals is extended to all children in a household if any member of the household receives Assistance Program (SNAP, TANF, FDPIR) benefits [7 CFR 245.6(b)(7)]. LEAs are encouraged to take appropriate steps to identify children who are part of a household receiving benefits, but were not identified through the direct certification process. For example, LEAs may review school district enrollment records or reference submitted meal benefit applications to find potential matches that were missed through the direct certification process.



According to 7 CFR 245.6(b)(1), LEAs must directly certify children in SNAP households using an automated data matching technique. For example, the LEA can compare the student enrollment records and the SNAP benefit recipient records. In addition, an LEA may obtain a list (signed and dated) of SNAP-eligible children from an appropriate agency official via fax or e-mail. LEAs are encouraged to work with agency liaisons to identify eligible students and to consistently check and match student records with information from these agencies, ensuring privacy protections are in place as, required by 7 CFR 245.6(f).

The following are acceptable methods for identifying Assistance Program eligible children [7 CFR 245.2]:

- A household application including a case number for any household member. (See: [\*Assessing Completeness of Categorically Eligible Applications\*](#).)
- A letter from an Assistance Program agency official or a letter from an Assistance Program agency provided to the household, which in turn, the household provides to the school.
- A list of eligible children provide by local Assistance Program officials, including a signature and the date.
- Completion of an application by a local school official with direct knowledge of the child's status [7 CFR 245.6(d)].

### *Direct Certification with Medicaid*

Beginning in SY 2016-2017, FNS began conducting new demonstrations to evaluate direct certification using Medicaid data in the NSLP and SBP. The demonstrations are conducted under the administrative pilot authority in Section 18(c) of the NSLA. State agencies that administer the NSLP and SBP were invited to apply to participate in these new demonstrations to evaluate direct certification with Medicaid.

Under the demonstrations, State agencies match school enrollment data with Medicaid eligibility data to identify children who receive Medicaid, or live with a child who receives Medicaid, and whose family income, before expenses and deductions, does not exceed:

- 130 percent of the Federal Poverty Level for free school meal eligibility; or
- 185 percent of the Federal Poverty Level for reduced price meal eligibility

For more information about the pilot program, see: SP 23-2016: *Request for Applications to Participate in New Demonstration to Evaluate Direct Certification with Medicaid*.

### **Other Source Categorical Eligibility**

To ensure eligible children are promptly connected with meal benefits, LEAs must have an agreement with the Other Source Categorically Eligible Program designated officials. The agreement must include an overview of procedures to follow when exchanging information and confirming the children's status, and must ensure privacy protections are in place, as required by 7 CFR 245.6(f). FNS also encourages LEAs to communicate with Other Source Categorically Eligible agency officials in preparation for the direct certification data exchange. This communication should occur prior to the beginning of each school year. Additionally, throughout the school year, school officials are encouraged to consistently check and match student records with these programs.

The following are acceptable methods for identifying Other Source Categorically Eligible children:

- A household application indicating "Other Source Categorical Eligibility" for one or more children.
- A form letter from an Other Source Categorically Eligible agency to the household, which in turn, the household provides to the school.
- A signed and dated list of eligible children exchanged between the Other Source Categorically Eligible officials and the LEA.
- A list of Other Source Categorically Eligible children compiled by the LEA and submitted to the determining official.
- Completion of an application by a local school official with direct knowledge of the child's status [7 CFR 245.6(d)].

If form letters are sent to Categorical Eligible households or direct computer matches (which might not include the designated official's original signature) are used to determine Categorical Eligibility, the LEA must have documentation including correspondence or a written agreement between the Other Source Categorically Eligible Program designated officials and the LEA.

## Other Source Categorical Eligibility Descriptions

This section provides in-depth information about Other Source Categorical Eligibility designations, which apply to migrant, runaway, homeless, and foster children. Children enrolled in Head Start or enrolled in an eligible pre-kindergarten program with eligibility criteria identical to or more stringent than Federal Head Start are also categorically eligible for free meals. For



more information about Head Start, please see SP 40-2013, CACFP 11-2013, SFSP 13-2013: *Q&As Regarding the Participation of Head Start Programs in Child Nutrition Programs*, <https://www.fns.usda.gov/qas-regarding-participation-head-start-programs-child-nutrition-programs-0>.

### *Migrant Education Program (MEP)*

Children identified by the State, regional, or local MEP director or coordinator or the local educational liaison as meeting the definition of migrant are categorically eligible for free school meals. The definition of migrant is included in Section 1309 of the Elementary and Secondary Education Act of 1965, 20 U.S.C. 6399.

The MEP provides services to children who have moved across school district lines, within the last three years, in order to accompany or join a parent or guardian who seeks or obtains temporary or seasonal work in agriculture or fishing. Minors who move with a spouse or by themselves to perform this work may also qualify.

The LEA must attempt to obtain MEP enrollment status early in the school year, prior to a household completing an application. Once documentation is obtained, the LEA must notify the household as soon as possible of the child's eligibility for free meal benefits. A child in the MEP is eligible for free meals for the duration of the current school year, regardless of a change in circumstances, and up to 30 operating days into the next school year, due to the year-long eligibility requirement [7 CFR 245.6(c)(1)].

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

Acceptable documentation [7 CFR 245.2] for MEP participation includes:

- A list of names of participating children;
- The effective dates and the signature of a MEP official; or
- A letter from an MEP official or local educational liaison provided by the household to the school confirming the child currently participates in MEP.

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

Programs under the RHYA, established by the Family and Youth Services Bureau (FYSB) of the U.S. Department of Health and Human Services, provide temporary housing, transitional living, and street outreach programs for runaway, homeless, and human trafficked youth. For more information about these programs, see: *Putting an End to Youth Homelessness*, <http://www.acf.hhs.gov/programs/fysb/programs/runaway-homeless-youth>.

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



A child in a RHYA program is eligible for free meals for the duration of the current school year, regardless of a change in circumstances, and up to 30 days into the subsequent school year, due to the yearlong eligibility requirement [7 CFR 245.6(c)(1)].

Acceptable documentation [7 CFR 245.2] for RHYA participation includes:

- A list of names of participating children;
- The effective dates and the signature of an RHYA official; or
- A letter from a RHYA official or homeless liaison provided by the household to the school confirming the child currently participates in a RHYA program.

### ***McKinney-Vento Homeless Assistance Act***

The McKinney-Vento Homeless Assistance Act provides Federal money for homeless shelter programs and facilitates public school access for homeless children and youth. According to the Act, a student is considered homeless if they lack a fixed, regular, and adequate nighttime residence or if they are identified as residing in a homeless shelter.



The circumstances that may qualify children as homeless include:

- Sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason.
- Living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations.
- Living in emergency shelters, transitional shelters, or hospitals due to abandonment.
- Awaiting foster care placement.
- Having 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.
- Living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings.
- Living in any of the circumstances described above, due to migratory status.

Homeless children remain eligible for free meals for the duration of the current school year, regardless of a change in their living situation, and up to 30 days into the subsequent school year, due to the yearlong eligibility requirement [7 CFR 245.6(c)(1)].

The LEA homeless liaison or an official of a homeless shelter may identify a student as homeless. Private schools may use documentation obtained from shelter directors, public school liaisons, or the State Coordinator for Education of Homeless Children and Youth to determine a child's eligibility for free meals. Although the McKinney-Vento Homeless Assistance Act only applies to public schools, private schools are encouraged to establish a homeless or runaway liaison for this purpose. Forming and maintaining partnerships with organizations that work with homeless students can help ensure these children are promptly provided with benefits.

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

Acceptable documentation [7 CFR 245.2] to establish eligibility based on homelessness includes:

- A list of names of homeless children;
- The effective dates and the signature of a homeless liaison; or
- A letter from a homeless liaison provided by the household to the school confirming the child is currently homeless.

### *Children Experiencing Homelessness Due to a Disaster*

Children determined to be homeless due to a disaster are categorically eligible for free meals in the CNPs. In this situation, the homeless liaison makes a determination of homelessness and provides to the LEA a list of all children determined homeless due to the disaster.

Children certified for free or reduced price meal benefits because of a disaster situation maintain their eligibility status for the entire school year and up to 30 days in the next school year [7 CFR 245.6(c)(1)]. For more information, see SP 46-2014, CACFP 12-2014, SFSP 18-2014: *Disaster Response*, <http://www.fns.usda.gov/disaster-response-0>.

### ***Homeless Children Residing Within Another Household***

When a household hosting a homeless family applies for free and reduced price benefits for their own children, the host family may include members of the homeless family as household members if the host family provides financial support to the homeless family. “Financial support” may include shelter, utilities, clothing, or food. When applying for benefits, the host family must also include any income received by the homeless family. The eligibility status for the host family is based on its income or other sources of categorical eligibility. However, as stated at 7 CFR 245.6(b)(8), the categorical eligibility of a homeless child does not convey categorical eligibility to other children in the household.

Documentation of a homeless child’s status is provided by the LEA liaison, even when the child is included on a host household’s application. In these cases, the household size and income of the host family are not taken into consideration in determining eligibility for the children designated as homeless by the LEA liaison. Children determined to be homeless are categorically eligible for free meals, regardless of the eligibility determination for the host family’s children. Due to year-long eligibility, a change in household composition will not impact the eligibility determination for either the host family’s children or the homeless child [7 CFR 245.6(c)(1)].

Acceptable documentation [7 CFR 245.2] to establish eligibility for homeless children residing in another household includes:

- A list of names of homeless children;
- The effective dates and the signature of a homeless liaison; or
- A letter from a homeless liaison provided by the household to the school confirming the child is currently homeless.

### ***Foster Children***

A foster child is a child whose care and placement is the responsibility of a State or local welfare agency or who is placed with a caretaker household by the court. This definition applies only to foster children who are formally placed by the State welfare agency or court. This may include foster children placed with relatives, provided the placement is made by the State or local foster care system or courts, but does not apply to informal arrangements, such as caretaker arrangements or to permanent guardianship placements, when such arrangements exist outside of or as a result of State or court based systems. The State must retain legal custody of the child (whether placed by a welfare agency or a court) in order for a foster child to be considered categorically eligible for free meals.

LEAs are encouraged to establish formal procedures with State and local foster care agencies to facilitate direct certification for free school meals for foster children. States may use different terms and may have different definitions for children in foster care. State agencies and LEAs should work to understand the placement arrangements and terminology used in that State so that they can provide appropriate guidance regarding eligibility determinations. For more information, see: SP 17-2011, CACFP 08-2011, SFSP 05-2011: *Categorical Eligibility of Children in Foster Care*.

Acceptable documentation [7 CFR 245.2] for foster children includes:

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

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

### *Eligible Households that Have Not Applied*

According to 7 CFR 245.6(d), local school officials may complete an application for a child known to be eligible for meal benefits if, after household applications have been disseminated, the household has not applied. 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.

When exercising this option, the school official must complete the application on behalf of the child based on the household size and income information or Other Source Categorical Eligibility status known to the official, and must notify the household that their child has been certified to receive free or reduced price benefits.



The source of the information used by the school official to determine eligibility must be noted on the application. Names of household members, the last four digits of the Social Security Number, and the signature of an adult household member are not required. These applications are excluded from verification.

## Area Eligibility

SFAs may use school meal data to establish area eligibility for the Afterschool Snack component of the NSLP and Seamless Summer Option (SSO) of the NSLP. NSLP Afterschool Snacks offers cash reimbursement to help SFAs serve snacks to children enrolled in education or enrichment activities after their regular school day. More information about the Afterschool Snack component of the NSLP may be found on the NSLP Afterschool Snacks webpage: <https://www.fns.usda.gov/school-meals/afterschool-snacks>. SSO gives SFAs operating the NSLP or SBP a streamlined option for providing summer meals. SFAs operating the SSO continue to follow the same operational requirements they follow during the regular school year, such as the NSLP and SBP meal pattern requirements, when serving summer meals to children. More information about the SSO may be found on the School Meal Programs webpage: <https://www.fns.usda.gov/school-meals/opportunity-schools>.



Snacks and meals served at area eligible NSLP Afterschool Snack and SSO sites are reimbursed at the free rate, regardless of an individual child's status. Snacks and meals served at sites that are not area eligible are reimbursed at the appropriate rate, depending on each individual child's eligibility status.

In order to be area eligible based on meal data, the proposed site must be located in a school, or in the attendance area of a school, where at least 50 percent of enrolled children are eligible for free or reduced price school meals.

To determine area eligibility for a Community Eligibility Provision (CEP) school's attendance area, the individual school's identified student percentage (ISP) is multiplied by a factor of 1.6. If the resulting percentage is at least 50, sites within the school's attendance area are area eligible. Individual school data must be used to determine area eligibility, even if the school is participating in CEP as part of a group or district claiming with a shared ISP.

Once a site establishes area eligibility, the eligibility is effective for a period of five years. In addition to using school meal data, SSO sites are also permitted to establish area eligibility using census data. For more information please see: SP 08-2017, CACFP 04-2017, SFSP 03-2017: *Area Eligibility in Child Nutrition Programs*, <https://www.fns.usda.gov/area-eligibility-child-nutrition-programs>.

## Section 2: Questions and Answers

### **1. When foster parents apply for benefits for their non-foster children, do they include their foster children as household members?**

Households with foster and non-foster children may choose to include the foster child as a household member. If the foster child is included as a household member, any personal income earned by the foster child must be included on the household application. 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. The foster child is categorically eligible for free meals regardless of the eligibility of the foster family's non-foster children.

### **2. If a foster child is adopted, is the foster child still categorically eligible for free meals based on foster status?**

Once a foster child is adopted, the child is no longer categorically eligible for free meals based on foster status. However, due to year-long eligibility, the free eligibility status of a foster child would not change within the school year, including up to 30 operating days into the subsequent school year. The household that adopted a foster child would need to apply for meal benefits at the start of the subsequent school year to determine if the household is eligible for free or reduced price meal benefits.

### **3. If family members or friends are temporarily “doubling up” in a home, may the host family count their guests as members of the household?**

If the temporary household members are part of the same economic unit as the host family, the host family may count their guests as members of the household. In this situation, income for the temporary household members must also be counted. If the temporary household members are not part of the same economic unit as the host family, they are not considered part of the household.

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

Yes. Income includes all money received, including money from rental properties or rooms. If a household receives and keeps rental income from another household, it must be counted as income.

**5. Is the housing allowance (Basic Allowance for Housing, or BAH) received by military service personnel counted as income when making an eligibility determination for free or reduced price meals?**

Yes. Income is defined as all cash received on a recurring basis, which would include BAH. In-kind benefits, however, are not cash payments. Therefore, in-kind benefits (such as *provided* housing) are not considered income for the purposes of determining free and reduced price eligibility. For more information, see: *Exclusion of the Housing Allowance for Military Households in Privatized Housing - Reauthorization 2004: Implementation Memo CN 1*, <https://www.fns.usda.gov/exclusion-housing-allowance-military-households-privatized-housing-reauthorization-2004>.

**6. If a household member receives a cash subsidy for health insurance from an employer, must the household report the subsidy on the application for school meals?**

Yes. All household members must report gross income, which includes cash subsidies for insurance payments.

**7. A child is not employed full-time or part-time, but occasionally babysits for a neighbor in the evening and on weekends. Must the household report the child's earnings from babysitting on its income application?**

No. Infrequent earnings, such as income from occasional baby-sitting or mowing lawns, is not counted as income and should not be listed on the application.

**8. Are children in households receiving Tribal TANF benefits categorically eligible for free school meals?**

Yes. Children in households receiving Tribal TANF benefits under Title IV of the Social Security Act are categorically eligible for free school meals and can be determined eligible through direct certification, as long as the Tribal TANF program standards are comparable to or more stringent than NSLP standards. This determination is made by the Child Nutrition State agency.

**9. How should an LEA certify children from a federally declared disaster area who have temporarily moved into the school district?**

Typically these children are determined homeless by the school district's homeless liaison or are receiving Disaster SNAP (D-SNAP, special disaster benefits) and they must be certified for free meals and/or milk. LEAs should contact their State agency for more information.

## Section 3: Establishing Eligibility

This section includes information about:

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

### Carryover of Previous Year's Eligibility

For purposes of the CNPs, carryover refers to a child's eligibility from the previous school year being carried over into the current or new school year. According to 7 CFR 245.6(c)(2), an individual student's eligibility from the previous school year (before July 1) carries over for up to 30 operating days into the new school year, or until a new eligibility determination is made, whichever comes first. The 30 operating days begins on the first operating day of school. Operating days are the days on which reimbursable meals or milk are provided by a school or another program sponsor [7 CFR 245.2]. Carryover applies to eligibility established through a household application or through direct certification. Meals served during the carryover period are claimed at the appropriate rate, depending on the individual child's eligibility status from the previous school year.



Carryover allows students to continue receiving school meal benefits while families complete and submit, and schools process, applications. The carryover period is not intended to delay processing of applications. Instead, schools must process applications as they are received and promptly notify households of their eligibility status. Within 10 days of receiving the application, the LEA must make a determination and notify the household of its eligibility status [7 CFR 245.6(c)(6)].

While not required to issue a notification about the carryover period, school officials are encouraged to clarify for families that the carryover will end after 30 operating days. School officials should inform affected families that they must submit a new application for meal benefits to re-establish their child's eligibility before the end of the carryover period.

## **Carryover Within an LEA**

Carryover of eligibility within an LEA is mandatory, whether a child is continuing in the same school or will attend a different school within the same LEA. The LEA must carryover a child's eligibility status for no less than 30 operating days, unless a new eligibility determination is made prior to the end of the 30-day carryover period. When a student moves to a new school within an LEA, the LEA must carryover eligibility for free or reduced price benefits for:

- Children with approved applications on file from the previous year;
- Children who are newly enrolled in the LEA, but who reside in a household where another child (e.g., a sibling) has an approved application on file from the previous year;
- Children directly certified for free meal benefits in the previous school year;
- Children who are newly enrolled in the LEA, but who reside in a household where another child (e.g., a sibling) was approved through direct certification with an Assistance Program in the previous year;
- Children determined Other Source Categorically Eligible for free benefits in the previous school year; and
- Children in kindergarten who were enrolled in Head Start under the jurisdiction of the same LEA during the previous school year.

## **Carryover Between LEAs**

When children move to a new LEA, either at the beginning of the new school year or during the summer months, the new LEA is encouraged to use the former LEA's eligibility determination from the previous school year and carryover the child's eligibility status. As stated in 7 CFR 245.6(a)(4), the receiving school may accept the former school's eligibility determination without incurring liability for the accuracy of the determination. LEAs opting to do this can use the former LEA's eligibility determination for up to 30 operating days, or until a new eligibility determination is made, whichever comes first. FNS strongly encourages carryover between LEAs to ensure students do not experience a gap in school meal access.

## **Carryover for Provision Schools**

When children from schools participating in a Special Provision (i.e., Provision 1, 2, or 3 or CEP) move to a non-provision school, at the State agency's discretion, the LEA may carry over children's eligibility for free reimbursable meals for up to 30 operating days or until a new eligibility determination is made for the current school year, whichever comes first [7 CFR 245.6(c)(2)]. This discretion applies to moves within an LEA or between LEAs. FNS strongly encourages State agencies to implement the discretionary carryover provision for children transitioning from Provision 1, 2, or 3 or CEP schools to ensure these children do not experience a gap in school meal access.



## Transfer of Eligibility

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

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

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

## Transferring Within an LEA

Once a child is determined eligible for free or reduced price meals, eligibility remains in effect for the remainder of the school year, and for up to 30 operating days into the next school year [7 CFR 245.6(c)(1)]. According to 7 CFR 245.3(c), when a child transfers to a new school within the same LEA, the new school must accept the eligibility determination from the child's former school, if the child has an individual eligibility determination. The following table, Transferring Within an LEA, describes how schools should handle transfer eligibility for children transferring from schools using standard counting and claiming, and schools operating a special Provision.

<b>Transferring <u>Within</u> an LEA</b>
<b>Non-Provision Schools to Non-Provision Schools</b>
Eligibility for free and reduced price meal benefits for children from non-Provision and non-CEP schools must transfer to schools within the same LEA [7 CFR 245.3(c)].
<b>Provision 1, 2, or 3 or CEP Schools to Non-Provision Schools</b>
A child transferring within the same LEA from a Provision 1, 2, 3 or CEP school to a non-Provision school must be given free reimbursable meals for up to 10 operating days or until a new eligibility determination is made, whichever comes first. State agencies have discretion to allow LEAs to provide free reimbursable meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first [7 CFR 245.9(l)].

## Transferring Between LEAs

When a student transfers to a new LEA, the new LEA is permitted to accept the eligibility determination from the student's former LEA [7 CFR 245.6(a)(4)]. LEAs and schools are strongly encouraged to accept the former LEA's eligibility determination to ease the new student's transition and ensure there is no break in the student's meal access. The new LEA should retain written documentation of the eligibility determination made by the former LEA. An email from the former LEA stating the eligibility status is sufficient.

While the new LEA is not liable for the accuracy of the former LEA's determination, the accepting LEA should review the application for arithmetic errors and compare the income and household size to the applicable IEGs to ensure that the correct level of benefits had been assigned. If the accepting or new LEA determines that an arithmetic error occurred, the accepting LEA must notify the household that they must submit a new application in order to determine benefits. Additionally, if the child's eligibility status is determined to be incorrect during an Administrative Review or as part of verification, the child's eligibility status would change. The following table, Transferring Between LEAs, describes how schools should handle these cases.

<b>Transferring <u>Between</u> LEAs</b>
<b>Non-Provision Schools to Non-Provision Schools</b>
Eligibility for free and reduced price meal benefits for children from non-Provision schools may transfer from the former LEA to the new LEA. The new school will not incur liability for the accuracy of the former determination [7 CFR 245.6(a)(4)]. While accepting an eligibility determination from another LEA is not required, it is a best practice and may ease the student's transition to the new school by ensuring there is no break in meal service.
<b>Provision 1, 2, or 3 or the CEP Schools to Non-Provision Schools</b>
LEAs may provide free reimbursable meals for 10 operating days for a child who transfers to a different LEA from a Provision 1, 2, 3, or CEP school to a non-Provision school. State agencies have discretion to allow LEAs to provide free reimbursable meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first [7 CFR 245.9(1)]. Effective July 1, 2019, LEAs must provide free reimbursable meals for 10 operating days for a child who transfers from a Provision 1, 2, or 3 or CEP school to a non-Provision school in another LEA. LEAs are encouraged to implement this provision early.

For more information, please see SP 51-2016: *Ensuring Year-long Eligibility in the School Lunch and School Breakfast Programs*, <http://www.fns.usda.gov/ensuring-year-long-eligibility-school-lunch-and-school-breakfast-programs>.

## Processing Applications

### Application Processing Timeframe

Applications must be reviewed in a timely manner. Whenever possible, applications should be processed immediately, and must be processed within 10 operating days. This is particularly important for children who are not eligible to receive carryover benefits because they were not certified as eligible for free or reduced price meals during the previous school year.

According to 7 CFR 245.6(c)(6)(i), within 10 operating days of receipt of the application:

- An eligibility determination must be made,
- The family must be notified of its status, and
- The status must be implemented.

While households must be notified of their child's status within 10 operating days, FNS encourages LEAs to inform households of their child's status as soon as an eligibility determination has been made. This is important if benefits are denied or reduced from the level of the previous year. If households are not notified of a reduction in benefits, they risk accruing unpaid meal charges. (See: *Unpaid Meal Charges*, <https://www.fns.usda.gov/school-meals/unpaid-meal-charges>.) A new eligibility determination that reduces benefits (e.g., free to reduced price) should be implemented only after the household has been notified of the change.

The LEA must not delay approval of applications if the household fails to provide any non-essential information. For example, if an application has all of the required information for determining eligibility, but the household did not include its street address or the child's birth date, processing of the application must not be delayed. As stated at 7 CFR 245.6(a)(1), the information requested in the application should be limited to information required to demonstrate that a household does (or does not) meet the eligibility criteria for free and reduced price meals. For more information, see: SP 50-2011, CACFP 27-2011 SFSP 20-2011: *Free and Reduced Price Meal Applications – Requests for Additional Information*, <http://www.fns.usda.gov/free-and-reduced-price-meal-applications-%E2%80%93-requests-additional-information>.



### *Independent Review of Applications*

LEAs designated by the State agency as demonstrating high levels of, or a high risk for, administrative error associated with certification and benefit issuance are required to conduct a second review of applications [7 CFR 245.11(a)]. The second review must be conducted by an independent individual or entity that did not make the original eligibility determination. This individual or entity is not required to be an employee of the LEA, but must be trained on how to make application determinations [7 CFR 245.11(c)].

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

- Signature of an adult household member;
- Last four digits of a Social Security Number (or an indication of “none”) for income applications;
- Names of all household members, including the children for whom the application is made; and
- Identification of:
  - The amount of income received by each household member for income applications; or
  - The applicable Assistance Program and program case number, for applications based on categorical eligibility with an Assistance Program; or
  - The applicable program, for applications based on Other Source Categorical Eligibility.



The second review also must confirm the application was correctly approved based on the current IEGs or accurate categorical eligibility information, as applicable.

In addition, as stated at 7 CFR 245.11(c)(1), the second review of applications must be completed before the household is notified of eligibility and must not delay the eligibility determination. LEAs required to conduct a second review of applications must still notify households of the child’s eligibility determination within 10 operating days of receiving the application. For more information, see SP 44-2014: *Questions and Answers Related to the Independent Review of Applications*, <http://www.fns.usda.gov/qas-related-independent-review-applications>.

## Approved Applications

### *Notification of Application Approval*

Households must be notified, either in writing or verbally, of their child's eligibility status within 10 operating days of receipt of the application [7 CFR 245.6(c)(6)]. LEAs are permitted to communicate the written notification via e-mail to the adult household member who signed the application. Determining officials must record the eligibility determination as follows:

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

This information may be recorded on the application itself or on a separate piece of paper attached to one or more applications.

If a computer system is used, the system can be used to capture the original date of approval, benefit level of each child, and the basis for the determination (i.e., the household size and income used). The system may also be used to update the status of applications to account for transfers, withdrawals, terminations, and other changes. A notation (i.e., date and initials) should be made to an electronic file.

More information about paper and electronic applications may be found in [Section 4: The School Meal Application](#).

### *Delivery of Benefits*

The LEA must provide benefits promptly to ensure eligible children do not experience a break in meal access. The LEA may assume consent to receive free meal benefits from directly certified households if the household does not refuse benefits within a certain number of days, as determined by the LEA. As provided in 7 CFR 245.6(c)(6)(iii), if a household refuses free meal benefits, the LEA must discontinue providing free meal benefits as soon as possible. The LEA must document and maintain notification of the refusal. The documentation should correctly reflect the child's eligibility status, but should include a note that the family has elected to pay for meals.

The LEA has a regulatory obligation to verify "for cause" all approved applications that may be questionable [7 CFR 245.6a(c)(7)]. However, the verification effort may not delay the approval of the application [7 CFR 245.6a(c)(1)(ii)]. If an application is complete and indicates that the child is eligible for free or reduced price benefits, the application must be approved. Only after the determination of eligibility has been made can the LEA begin the verification process. More information about verification may be found in [Section 6: Verification](#).

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

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

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

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

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

LEAs adopting this flexibility must refund any money paid by or on behalf of the child for reimbursable meals or milk during the period from the effective date through the date the certification is actually implemented at the local school. This includes forgiving accrued debt for any meals or milk adjusted to free or reduced price due to the change in effective date. The LEA can only claim those meals or milk at the free or reduced price reimbursement rate if the child is given a refund or the debt is discharged. If categorical eligibility is based on SNAP, TANF, or FDPIR, the flexibility applies to all children in the household, and all children must be given refunds in order for the LEA to claim reimbursable meals or milk served to those children at the free rate.

### *Duration of Eligibility*

As stated at 7 CFR 245.6(c)(1), once an eligibility determination is made, a child's eligibility status remains in effect for the remainder of the school year. At the start of the subsequent school year, children retain their previous year's eligibility status for 30 operating days or until a new determination is made, whichever comes first. A new eligibility determination can be made through the approval or denial of a new application or through direct certification. Temporary approval of eligibility is not permitted because of the year-long duration of eligibility.

If no new application is submitted and eligibility is not established through direct certification by the end of the 30-day carryover period, a child's eligibility for free or reduced price meals expires and the LEA must discontinue benefits. The LEA cannot send a notice of denial or adverse action if a child's eligibility expires at the end of the 30-day carryover period. The household does not have a right to appeal a discontinuation of benefits due to the expiration of the carryover period because no eligibility determination was made during the current school year.



While schools are not required to notify parents and guardians about the end of the carryover period, school officials are encouraged to send expiration reminders to families via email, text message, auto-dialed calls, or mailed notices. Reminding families that their free or reduced price meal benefits will end after the carryover period and encouraging households to submit a new application may reduce the risk of households accruing unpaid meal charges. The reminder could include the cost of reduced price and paid meals and a copy of the SFA's written meal charge policy. For more information on preventing unpaid meal charges, see: SP 29-2017: *2017 Edition: Overcoming the Unpaid Meal Challenge: Proven Strategies from Our Nation's Schools*, <https://www.fns.usda.gov/school-meals/2017-edition-overcoming-unpaid-meal-challenge-proven-strategies-our-nations-schools>.

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

Due to the year-long duration of eligibility, households are not required to report changes in income, household size, or their participation in a program that impacts their child's eligibility status [7 CFR 245.6(c)(1)]. A subsequent direct certification contact indicating that a child is no longer receiving benefits from Assistance Programs or Other Source Categorically Eligible Programs will not impact their eligibility status for the current school year.

For example, a household is eligible for and participates in SNAP in August. The child in the household is identified as eligible for free meals through automated data matching. In December, the household is no longer participating in SNAP. The child remains eligible for free school meals through the end of the school year, and for up to 30 operating days into the subsequent school year, due to the year-long eligibility requirement.

Households may, however, voluntarily report a change. If a change is reported that will increase benefits, the LEA must put the change into effect. Schools should inform families they may submit applications at any point during the school year and remind families their child may become eligible if the household experiences a change in financial circumstances (i.e., household size goes up or income goes down). Schools are encouraged to reach out to families experiencing a financial hardship which may result in a change in eligibility status for their child.

If the change will decrease benefits (from free to reduced price) or terminate benefits (from free or reduced price to paid), the LEA must explain to the household the change is not required and will only go into effect if the household requests the change in writing, for example, by submitting a new application [7 CFR 245.6(c)(3)(i)].

If benefits are voluntarily decreased, the LEA must send a notice of adverse action that includes:

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



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

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



In cases where the initial eligibility determination is incorrect, the change in eligibility status will not be voluntary. In these situations, LEA officials must make appropriate changes in eligibility, and send a notice of adverse action:

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

## Denied Applications

As stated at 7 CFR 245.6(c)(7), if a household provides an incomplete application or does not meet the eligibility criteria for free or reduced priced benefits, the application must be denied. The LEA must document and retain the denied application, and reasons for ineligibility, for three years [7 CFR 245.6(e)].

Households with children who are denied benefits must receive prompt, written notification of their denial. The notification may be provided by mail or e-mail to the adult household member who signed the application. Posting the denial on the “notification” page of an online system does not meet this requirement. Likewise, informing the household of denial via telephone does not meet this requirement. LEAs that use automated telephone information systems must also give written notification of denial.

The notification must advise the household of:

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

Determining officials must record the eligibility determination and notification in an easily referenced format. The record must include the:

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

### *Notice of Adverse Action*

All currently certified households for whom benefits are to be reduced or terminated must be given 10 calendar days' written notice of the change prior to the date the change will go into effect [7 CFR 245.6a(j)]. The first day of the advance notice period is the day the notice is sent. The notice of adverse action may be sent via mail or to the e-mail address of the parent or guardian. The LEA cannot notify the household of adverse action by phone only.

As stated at 7 CFR 245.6a(j), the notice of adverse action must advise the household of:

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

When households that applied based on Assistance Program participation are terminated because no member receives benefits from an Assistance Program, the LEA should inform the household that they may submit an application containing household names, income information, and documentation of current household income [7 CFR 245.6a(f)(7)].

A notice of adverse action cannot be provided if the household fails to reapply during the carryover period because eligibility during the carryover period is based on the previous years' eligibility determination. The household has no right to appeal a discontinuation of benefits based on the expiration of the carryover period. LEAs are encouraged to remind families of the end of the carryover period, but may not send a notice of adverse action, as this would confer the right to appeal.

### *Appeals and Hearing Procedures*

A household may appeal the denial of benefits or the level of benefits for which it has been approved. As stated at 7 CFR 245.6(c)(8), the household may request a conference with an appropriate LEA or school food service official prior to a formal hearing. However, the conference must not prejudice a later appeal.

According to 7 CFR 245.7, hearing procedures must provide the family and the LEA:

- A simple, publicly announced method to make an oral or written request for a hearing;
- An opportunity to be assisted or represented by an attorney or other person;
- An opportunity to examine, prior to and during the hearing, any documents and records presented to support the decision under appeal;
- An opportunity to present oral or documentary evidence and arguments supporting a position without undue interference; and
- An opportunity to question or refute any testimony or other evidence and to confront and cross-examine any adverse witnesses.

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

- The hearing must be held with reasonable promptness and convenience, and adequate notice shall be given as to the time and place of the hearing;
- The hearing must be conducted and the decision made by a hearing official who did not participate in making the decision under appeal or in any previously held conference;
- The decision of the hearing official shall be based on the oral and documentary evidence presented at the hearing and made a part of the hearing record;
- The parties concerned and any designated representative shall be notified in writing of the decision of the hearing official;
- A written record shall be prepared with respect to each hearing, which shall include the challenge or the decision under appeal, any documentary evidence and a summary of any oral testimony presented at the hearing, the decision of the hearing official, including the reasons therefor, and a copy of the notification to the parties concerned of the decision of the hearing official; and
- The written record of each hearing shall be preserved for a period of three years and shall be available for examination by the parties concerned or their representatives at any reasonable time and place during that period.

### *Benefits During an Appeal*

According to 7 CFR 245.7(b)(1), 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 the original level during this period.

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

Households affected by a reduction or termination of benefits may reapply for benefits at any time during the school year, and schools should remind families their children may become eligible for free meals if the household unit experiences a change in financial circumstances (i.e., household size goes up or income goes down). However, if benefits to a household have been terminated because of failure to complete the verification or verification for cause process and the household reapplies in the same school year, the household is required to submit income documentation or proof of participation in Assistance Programs at the time of reapplication [7 CFR 245.6a(f)(7)]. These are not considered new applications.

## Special Situations When Determining Eligibility

### *Applications with Different Eligibility Types*

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

After Other Source Categorical Eligibility has been determined for the appropriate children through contact with the program liaisons, the LEA must use the household's size and income level to determine if the children in the household who are not categorically eligible are eligible for benefits based on income. Households should include children identified as Other Source Categorically Eligible when determining their household size and income.



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

A complete mixed application must provide:

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

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

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

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

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



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

According to 7 CFR 245.6(a)(1), applications must be clear and simple in design, and limit the information requested to the information necessary to make an eligibility determination for free and reduced price meals. To be considered complete, an application must include all required information. Any application that is missing required information, contains inconsistent information, or is unclear is considered an incomplete application and should not be processed. The LEA should make reasonable efforts to contact the household in order to clarify or obtain the required information.

LEAs may pre-populate applications with data other than income data from the prior school year or from another school source. (See: SP 43-2016 (v.2): *Ensuring Access to Free and Reduced Price School Meals for Low-Income Students*, <https://www.fns.usda.gov/ensuring-access-free-and-reduced-price-school-meals-low-income-students>.) However, the LEA may not complete the income portion of the application using income information derived from other records available to the school. Any income information on the application must be provided by the household.

## Assessing Completeness of Income Applications

Households may submit applications that provide income information in order to establish free or reduced price eligibility for all children in the household. According to the definition of “Documentation” included at 7 CFR 245.2 a complete income-based application must provide:

- Names of all household members;
- Amount, source, and frequency of current income for each household member;
- Signature of an adult household member (an electronic signature is acceptable for web-based applications); and
- Last four digits of the Social Security Number of the household’s primary wage earner or another adult household member, or an indication that no adult household member has a Social Security Number.

### *Indication of No Income*

On a paper application, any income field left blank is a positive indication of no income; therefore, paper applications with blank income fields are to be processed as complete. The adult household member’s signature certifies that there is no income to report. In an online application, if income fields are submitted with blank responses, these also are processed as complete.

## Income Conversions

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

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

If current income is not a reflection of the amount of income that will be available to the household over the course of the school year, the household should contact the LEA for assistance. Households may have income from a variety of sources and may be paid on different schedules. For example, the household may receive paychecks on a weekly basis and child support on a monthly basis.

In other cases, for seasonal workers or those who are self-employed, annual income reporting may be the preferred income frequency as households may only be paid once or a few times per year. The LEA will determine the amount and frequency of income available during the school year for such households, and households can report income on an annual basis. For more information, see: SP 19-2017: *Reporting Annual Income on School Meal Applications*.

Depending on a household's specific circumstances, an income conversion may or may not be required.

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



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

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

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

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

Determining officials must determine reportable income (see: [\*Determining Household Reportable Income - General\*](#)). When households submit a complete application indicating total household income, those with income at or below the income limit for free or reduced price benefits must be approved for the appropriate level of benefits.

When a household submits an incomplete application or their application is missing required information, the household cannot be approved for benefits. The missing information must be obtained before an eligibility determination can be made. The following applications are some examples of those considered incomplete:

- Applications that fail to indicate the amount of income for each adult household member, and instead provide pay stubs.
- Applications missing the signature of an adult household member.

Every reasonable effort should be made by the determining official to obtain the missing information prior to denying the application. To obtain the required information, the school or LEA may return the application to the household, or contact the child's parent or guardian by phone, by mail, or via e-mail. The determining official should document the details of the contact, dating and initialing the entry.

## **Assessing Completeness of Categorically Eligible Applications**

### ***Complete Assistance Program Application***

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

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

Determining officials must ensure that the Assistance Program's case number (or other identifier listed on the application) is consistent with the format used by the Assistance Program in their State. If the case number seems incorrect, the LEA should contact the household or a local Assistance Program official to confirm the household's eligibility or may verify the application for cause (See: [\*Verification for Cause\*](#).) Determining officials must obtain the most current certification information available from the local Assistance Program officials when confirming the household's eligibility for meal benefits.

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

Applications for Other Source Categorical Eligibility will include a check box or other indicator to identify the child's status as homeless, migrant, or runaway. The *Prototype Application* has a box for homeless, migrant, or runaway children. Households must check the appropriate box to indicate their child's status. Enrollment in Head Start, by contrast, does not need to be identified on the application. A child participating in Head Start is not determined eligible for free benefits until the LEA documents the child's status with Head Start program officials.



A complete application for Other Source Categorical Eligibility must provide:

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

### *Complete Application for Foster Children*

Foster children are categorically eligible for free meals. The *Prototype Application* has a box for foster children. Households must check the appropriate box to indicate their child's status. The child's status for free meals does not require confirmation of eligibility status prior to receiving benefits. No further action is required.

A complete application for a foster child must provide:

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

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

### *Eligibility Determination Using Case Numbers*

The determining official must assure the case number or other identifier included on an Assistance Program application is consistent with the format used for the applicable program in the State. Determining officials must be familiar with the format for valid case numbers. If a case number seems incorrect, the LEA should contact the household or the appropriate agency to confirm the household's eligibility.

LEAs are encouraged to review direct certification lists to determine if any Assistance Program applications can be matched with names on the lists. As stated at 7 CFR 245.6(b), if a household submits an application for directly certified children, the direct certification eligibility determination will take precedence. If a match is found, the application is disregarded and all children in the household are categorically eligible for free meals through the direct certification process. Any application disregarded because all children in the household were determined categorically eligible through direct certification must be retained and the date of disregard must be documented. If a match is not found, and the LEA considers the application to be questionable, the determining official should verify the application for cause.

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

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

Unlike categorical eligibility under Assistance Programs, which extends eligibility to all children in the household, Other Source Categorical Eligibility must be determined individually for each child [7 CFR 245.6(b)(8)]. When an LEA receives an application with any of the Other Source Categorical Eligibility categories checked, an appropriate program official must confirm the status for each child, either through direct contact with the agency or using a list of names provided by the agency, prior to providing benefits. (Foster children, however, do not require confirmation of eligibility status prior to receiving benefits. See [Assessing Completeness of Categorically Eligible Applications](#) for more information.)

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

This section provides guidance on direct certification for Assistance Programs. The direct certification process allows LEAs to certify children for free meal benefits, without further application, based on information provided by the State or local agencies administering SNAP, TANF, and FDPIR. Other Source Categorically Eligible children, such as homeless children identified by the LEA's homeless liaison, are processed using procedures similar to direct certification. Although direct certification is only required with SNAP (see: [Mandatory SNAP Direct Certification](#)) expanding systems beyond mandatory SNAP matching to include TANF, FDPIR, and Other Source Categorically Eligible designations can help increase access among eligible children.

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

Categorical eligibility status is extended to any newly enrolled children who are members of a household with one or more members who were directly certified under Assistance Programs. For example, if a student beginning kindergarten resides in the same household as an older student determined eligible by the same LEA through Assistance Program participation in the previous school year, the kindergarten student would be eligible to receive carryover benefits for up to 30 operating days at the start of the new school year.

## Required Documentation for All Direct Certification Options

Documentation to establish eligibility and to substantiate claims for reimbursement based on direct certification must be retrievable by a school to ensure proper delivery of benefits and to allow substantiation of the number of children eligible for free meals or free milk.

Documentation based on direct certification must include:

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



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

## Mandatory SNAP Direct Certification

All LEAs must directly certify children who are members of households receiving SNAP benefits. If the child is determined eligible for free benefits through an application and through direct certification, the application must be disregarded, and the child will be considered directly certified. The date the application was disregarded must be indicated and the application must be kept on file [7 CFR 245.6(b)].

### *Zero SNAP Benefit Households*

SNAP defines “benefits” as allotments issued on EBT cards (or other means approved by the Secretary) that can be used to purchase food at authorized retail food stores. Some SNAP households may be eligible for “zero benefits.” However, Section 9(b)(12)(A)(i) of the NSLA restricts categorical eligibility for free school meals based on SNAP participation to children who are members of a household receiving assistance under SNAP. Therefore, a child who is a member of a household that is receiving “zero benefits” from SNAP is not categorically eligible for free meals based on SNAP participation. In these situations, a child’s eligibility for free or reduced price school meals must be determined by household income on a household application or information from an appropriate source (TANF, FDPIR, migrant, homeless, runaway, foster) that establishes categorical eligibility for other reasons.



State agencies must ensure SNAP direct certification matches do not identify children who are members of a household eligible for zero SNAP benefits. Any State agency that has included children who are members of a household eligible for “zero benefits” in their direct certification matching must revise their matching process to no longer identify these children as categorically eligible. For more information, see: SP 02-2012: *Direct Certification and Zero Benefit Households*, October 25, 2011, <https://www.fns.usda.gov/direct-certification-and-zero-benefit-households>.

### **TANF and FDPIR Direct Certification**

Expanding direct certification systems beyond mandatory SNAP matching can help capture students participating in other eligible programs, increasing access and improving program integrity. Although not required, LEAs are encouraged to conduct direct certification with TANF and FDPIR. Direct certification with TANF and FDPIR may use an automated data matching technique or the letter method [7 CFR 245.6(b)(4) and 7 CFR 245.6(b)(5)(ii)(B)]. The letter method involves the household, or an agency official, submitting official documentation of the child’s status to the LEA or school.

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

## Methods and Frequency of Direct Certification Efforts

While other Assistance Programs may use a data matching technique, direct certification with SNAP must use an automated data matching technique. To facilitate this process, each State agency must enter into an agreement with the State agency conducting eligibility determinations for SNAP. The agreement must specify the procedures that will be used to facilitate the direct certification of children who are members of a household receiving assistance under SNAP [7 CFR 245.6(b)(1)(iv)]. Completing the direct certification process may require the SNAP agency, State agency, LEA, or school to compare the student enrollment records and the SNAP benefit recipient records. This automated data matching technique will most likely be completed by using either State (central-level) matching or local (LEA-level) matching.

- **Direct Certification Matches:** LEAs operating standard counting and claiming must conduct direct certification with SNAP a minimum of three times during the school year. More frequent direct certification efforts are encouraged, and may help increase access to free school meals among eligible children. LEAs and schools operating a special Provision must conduct a data match between SNAP records and student enrollment records at least once annually [7 CFR 245.6(b)(1)(v)].

According to 7 CFR 245.6(b)(3)(ii), at minimum, LEAs operating standard counting and claiming must conduct direct certification matching with SNAP:

- At or around the beginning of the school year;
- Three months after the beginning of the school year; and
- Six months after the beginning of the school year.

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

- **Letter Method:** According to 7 CFR 245.6(b)(5)(ii), LEAs may accept SNAP notification letters to a household as a secondary method of recognizing categorical eligibility for free meals. Letters to households may also serve as an additional means to notify households of children's eligibility based on receipt of SNAP benefits.

If a household provides a SNAP eligibility letter to the LEA or school, the letter must be used to establish eligibility, but will not be considered direct certification for reporting purposes. This restriction applies only to SNAP and does not impact the use of the letter method for TANF or FDPIR [7 CFR 245.6(b)(5)(ii)(B)].

## Notification of Eligibility Established Through Direct Certification

According to 7 CFR 245.6(c)(6)(ii), the LEA must notify the household, in writing, of eligibility established through direct certification. The notification must explain that the child is eligible for free benefits without further application. Further, the notification must clarify eligibility that free meal benefits extend to all school-aged children in the household, and must inform households of how to notify the LEA of any additional school-aged children in the household not listed on the notification. Finally, the notification must explain how the household can notify the LEA if the household does not wish to receive free benefits for directly certified children.

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

LEAs must ensure all households receive either a direct certification notification or an application, and must also ensure their methods of contact do not result in overt identification of students determined eligible through the direct certification process [7 CFR 245.1(b)]. Overt identification is any action that may result in a child being recognized as eligible to receive free or reduced price meals. To prevent overt identification, LEAs could distribute application materials through the mail. LEAs may also distribute applications with other school materials in individual packets received by all students. For more information, see [Preventing Overt Identification](#).



## Record Retention

### Applications

All free and reduced price applications, including applications from households determined ineligible for benefits, must be kept on file for a minimum of three years after the final claim is submitted for the fiscal year to which they pertain [7 CFR 245.6(e)]. Additional documentation, such as notices of adverse action, must also be retained if the documentation shows changes made to a child's eligibility status during the school year.

Any application disregarded because all children in the household were determined categorically eligible through direct certification must be retained and the date of disregard must be documented. As stated at 7 CFR 245.6(b), if a household submits an application for directly certified children, the direct certification eligibility determination will take precedence.

Each school must maintain a list of eligible children by status on site, while the actual applications may be maintained within the school or LEA or at another central location. If an LEA maintains applications at a central location, the applications must be readily retrievable by school. The LEA must ensure any changes in eligibility status and transfers in and out of the school are accurately and promptly recorded on each school's list. Additionally, adequate documentation for changes in eligibility status or student transfers must be retained with the applications for three years. Files must be kept longer if they are required by an audit. Such files must be retained until any issues raised by the audit are resolved.

### **Direct Certification Documents**

LEAs must keep direct certification documentation on file for a minimum of three years after submission of the final claim for reimbursement for the fiscal year to which the records apply. Documentation must be kept longer if 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 [7 CFR 245.6(e)].

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

### **Special Provisions**

Recordkeeping requirements for Provisions 2 and 3 and CEP are outlined at 7 CFR 245.9(h). LEAs must retain records for all schools operating Provision 2 or 3. Base year records for Provision 2 or 3 must:

- Establish claiming percentages to support subsequent years' reimbursement;
- Be retained during the entire period (established by the base year) Provision 2 or 3 is in effect, including all extensions, and for three years after the final claim for reimbursement or until all audits are resolved; and
- Include documentation of the verification activities from the base year.

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

Upon request, the LEA must make documentation available for review or audit to document compliance with the recordkeeping requirements. Depending on the certification or reimbursement alternative used, such documentation includes, but is not limited to: enrollment data, participation data, ISPs, available and approved socioeconomic data that was used to grant an extension, if applicable, or other data [7 CFR 245.9(i)].

All Provision 2 or 3 and CEP records must be retained for three years after submission of the final claim for reimbursement. Record retention must continue if any audit findings from the period during which the records were in use remain outstanding. In any such case, records must be retained until all issues raised by the audit have been fully resolved [7 CFR 245.9(h)].



## Section 3: Questions and Answers

### **1. If an LEA uses a computer system to generate eligibility determinations, must the determining official sign or initial each application?**

The LEA (not the computer system) is ultimately responsible for determining eligibility for free or reduced price meals. The LEA must ensure their computer system meets all requirements and performs all functions as outlined in this guidance with a high degree of accuracy. The determining official may sign or initial and date a separate sheet of paper that could then be attached to a batch of applications. Alternatively, the official may make a note to the electronic file. The computer system should be able to capture the original date of the approval and the basis for the determination (i.e., household size and income), and update the status of applications to account for transfers, withdrawals, terminations, and any other changes.

### **2. May a food service management company assist with the processing of applications, along with other management responsibilities?**

While the LEA is ultimately responsible for ensuring all Program requirements are met, 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 employee must comply with all requirements for these processes, including limited disclosure of individual eligibility information. For more information, see [\*Section 5: Confidentiality and Disclosure\*](#).

### **3. What notification is recommended when an eligibility determination is made?**

Households must be notified of their eligibility for benefits. LEAs may notify households of their children's eligibility by letter, via email, over the telephone, or by using an automated notification system. If an application is denied, however, the household must be notified of the denial in writing through the postal service or an email sent to the parent or guardian's email address.

### **4. May a household determined to be eligible for free meals at the start of the school year choose to submit a new application later in the school year?**

Yes. While households are not required to report changes in their circumstances, a household may choose to submit a new application during the school year. The new application would supersede the original application. In this case, the LEA must explain to the household that the household is not required to report the change due to the year-long duration of eligibility. The change will only go into effect if the household requests the change in writing. If benefits are voluntarily decreased, the LEA must send a notice of adverse action.

**5. What should a school do if a household eligible for free meals wishes to pay at the reduced price?**

The school should respect the household's wishes and allow the household to pay the reduced price charge. The household's application should correctly reflect the child's eligibility status, but should include a note that the family has elected to pay the reduced price charge. Meals served to such a child must be claimed at the reduced price reimbursement rate, since the school received the reduced price payment from the household.

## Section 4: The School Meal Application

This section includes information on:

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

### Application Overview

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

In August 2016, FNS released a memorandum outlining steps State agencies, LEAs, and schools can take to improve the application process and encourage eligible families to apply. To review the strategies included in the memorandum, please see SP 43-2016 (v. 2): *Ensuring Access to Free and Reduced Price School Meals for Low-Income Students - Revised*, <http://www.fns.usda.gov/ensuring-access-free-and-reduced-price-school-meals-low-income-students>.

### Application Content

This section lists the information required in the application, beyond the required reporting information specified in [Section 3: Establishing Eligibility](#). Except for the information in the attesting statement, the required information on the application form may be separate from the signature block and organized at the LEA's discretion. For example, the Use of Information Statement may be referred to in the signature block, on the reverse side of the application, or included with the instructions on how to complete the form.

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

Because only the last four digits of an adult household member's Social Security Number (or an indication of "none") are required, the Privacy Act statement is no longer needed. The Use of Information Statement must be provided on the application instead, exactly as follows:

*The Richard B. Russell National School Lunch Act requires the information on this application. You do not have to give the information, but if you do not submit all needed information, we cannot approve your child for free or reduced price meals. You must include the last four digits of the social security number of the primary wage earner or other adult*

household member who signs the application. The social security number is not required when you apply on behalf of a foster child or you list a Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) Program or Food Distribution Program on Indian Reservations (FDPIR) case number or other FDPIR identifier for your child or when you indicate that the adult household member signing the application does not have a social security number. We will use your information to determine if your child is eligible for free or reduced price meals, and for administration and enforcement of the lunch and breakfast programs.

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

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

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

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



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

Although survey questions on children’s ethnicity and race are optional for households to complete, they must be included on the application. The required categories may be found in *FNS Instruction 113-1: Civil Rights Compliance and Enforcement – Nutrition Programs and Activities*, <http://www.fns.usda.gov/sites/default/files/113-1.pdf>. State agencies may include additional categories along with those required by FNS or may disaggregate a category, provided they follow the FNS reporting requirements. If the applicant fails to provide this information, school officials should follow the guidance included in FNS Instruction 113-1 to collect this data.

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

The application must provide space to identify the case number of any household member who receives benefits from Assistance Programs. When a case number for one of the three Assistance Programs (SNAP, TANF, and FDPIR) for any household member is listed on the application, all children in the household are eligible for free meals. For more information, see: [Assistance Program Participants](#).

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

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

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

When distributing the household applications, LEAs must:

- Provide households with instructional materials similar to those included with the *Prototype Applications*. (See: [\*Appendix B: Prototype Applications\*](#).)
- Provide one household application for all children who attend schools in the same LEA.
- Include the full USDA Nondiscrimination Statement.

When distributing household applications, LEAs may:

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

When distributing the household application, LEAs may not:

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



In addition, if the LEA chooses to provide additional benefits (e.g., free school books, computers, or exam fee waivers) for children eligible for free and reduced price meals, the LEA must obtain informed consent from the household. LEAs must also ensure children are not overtly identified when providing additional benefits based on their eligibility for free and reduced price

meals. (See: [\*Section 5: Confidentiality and Disclosure\*](#).) LEAs may not request additional information to determine eligibility for other programs if the information requested creates a real or perceived barrier to participation in the CNPs. For more information, see: SP 50-2011, CACFP 27-2011, SFSP 20-2011: *Free and Reduced Price Meal Applications – Requests for Additional Information*, <http://www.fns.usda.gov/free-and-reduced-price-meal-applications-%E2%80%93-requests-additional-information>.

### *Foreign Language Translations*

USDA's LEP guidance, released in 2014, requires State agencies, LEAs, and schools that receive Federal funding to ensure language is not a barrier to receiving school meal benefits. State agencies, LEAs, and schools are required to take reasonable steps to ensure meaningful access for individuals with LEP to the information and services they provide. Program operators that fail to provide services to LEP individuals may be discriminating on the basis of national origin and may be in violation of Title VI of the Civil Rights Act of 1964. See SP 37-2016: *Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&As*.



In order to ensure meaningful access, State agencies and LEAs must assist persons with LEP throughout the application process. To begin, many schools identify an individual's primary language during the school enrollment process and store this information in an online database to ensure communications sent to families throughout the school year are sent in the appropriate language. LEAs may use the Home Language Survey, USDA's "I Speak" survey, or other language surveys to help identify household language needs.

Once a school becomes aware of a language need, the school is responsible for ensuring the individual's application and other household materials (letter, instructions, notices, and verification materials) are available in an understandable language. Simply offering the most common non-English language is not sufficient. LEAs may use the translated application materials available through FNS to ensure households comprised of LEP individuals have access to free and reduced price application materials in a language they can understand. Use of these materials will also benefit LEAs, as providing materials in an understandable language improves the accuracy of the information provided by households, reducing certification errors.

State agencies must ensure the FNS *Paper-Based Prototype Application* is available to their LEAs, and ensure LEAs that do not have their own translations make the FNS prototype materials available to the families who need them. The nonprofit food service account may be used to pay for translation services for food service purposes if there is a need to translate materials to a language currently unavailable.

LEAs also should provide language services to assist families during the application process. When necessary, LEAs should provide oral interpretation services to parents or guardians with LEP and limited literacy. Household members (especially children) are not expected to provide interpretive services. In many circumstances, household members are not competent to provide accurate interpretations, and the use of household members to provide interpretations may create a conflict of interest. Reliance on children is especially discouraged unless there is an extreme emergency and no qualified, competent interpreters are available.

LEAs should carefully explore the most cost-effective means of delivering competent and accurate language services before limiting services due to resource concerns. For example, LEAs may consider sharing language assistance materials and services among and between recipients, advocacy groups, and Federal grant agencies. LEAs should become familiar with State and local organizations, such as migrant or refugee assistance agencies, that may be available to provide language assistance.

State agencies and LEAs are expected to have a system in place to provide verification notices to each household in the parent or guardian's primary language. States and LEAs are expected to follow up with households that do not respond to the initial verification request and provide oral assistance if the parent or guardian has difficulty understanding the written request. Translations of FNS prototype verification materials are available online.

### *Citizenship and Legal Status*

An LEA may not request that applicants provide information regarding citizenship. USDA has determined the CNPs are not subject to Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which restricts certain welfare and public benefits for undocumented individuals. United States citizenship or immigration status is not a condition of eligibility for free and reduced price benefits. LEAs must apply the same eligibility criteria for citizens and non-citizens.

## Application Formats

### *Requirements for All Applications*

In SY 2015-2016, FNS amended the *Paper-Based Prototype Application*, resulting in various content and visual changes. The required format changes were phased in, beginning in SY 2016-2017.



As of SY 2016-2017, the *Indication of No Income* element from the *Paper-Based Prototype Application* must be part of all paper application designs. This requirement applies, even when a State or local agency uses their own application design, rather than the FNS prototype. Applications must request applicants without income write “zero” in the applicable field or mark “no income” when there is no income to report, but they may not require a separate indication of no income, such as a check box or another fill-in field. The application must convey to the applicant in a clear and easy to understand instruction that any income field left blank is a positive indication of no income and certifies that there is no income to report. Applications with blank income fields are to be processed by the school district as complete, rather than incomplete as in prior

practice. See SP 33-2015: *Revised Prototype Free and Reduced Price Application Materials: Policy Changes and Design Overview*. On a web-based application, it is recommended that incomplete responses to an income field or any other required field prevent the applicant from progressing or making a submission. In these cases, it is also recommended to include error or warning messages that indicate what information is missing, and if possible, direct the applicant to fields where that information must be submitted.

The application modifications below were optional for SY 2015-2016 and SY 2016-2017. However, beginning in SY 2017-2018, the following elements now are required:

- **Total Household Members Reporting Field:** Paper applications must include a field for reporting the total number of members present in the household. A web-based application may accomplish this by requiring household confirmation of a total computed by the application. This is an accountability safeguard and encourages the household to report all members who are present. Electronic applications may be exempt from explicitly following this requirement if they otherwise ensure the household has been given a clear opportunity to report all household members.



- **Placement of Social Security Number Reporting Field:** State and local agencies must structure their applications to ensure only those households applying on the basis of income are requested to provide the last four digits of an adult household member's Social Security Number (or indicate a lack thereof). Households applying based on categorical eligibility status only are not required to provide this information. The *Prototype Applications* accomplish this by making the Social Security Number reporting field part of the income reporting section, though this format is not required.

Applications should contain a notice informing individuals with LEP and individuals with disabilities how they may request free language assistance or auxiliary aids and services if they need assistance completing the form.

## Application Types

### *Paper Applications*

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

### *Electronic and Scanned Applications*

In accordance with the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265), FNS encourages LEAs to make electronic applications available and accept applications electronically. LEAs may also scan paper applications. When using electronic and scanned applications:

- All disclosure restrictions must be met, and acceptance of the application and electronic signatures must conform with FNS policy. See: SP 10-2007, SFSP 06-2007, CACFP 07-2007: *Update on Electronic Transactions in the Child Nutrition Programs*, <http://www.fns.usda.gov/update-electronic-transactions-child-nutrition-programs-1>.
- The system should include a statement explaining how to obtain a paper application if a household decides they do not want to complete an application electronically.
- The process for scanning applications must meet all requirements and perform all functions as outlined in this guidance.

### *Electronic Applications*

If the LEA uses an electronic system as one of their application processes, the letter to households must inform the household how to access the system in order to apply for benefits.

The letter must also explain the household still has the option to submit a paper application and must indicate how the household may obtain and submit a paper application from the school.

When using electronic applications:

- The application must contain the information required of all applications. LEAs are encouraged to use an electronic application with as comprehensive a set of integrity and accessible features as the FNS *Web-Based Prototype Application*. See the *Guide to USDA's Web-Based Prototype Application* for additional information (<https://www.fns.usda.gov/school-meals/web-based-prototype-application>).
- The system must include a question or data field to indicate a child's migrant, runaway, foster, or homeless status.
- The system may ask for a student identification number or a child's birth date. However, the household must be informed that these data fields are not required by NSLP, SBP, or SMP. Since the additional information is not required for a child's certification of eligibility for free or reduced price meals, the applicant must still be able to advance through and submit the application without completing those fields. Furthermore, such applications must be considered complete, provided that all reporting requirements are otherwise met. (See: SP 50-2011, CACFP 27-2011, SFSP 20-2011: *Free and Reduced Price Meal Applications – Requests for Additional Information*, <http://www.fns.usda.gov/free-and-reduced-price-meal-applications-%E2%80%93-requests-additional-information>)

**Note:** USDA and FNS do not currently evaluate, recommend, approve, or endorse any software used for certification or verification purposes. LEAs are responsible for assuring that any automated certification and verification processes meet all regulatory requirements and policies, including the calculation of household income when multiple frequencies are reported.

## Section 4: Questions and Answers

- 1. At the local level, applications sometimes request a birth date or other information not required by statute or regulation. Should LEAs mark applications missing such information as complete?**

Yes. Since the additional information described above is not required by statute or regulation for a student's certification of eligibility for free or reduce price school meals, an application (whether paper or electronic) must be considered complete even if the additional information is not provided.

- 2. May a web-based application system ask for a student identification number or student birth date?**

A web-based application system may ask for a student identification number or student birth date if the LEA notifies households that the two data fields are not required by the NSLP, SBP, or SMP. The LEA also must ensure a paper-based application is available to households that do not wish to provide the additional information. This notification should be included on the web-based portal. The disclaimer should indicate the availability of a paper-based application and provide a contact number for further assistance.

- 3. Is the application considered complete if the racial/ethnic data collection question is not completed?**

Yes. The household is not required to complete the racial/ethnic data question. Failure to provide this information must not affect a child's eligibility for benefits. If the applicant fails to provide this information, school officials should follow the guidance included in *FNS Instruction 113-1: Civil Rights Compliance and Enforcement – Nutrition Programs and Activities*, <http://www.fns.usda.gov/sites/default/files/113-1.pdf> to collect this data.

## Section 5: Confidentiality and Disclosure

This section includes information about:

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

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

LEAs are prohibited from distributing and processing applications solely to obtain household income information in order to determine the funding or benefits for programs other than the CNPs. For example, LEAs may not distribute school meal applications solely to collect income information for additional education funding from local nonprofits or community donors. Thus, funds in the nonprofit school food service account cannot be used to pay the costs associated with collecting and processing household income information for non-Program purposes. A school or LEA must obtain this information through other means. If the school or LEA collects such information for non-Program purposes through a separate application, the applications must not be labeled as applications for benefits under the CNPs or give any indication CNP benefits are contingent upon a household returning the application.

If LEAs provide households with multi-use applications, which include both application for benefits from a CNP and for other benefits or programs, they must ensure households have the option to submit an application solely for free and reduced meal or free milk benefits.

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

## Confidentiality Requirements

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

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

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

The NSLA establishes the disclosure limits for the CNPs. LEAs may, in limited situations, disclose children’s free and reduced price meal eligibility information to programs, activities, and individuals, as specifically authorized under the NSLA. Disclosure is always an option, not a requirement. The LEA may opt to disclose children’s eligibility information to Medicaid or CHIP officials if the State agency has not prohibited disclosure to these health insurance programs and the family does not decline to have their children’s eligibility information released. Children’s individual information must be protected and is subject to limited disclosure beyond the current school year. More information may be found in [Disclosure Requirements](#).

## Preventing Overt Identification

LEAs must avoid any policy or practice leading to the overt identification of children receiving free or reduced price meal benefits. Overt identification is any action that may result in a child being recognized as potentially eligible for or certified for free or reduced price school meals. LEAs must assure that their policy statement complies with this requirement. During an Administrative Review, the State agency must ensure the policy statement addresses ways to prevent overt identification.

Unauthorized disclosure or overt identification of children receiving free and reduced price meal benefits is prohibited under the NSLA. LEAs must ensure that a child's eligibility status is not disclosed at any point in the process of providing free and reduced price meals, including:

- Notification of the availability of free and reduced price benefits;
- Certification and notification of eligibility;
- Provision of meals in the cafeteria; and
- The point of service.

Schools accepting both cash and electronic payments must ensure children are not overtly identified through the method of payment [7 CFR 245.8(b)]. To the maximum extent practicable, schools must ensure the sale of non-Program foods and the method of payment for non-Program foods do not inadvertently result in children being identified by their peers as receiving free and reduced price benefits.

In addition, schools and LEAs must ensure children who receive free and reduced price benefits are not overtly identified when they are provided additional services under programs or activities available to low-income children based on their eligibility for free and reduced price meals. See: SP 45-2012: *Preventing Overt Identification of Children Certified for Free or Reduced Price School Meals*, <http://www.fns.usda.gov/preventing-overt-identification-children-certified-free-or-reduced-price-school-meals>.

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

LEAs are not required to provide applications to households when children are eligible for free meals through direct certification. However, LEAs must ensure these children are not overtly identified through the method used to distribute applications. For example, the LEA could send applications to households that are not directly certified via mail or provide applications to all households [7 CFR 245.6(b)(10)].

### ***Aggregate Data***

The LEA may disclose aggregate data to any program or requestor when individual children cannot be identified through release of the aggregate data or by means of deduction [7 CFR 245.6(f)]. An example of aggregate data is the total number of children eligible for free and reduced price meals in the school district. As aggregate data does not identify individual children, parental or guardian notification and consent are not needed. However, LEAs are cautioned about release of aggregate data when individual children's eligibility may be deduced, such as through the release of data about a specific classroom when the number of eligible children is small.

## Disclosure Requirements

The NSLA allows persons directly connected with the administration or enforcement of certain programs or activities to have access to children’s eligibility information. The following table, Disclosure, shows the circumstances for disclosing eligibility information. LEAs with concerns or questions about disclosing children’s eligibility information should contact their State agency for further guidance.

Disclosure		
Recipient of Information	What May Be Disclosed	Requirements
Programs under the NSLA or CNA	<i>All eligibility information</i>	<i>Prior notice and consent not required</i>
Federal, State, or local means tested nutrition programs with eligibility standards comparable to the NSLP	<i>Eligibility status only</i>	<i>Prior notice and consent not required</i>
Federal education programs	<i>Eligibility status only</i>	<i>Prior notice and consent not required</i>
State education programs administered by a State agency or LEA	<i>Eligibility status only</i>	<i>Prior notice and consent not required</i>
Local education programs	<i>No eligibility information, unless parental or guardian consent is obtained</i>	<i>Parental or guardian consent</i>
Medicaid or CHIP, administered by a State or local agency authorized under titles XIX or XXI of the Social Security Act to identify and enroll eligible children	<i>All eligibility information unless parents or guardians elect not to have information disclosed</i>	<i>Must give parents and guardians prior notice and an opportunity to decline to have their information disclosed</i>
State health programs other than Medicaid or CHIP, administered by a State agency or LEA	<i>Eligibility status only</i>	<i>Prior consent not required</i>
Federal health programs other than Medicaid or CHIP	<i>No eligibility information, unless parental or guardian consent is obtained</i>	<i>Parental or guardian consent</i>

<b>Disclosure</b>		
<b>Recipient of Information</b>	<b>What May Be Disclosed</b>	<b>Requirements</b>
Local health programs	<i>No eligibility information, unless parental or guardian consent is obtained</i>	<i>Parental or guardian consent</i>
Comptroller General of the United States for purposes of audit and examination	<i>All eligibility information</i>	<i>Prior notice and consent not required</i>
Federal, State, or local law enforcement officials investigating alleged violations of any of the programs under the NSLA and CNA or investigating violations of any of the programs that are authorized to have access to names and eligibility status	<i>All eligibility information</i>	<i>Prior notice and consent not required</i>

### **“Need to Know”**

The LEA may disclose children’s eligibility status only to persons determined to be “directly connected” with the administration or enforcement of a Federal education program, State education program, State health program, or a means-tested nutrition program, as well as to persons directly connected with the Comptroller General Office or law enforcement for an authorized activity [7 CFR 245.6(f)(3)].

Although a program or person may be authorized under the NSLA to receive free and reduced price eligibility information, there must be a legitimate “need to know” to provide a service or carry out an authorized activity. State agencies, LEAs, and schools must ensure data systems, records, and other means of accessing a student’s eligibility status are limited to officials directly connected with administration or enforcement of a Federal or State program or activity. This includes Federal, State, or local program operators responsible for the ongoing operation of the program or activity, or responsible for program compliance [7 CFR 245.6(f)(3)(i)].

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



State Medicaid agencies, CHIP agencies, and health insurance program operators receiving children's free and reduced price eligibility information must only use the information to enroll eligible children in State Medicaid or CHIP [7 CFR 245.6(g)].

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

- **Federal or State Education Programs [7 CFR 245.6(f)(2)]:**

Student names and eligibility status may be disclosed, without parent or guardian consent, to a Federal or State education program. Prior to disclosing individual eligibility information, determining officials should enter into a Memorandum of Understanding or other agreement with all involved parties, including officials who administer the CNPs and officials who administer the overall education functions. This agreement would specify: the names of the individuals who would have access to the information, how the information would be used in implementing a Federal education program, and how the information would be protected from unauthorized uses and third-party disclosures. The agreement would also include a statement of the penalties for misuse of the information.

- **National Assessment of Educational Progress (NAEP) [7 CFR 245.6(f)(2)(i)]:**

Because NAEP is a Federal education program, LEAs may disclose, without parent or guardian consent, children's names and eligibility status to persons directly connected to the administration or enforcement of NAEP. 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 the State assessment is part of the NAEP. Other State education programs may access participants' names and eligibility status, without parent or guardian consent. However, in both situations, the program must be established at the State (not local) level.

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

LEAs are encouraged to inform households when they plan to disclose or use eligibility information outside the originating program and to have a written agreement with NAEP officials. For more information, see SP40-2008: *Reaffirmation of Policy on Limited Disclosure of Children's Eligibility Information to the National Assessment of Educational Progress (NAEP)*.

- **Every Student Succeeds Act (ESSA):**

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

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

- **Family Educational Rights and Privacy Act (FERPA):**

FERPA (20 U.S.C. 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education. However, CNPs are subject to the disclosure restrictions imposed by Section 9(b)(6) of the NSLA and not FERPA.



- **Other Federal CNPs [7 CFR 245.6(f)(3)(i)]:**

LEAs may disclose all eligibility information from a household’s free and reduced price meal application or information obtained through direct certification to persons directly connected with the administration or enforcement of the programs authorized under the NSLA or CNA, including the NSLP, SBP, SMP, CACFP, SFSP, and WIC.

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

- **Other Federal or State Means-Tested Programs [7 CFR 245.6(f)(2)(ii)]:**

LEAs may only disclose a child’s name and eligibility status to persons directly connected to other Federal or State means-tested programs without household consent. However, disclosure of any other information, such as a parent or guardian’s name and address, requires household notification and consent.

## Notification and Notice

### *Disclosures That Require Parental Notification*

Unless otherwise indicated in *Disclosure Requirements*, LEAs must inform the adult household member who signed the application if they plan to disclose or use eligibility information outside the originating program. This may be done by issuing a general notification of potential disclosure or through a specific notification to disclose information to a particular program [7 CFR 245.6(h)(2)(i)].

### *Notice Requirements [7 CFR 245.6(h)]*

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

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

The notification of a disclosure requiring the consent of a parent or guardian, such as a disclosure request for a local education or health program, must inform parents or guardians:

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

The notice of potential or specific disclosure must be given prior to disclosure and parents or guardians must be given a reasonable amount of time to respond. For more information, see *Appendix B: Prototype Applications*. The following section outlines the situations where prior notice and consent are necessary.

### *Disclosures That Require Household Consent*

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

A disclosure of all eligibility information to any other Federal, State or local program or individual not included in the NSLA requires household consent. Other programs that require parental consent are local level programs and activities, including local health and local education programs. For example, the disclosure of children's free and reduced price eligibility status to determine eligibility for free text books or reduced fees for summer school requires consent when these are local initiatives rather than State or Federal programs.

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

### *Noncustodial Parent Requests for Disclosure*

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

### *Consent Statement for Disclosure*

The consent statement must be in writing. It may be obtained at the time of application, or at a later time. According to 7 CFR 245.6(i), the consent statement for this type of disclosure 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 or free milk may be signed by any adult household member. For adult participants in CACFP, the adult participant must sign the consent statement unless a guardian has been appointed.
- Indicate that failing to sign the consent statement will not affect eligibility for or participation in the CNP and that the information will not be shared by the receiving program with any other entity or program.
- Enable parents, guardians, or adult participants to limit consent to only those programs with which they wish to share information. For example, the consent statement could use a check-off system under which the applicant would check or initial a box to indicate they want to have information disclosed to determine eligibility for benefits from a certain program.

### *Agreements and Memoranda of Understanding*

For disclosures to Medicaid or CHIP, the decision on disclosure is a joint State agency and LEA decision. The LEA and receiving agency must have an agreement or Memorandum of Understanding outlining the arrangement to disclose children's information to Medicaid or CHIP. A State agency may not enter into a Memorandum of Understanding on behalf of all LEAs for disclosure to Medicaid or CHIP, as each LEA must be given the opportunity to decline providing free and reduced price meal and free milk eligibility information to Medicaid or CHIP [7 CFR 245.6(j)(1)].



According to 7 CFR 245.6(j)(2), the agreement or Memorandum of Understanding must include:

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

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

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

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

LEAs must notify parents or guardians of their intent to disclose a child's free or reduced price school meal eligibility to Medicaid or CHIP and provide adequate time for any response [7 CFR 245.6(h)(2)]. FNS recommends providing a minimum of 10 calendar days for parents or guardians to respond. LEAs should include a date in the household notification statement to inform households they must respond by a specified date if they do not want their information disclosed to Medicaid or CHIP.

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

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



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

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

## **Penalties for Improper Disclosure**

According to Section 9 (b)(6)(C) of the NSLA, improper disclosure may result in a fine of up to \$1000 or imprisonment of up to one year, or both. Improper disclosure includes publishing, divulging, disclosing, or making known in any manner or extent not authorized by Federal law, any eligibility information. This includes the disclosure of eligibility information by one entity authorized under the NSLA to receive the information to any other entity, even if that entity would otherwise be authorized to receive the information directly from the determining agency.

## Section 5: Questions and Answers

### 1. What does disclosure mean as it relates to children’s eligibility status?

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

### 2. What eligibility information may an LEA disclose to a means-tested nutrition program?

Without household consent, the LEA may only disclose a child’s name and eligibility status. Disclosure of other information, such as parent or guardian names and addresses, requires household notification and consent.

### 3. For the purposes of disclosure, who are persons “directly connected” to the administration of State Medicaid and CHIP?

Persons “directly connected” with the administration of State Medicaid or CHIP are State employees and persons authorized under Federal and State Medicaid and CHIP requirements to process applications or to make eligibility determinations. LEA officials should check with their State Medicaid or CHIP coordinator to determine the persons or entities authorized to enroll children in Medicaid or CHIP.

### 4. How long should LEA officials wait for a response from a parent or guardian before releasing information to Medicaid or CHIP?

LEAs should provide parents with adequate time to respond. LEAs are encouraged to include a notification on the statement sent to households informing households they must respond by a specified date if they do not want their information disclosed to Medicaid or CHIP.

### 5. Is each LEA required to enter into a separate Memorandum of Understanding for disclosing information to Medicaid/CHIP?

Yes, if the LEA and State agency agree to disclose children’s eligibility information to Medicaid/CHIP, each LEA must be given the opportunity to decline providing information to Medicaid/CHIP.

**6. May children’s eligibility information be shared with the school guidance counselor?**

Yes, but only with household consent. Free and reduced price eligibility status may not be shared with guidance counselors without household consent. An LEA or school could send a letter to all households informing them of other school-based programs available to households that qualify for free or reduced price meals. Interested households could then contact the guidance office if they are interested in pursuing any of these benefits and to complete a consent form.

**7. If an LEA contracts with a third party server to store electronic school meal applications, do confidentiality and disclosure requirements still apply?**

Yes. Confidentiality and disclosure requirements surrounding the school meal applications apply regardless of the application type. The information must be protected and only viewed and/or released according to the guidelines. LEAs contracting with a third party must have an agreement in place that clearly delineates FNS requirements for confidentiality.



## Section 6: Verification

In this section, you will find information on:

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

### Verification Overview

Section 9(b)(3) of the NSLA and regulations at 7 CFR 245.6a(c)(1) establish requirements for LEAs in conducting verification of eligibility for free and reduced price meals based on applications in participating schools. Verification is only required when eligibility is determined through the application process, and is not required for eligibility determinations made through the direct certification process.

Verification must include confirmation of either:

- Income eligibility;
- Receipt of assistance under SNAP, FDPIR, or TANF, by the child or any member of the household; or
- Other Source Categorical Eligibility.



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

According to 7 CFR 245.6a(c)(2), verification efforts are not required:

- For children who have been certified under direct certification procedures, including children documented as migrant, runaway, or homeless; foster children; and children enrolled in Head Start;
- For children in RCCIs, except for applications for non-residential students attending the institution;

- In schools where FNS has approved special cash assistance claims based on economic statistics regarding per capita income, such as in Puerto Rico and the Virgin Islands;
- In schools participating only in the SMP;
- In schools with non-pricing programs, which claim only the paid rate of reimbursement, where all children are served with no separate charge for food service and no special cash assistance is claimed;
- In LEAs where all schools participate in CEP or in Provisions 1, 2, 3, except in the base years in Provision 1, 2, or 3 schools in which applications are taken for all children in attendance; and
- For other FNS exemptions determined on a case-by-case basis.

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

The LEA must complete the verification activities specified in this section no later than November 15 of each school year [7 CFR 245.6a(b)(1)]. However, the LEA may request an extension of the November 15 deadline, in writing, from the State agency. The State agency may approve, in writing, an extension up to December 15 of the current school year, due to natural disaster, civil disorder, strike, or other circumstances that prevent the LEA from timely completion of verification activities. A request for an extension beyond December 15 must be submitted by the State agency to the FNSRO for approval [7 CFR 245.6a(b)(2)(i)].



### ***Improving the Verification Process***

Nationally, on average, around 40 percent of contacted households do not respond to the verification notice, which results in the loss of meal benefits for potentially eligible children (source: FNS-742 data from SY 2014-2015.) In order to minimize the risk of eligible children losing access to meal benefits due to non-response, FNS released a memorandum highlighting best practices to improve the verification process. To review the strategies outlined in the memorandum, see SP 43-2016 (v. 2): *Ensuring Access to Free and Reduced Price School Meals for Low-Income Students - Revised*, <http://www.fns.usda.gov/ensuring-access-free-and-reduced-price-school-meals-low-income-students>.

## Key Verification Terms

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

## Initial Steps for Verification

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

LEAs may begin verification once the application approval process for the current school year is underway and approved applications are on file. To begin verification, the LEA may project the number of approved applications (the “sample pool,” see below) it anticipates will be on file on October 1. This projection is based on prior years’ experience, i.e., the number of approved applications in previous years. 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 LEAs must adjust the sample pool and sample size accordingly. If October 1 falls on a weekend, LEAs use the next operating day to establish the sample pool. For more information, see [Application Selection Procedures](#).

### *Establishing the Sample Pool*

The sample pool uses the total number of approved applications on file as of October 1 of the current school year. The sample pool depends on the number of approved applications, including paper and electronic applications. The sample pool is not based on the number of children eligible for free and reduced priced benefits, as some eligible students will have established eligibility through the direct certification process and will not have an application on file. In addition, the sample pool does not include applications where all children in the household are determined eligible based on documentation provided by the State or local agency responsible for the administration of the SNAP, FDPIR or TANF or applications where all children in the household are determined to be foster, homeless, migrant, or runaway children [7 CFR 245.6a(c)(2)].

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

### *Establishing the Sample Size*

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

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

### **Verification for Cause**

Apart from the required verification of a specified number of approved applications, regulations at 7 CFR 245.6a(c)(7) require LEAs to verify any questionable application including, on a case-by-case basis, verifying any application for cause when the LEA is aware of additional income or persons in the household. This is known as “verification for cause.”

Determining officials are strongly encouraged to contact the household to clarify any information that is unclear or questionable before certifying the application and proceeding with verification for cause. Once households have been requested to provide documentation for cause, the LEA must complete the verification process for these households.

Verification for cause cannot delay the approval of applications, and LEAs can begin the verification process only after the determination of eligibility has been made. If an application is complete and indicates the child is eligible for free or reduced price benefits, the application must be approved while the LEA begins verification for cause.

Where appropriate, FNS supports use of verification for cause as a method for LEAs to address integrity concerns. State agencies should ensure LEAs balance administrative requirements and integrity with access to free and reduced price meals for eligible children. When conducting verification for cause, the LEA verifies applications for cause following the standard verification procedures described in this section.

The LEA must send the household a Notification of Selection. The notification letter may be sent with the Notice of Eligibility. If the household fails to submit requested verification information by the date specified by the LEA, or submits verification information that does not support the initial determination of eligibility, the LEA must send a notice of adverse action to terminate the child's free or reduced meal benefits.

Any verification for cause conducted by an LEA is separate from the verification sample required by the NSLA and Program regulations. Verification for cause may be conducted at any time during the school year. For more information, see: SP 13-2012: *Verification for Cause in the School Meal Programs*, <http://www.fns.usda.gov/verification-cause-school-meals-programs>.

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

While the verification sample may not exceed statutory limits, LEAs have an obligation to follow-up when households submit applications with questionable and incomplete information. It is important to note the restriction on the sample size does not apply to a State's ability to conduct application verification activities connected to general oversight responsibilities, which may include verifying additional applications for cause. Prior to certifying children for benefits, the determining official should review the application for any discrepancies in the information provided.

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

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

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

Verification for cause must not be used to automatically verify the households of all school district employees whose children are certified for free and reduced price benefits. However, LEAs can use verification for cause to review approved applications when known or available information indicates school district employees may have misrepresented their income on the application. For example, the LEA could identify children of school district employees and use available salary information to identify questionable applications, and then conduct verification for cause on those questionable applications. It is recommended that an LEA consult with legal counsel in establishing the parameters of verification for cause for school district employees.

## Application Selection Procedures

### Available Sample Sizes

Section 9(b)(3) of the NSLA specifies verification sample sizes for LEAs. There are three sample sizes established for verification activities, as described in the table below. The standard sample size must be used by an LEA unless the LEA qualifies to use an alternate sample size. As stated in Section 9(b)(3)(D)(iii) of the NSLA, the standard sample size is the lesser of three percent or 3,000 of the approved applications on file as of October 1. For more information, see: SP 27-2006: *Verification Sample Size*, .

<b>Available Sample Sizes</b>	
<b>Standard Sample Size [7 CFR 245.6a(c)(3)]</b>	
<b>Standard</b>	<p>Sample size equals the lesser of:</p> <ul style="list-style-type: none"> <li>• Three percent of all applications approved by the LEA for the school year, as of October 1 of the school year, selected from error prone applications; or</li> <li>• 3,000 error prone applications approved by the LEA for the school year, as of October 1 of the school year.</li> </ul>
<b>Alternate Sample Sizes Available to Qualified LEAs [7 CFR 245.6a(c)(4)]</b>	
<b>Alternate One</b>	<p>Sample size equals the lesser of:</p> <ul style="list-style-type: none"> <li>• Three percent of all applications approved by the LEA for the school year, as of October 1 of the school year, selected at random; or</li> <li>• 3,000 applications approved by the LEA for the school year, as of October 1 of the school year, selected at random.</li> </ul>
<b>Alternate Two</b>	<p>Sample size equals the lesser of the sum of either:</p> <ul style="list-style-type: none"> <li>• 1,000 of all applications approved by the LEA, as of October 1 of the school year, selected from error prone applications; or</li> <li>• One percent of all applications approved by the LEA, as of October 1 of the school year, selected from error prone applications.</li> </ul> <p>PLUS the lesser of:</p> <ul style="list-style-type: none"> <li>• 500 applications approved by the LEA, as of October 1 of the school year, which provide case numbers in lieu of income information; or</li> <li>• One-half of one percent (.05 percent) of applications approved by the LEA, as of October 1, of the school year that provide case numbers in lieu of income information.</li> </ul>

### *Completing the Sample Size*

The LEA may not have enough applications that meet the criterion for sample sizes based on error prone applications. When this happens, the LEA must select, using random sampling, additional approved applications to complete the required sample size [7 CFR 245.6a(c)(5)].

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

### **Qualifying to Use an Alternate Sample Size**

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

- **Lowered Non-Response Rate [7 CFR 245.6a(d)(2)]:** Any LEA may use an alternate sample size for any school year when its non-response rate for the preceding school year was less than 20 percent. For example, for SY 2016-2017, an LEA could have used an alternate sample size if in SY 2015-2016 the LEA's non-response rate was 18 percent.
- **Improved Non-Response Rate [7 CFR 245.6a(d)(3)]:** An LEA with more than 20,000 children approved by application as eligible, as of October 1 of the school year, may use an alternate sample size for any school year when its non-response rate for the preceding school year was at least 10 percent below the non-response rate for the second preceding school year.

The following table, Qualifying to Use an Alternate Sample Size, provides an example of how an LEA may qualify based on an improved non-response rate.

<b>Qualifying to Use an Alternate Sample Size</b>
<b>Year 1: SY 2014-2015</b>
<ul style="list-style-type: none"><li>• The LEA had 21,000 children approved for free and reduced price meal benefits based on a total of 6,000 approved applications<ul style="list-style-type: none"><li>○ Therefore, 180 household applications (3 percent of 6,000) must be verified</li></ul></li><li>• Of those 180 households, 45 households failed to respond to verification requests, which results in a non-response rate of 25 percent (<math>45 \div 180</math> as a percentage)</li><li>• The LEA must improve the 25 percent non-response rate by at least 10 percent</li><li>• The improvement rate is calculated by multiplying the non-response rate by 10 percent, which is 25 percent x 10 percent = 2.5 percent</li></ul>

<b>Qualifying to Use an Alternate Sample Size</b>
<b>Year 2: SY 2016-2017</b>
<ul style="list-style-type: none"> <li>• The LEA had 6,000 approved applications, so the sample size is 180 (3 percent of 6,000)</li> <li>• The number of non-respondents was reduced to 40 which is a non-response rate of 22.2 percent (<math>40 \div 180</math> as a percentage)</li> <li>• The next step is to calculate the level of improvement needed between Year 1 and Year 2, by subtracting Year 1's non-response improvement rate from Year 2's non-response rate (25 percent minus 2.5 percent = 22.5 percent)</li> <li>• Since 22.2 percent is less than the minimum non-response rate of 22.5 percent, the improvement is greater than 10 percent</li> <li>• The LEA qualified to use an alternate sample size for SY 2016-2017</li> </ul>
<b>Year 3: SY 2017-2018</b>
<ul style="list-style-type: none"> <li>• The LEA could use one of the alternate sample sizes for its verification activities</li> </ul>

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

The LEA must annually determine if it is eligible to use one of the alternate sample sizes and each State agency must establish a procedure for LEAs to designate use of an alternate sample size. The State agency may also establish criteria for reviewing and approving the use of an alternate sample size, including deadlines for submissions. If the LEA determines it is eligible, the LEA must contact the State agency in accordance with any procedures established by the State agency for approval prior to use an alternate sample size [7 CFR 245.6a(d)(4)].

### **Post-Selection Procedures**

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

#### *Confirmation Reviews*

Prior to any other verification activity, a determining official must review each approved application selected for verification to ensure the initial determination was accurate. Any LEA that conducts a confirmation review of all applications at the time of certification is not required to conduct confirmation reviews prior to verification. The confirmation review must be done by an individual other than the individual who made the initial eligibility determination [7 CFR 245.6a(e)(1)].



This requirement is waived if the LEA uses a technology-based system with a high level of accuracy in processing an initial eligibility determination. The LEA must contact the State agency to determine if its system qualifies them for this waiver. The State agency may request documentation to support the accuracy of the LEA’s system. If the State agency determines the technology-based system is inadequate, it may require the LEA to conduct a confirmation review of each application selected for verification.

Once any required confirmation reviews are completed, the LEA will proceed with verification if the initial determination was correct or incorrect, as follows:

<b>LEA Responsibilities Following a Status Change [7 CFR 245.6a(e)(1)(i)(A-C)]</b>	
<b>No Change in Status</b>	The LEA verifies the application.
<b>Status Change from Reduced Price to Free</b>	The LEA: <ul style="list-style-type: none"> <li>• Makes the increased benefits available immediately;</li> <li>• Notifies the household of the change in benefits; and</li> <li>• Verifies the application.</li> </ul>
<b>Status Change from Free to Reduced Price</b>	The LEA: <ul style="list-style-type: none"> <li>• Does not change the child’s status;</li> <li>• Verifies the application;</li> <li>• Notifies the household of the correct eligibility status after verification is completed and, if required, sends the household a notice of adverse action.</li> </ul>
<b>Status Change from Free or Reduced Price to Paid</b>	The LEA: <ul style="list-style-type: none"> <li>• Immediately sends the household a notice of adverse action;</li> <li>• Does not verify the application;</li> <li>• Selects a similar application, such as another error prone application, for verification; and</li> <li>• Follows the confirmation review procedures for the selected application.</li> </ul>

***Replacing Applications***

After completing the confirmation reviews, the LEA may, on a case-by-case basis, replace up to five percent of applications selected [7 CFR 245.6a(e)(2)]. Applications may be replaced when the LEA believes the household would be unable to satisfactorily respond to the verification request.

If five percent of total applications in the LEA results in less than one application total, one application may still be replaced. All results of the five percent calculation are rounded up to the next whole number. Any application removed must be replaced with another approved application selected on the same basis. For example, an error prone application must be substituted for a withdrawn error prone application. The newly selected application must then have confirmation review.



When an application is selected for verification and, prior to hearing back from the household in question, that household is found on a direct certification list, the application does not have to be replaced in the verification sample pool. The application would be marked as a direct certification in the appropriate box in Section 3 of the FNS-742. LEAs should include these applications in Field 5-5 (Number of applications

selected for verification) of the FNS-742 and indicate the number of these applications that are being converted to direct certification in the remarks portion of the FNS-742.

### **Household Notification of Selection**

Once post-selection procedures are complete, the LEA proceeds with household notification. Requirements for household notification of selection for verification are included at 7 CFR 245.6a(f). When a household is selected for verification, the LEA must inform the household, in writing, of its selection and must provide a list of the documents or other forms of evidence the household must submit to the LEA. When the LEA uses agency records or direct verification to confirm eligibility, a letter or email informing the household of its selection for verification is not required, as verification is completed.

Any communications with households concerning verification must be in an understandable and uniform format and, to the maximum extent practicable, in a language that parents and guardians can understand [7 CFR 245.6a(f)]. State agencies and LEAs are expected to have a system in place to provide written verification notices in the parent or guardian's primary language, and to provide oral assistance if the parent or guardian has difficulty understanding the written request. Translations of FNS prototype verification materials are available at:

<http://www.fns.usda.gov/school-meals/translated-applications>. For more information, see: [\*Application Content\*](#).

The household notification letter must include the following:

- An indication that the household was selected for verification.
- A modified Use of Information Statement as follows:  
*The Richard B. Russell National School Lunch Act requires the information requested in order to verify your children's eligibility for free or reduced price meals. If you do not provide the information or provide incomplete information, your children may no longer receive free or reduced price meals.*
- The full USDA Nondiscrimination Statement.
- If a child is receiving benefits based on income, a list of the types of acceptable information that may be provided to confirm current income:
  - Pay stubs;
  - Award letters from assistance agencies for benefits such as Social Security or SSI; or
  - Support payment decrees from courts.
- If a child is receiving benefits based on categorical eligibility, an indication the household may provide proof that a child or any household member is receiving benefits under an Assistance Programs or that a child is Other Source Categorically Eligible instead of providing income information.
- A warning that information must be provided by a date specified by the LEA and that failure to do so will result in termination of benefits.
- A notice that documentation of income or receipt of assistance may be provided from any point in time between the month prior to application and the time the household is required to provide income documentation.
- The name of a determining official who can answer questions and provide assistance. The household must be able to contact a LEA or school official who can either assist them directly or who can refer the caller to a specific person for help.
  - If the household is unable to obtain assistance during their initial call, the LEA or school official must attempt to initiate further assistance.
- A telephone number the household can call at no cost for assistance.
  - The LEA may establish a toll-free number or allow the household to reverse the charges if any 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.



## Sources for Verification

When a household is selected for verification, it must provide “sources of information” to the LEA to confirm current income or participation in a categorically eligible program. According to 7 CFR 245.6a(a)(7), sources of information may include written evidence, collateral contacts, and systems of records. Households which dispute the validity of information acquired through collateral contacts or a system of records must be given the opportunity to provide other documentation [7 CFR 245.6a(a)(7)(iv)].

Acceptable documentation of income or receipt of assistance from any of the following 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.

### *Written Evidence*

Written evidence is the primary source of eligibility confirmation for all households [7 CFR 245.6A(A)(7)(i)]. Written evidence most often includes pay stubs from employers or award letters from assistance agencies or other government agencies.

- For **income eligible applications**, acceptable written evidence contains: the name of the household member; the amount of income received; the frequency received; and the date the income was received. A pay stub with no dates would be insufficient written evidence for an income eligible application.
- For **categorically eligible Assistance Program applications**, an official letter or notice indicating the child or any household member is receiving benefits from the program, such as a notice of eligibility, would be acceptable written evidence. A document from an Assistance Program that does not specify the certification period does not meet the documentation for verification. For example, an identification card from an Assistance Program (SNAP or TANF) is not acceptable as verification unless it contains an expiration date [7 CFR 245.6a(f)(3)].
- For **Other Source Categorically Eligible applications**, an official letter, notice, or list from the appropriate State agency, social service agency, program office or coordinator, or court would be acceptable written evidence.

The verifying official should examine the documentation provided to ensure the child for whom the application was made is part of a household currently participating in an eligible program or is a foster child. EBT cards cannot be used to confirm eligibility in SNAP and therefore cannot be used for categorical eligibility purposes.

If a household does not have satisfactory documentation, the household may request a signed, dated letter from the appropriate office to verify the child is part of a household currently receiving benefits. If written evidence is insufficient to confirm the income information on the application, the LEA may require use of collateral contacts.

### *Collateral Contacts*

A collateral contact is a person outside of the household who is knowledgeable about the household's circumstances and can confirm a household's income level or participation in Assistance Programs or Other Source Categorical Eligibility Programs [7 CFR 245.6a(a)(7)(ii)]. Collateral contacts include employers, social service agencies, migrant workers' agencies, and religious or civic organizations. The verifying official should request a collateral contact only in cases when the household has not been able to provide adequate written evidence.



The verifying official must give the household the opportunity to designate the collateral contact. However, the verifying official may select a collateral contact if the household fails to designate a collateral contact or designates a contact that is unacceptable to the verifying official. In either case, no contact may be made without first notifying the household and obtaining its consent. At the time of the notice, the household may consent to the contact or provide acceptable documentation in another form. If the household refuses to choose one of these options, the household's eligibility will be terminated in accordance with normal verification procedures.

All information provided by collateral contacts (written or oral) 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 Assistance Program households that provided a case number on the application may be accomplished by submitting a list of names and case numbers to the local Assistance Program office for confirmation of certification of receipt of benefits from agency records. More information can be found in [\*Direct Verification\*](#).

### *Agency Records*

A household's eligibility may be confirmed through the use of information maintained by other government agencies to which the State agency, LEA, or school has legal access [7 CFR 245.6a(a)(7)(iii)]. These records are not considered collateral contacts. Although Program regulations do not require LEAs to notify households of selection when verification is made through agency records, such agencies may have their own notification requirements.

If available to the verifying official, wage and benefit information maintained by the State employment agency may be used to verify households. Such records are State records, and the release of information maintained by State employment offices is governed by State law. Other examples of agency records include information concerning SNAP, FDPIR, or TANF eligibility, or information from agencies serving foster, homeless, migrant, or runaway children. If the LEA contacts the other agency to obtain agency records well in advance of the November 15 deadline and the other agency does not respond, the LEA has a valid reason to ask the State agency to extend the deadline. More information can be found in [\*Direct Verification\*](#).

### **When a Household Provides Pay Stubs**

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

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

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

If a household is selected for verification, and the household's 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. The collateral contact may be asked to document the duration and type of assistance that is provided to the household.

### **Direct Verification**

Section 9(b)(3)(F) of the NSLA and Program regulations at 7 CFR 245.6a(g) permit LEAs to "directly" verify approved applications selected for verification. Direct verification involves using records from public agencies to verify household income or household participation in an eligible program, helping relieve families of additional paperwork and reducing the gap in meal benefits for eligible children resulting from non-response. 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, State agencies and LEAs are encouraged to expand use of direct verification. Any LEA that intends to conduct direct verification must contact the State agency for assistance with establishing a direct verification method. Direct verification may be used when the household application, certified based on case number, is subject to verification under the LEA's use of alternative sample size.

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

If verification results in an increase in benefits (for example a child who is moved from the reduced price to free category) the change is effective immediately and must be implemented no later than three operating days from the date verification was completed. Households should be promptly notified through the method the LEA uses to notify the household of approval for benefits. For more information, see: SP 32-2006: *Clarification of Direct Verification*

#### ***Names Submitted for Direct Verification***

The LEA must only submit the names of children certified for meal benefits and listed on the application when submitting names to the agency administering an eligible program [7 CFR 245.6a(g)(1)]. The names of other household members (all adults, children who are not attending school, or children not approved for free and reduced price benefits) cannot be submitted for direct verification purposes. For purposes of direct verification, when the data indicates one child is participating in an eligible Assistance Program, all eligible children in the household are verified. If none of the children in the household are confirmed through direct verification, regular verification procedures must be followed.

### **Types of Direct Verification**

#### ***Direct Verification with Assistance Programs***

If information obtained through direct verification of an application for meal benefits indicates a child is participating in an eligible Assistance Program, no additional verification is required. The eligibility status of the child (or children) listed on the application is considered verified [7 CFR 245.6a(g)(2)].

**Direct Verification with Medicaid and CHIP**

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

- If the State income limit for participation is at or below 133 percent of the Federal poverty line, verification for children approved for **FREE MEALS** is complete.
- If the State income limit for participation is at or below 185 percent of the Federal poverty line, verification for children approved for **REDUCED PRICE MEALS** is complete.

Please see the following table, Direct Verification with Medicaid or CHIP, for more information about direct verification with Medicaid and CHIP.

<b>Direct Verification with Medicaid or CHIP</b>	
<b>States with Medicaid or CHIP Income Limits of 133 Percent or Less</b> [7 CFR 245.6a(g)(3)]:	If the income limit for Medicaid or CHIP is at or below 133 percent of the Federal poverty line, or if households with income at or below 133 percent of the Federal poverty line can be identified through Medicaid or CHIP participation, records from these agencies may be used to verify eligibility.
<b>States with Medicaid or CHIP Income Limits Between 133 and 185 Percent</b> [7 CFR 245.6a(g)(4)]:	If the income limit used for Medicaid or CHIP is between 133 and 185 percent of the Federal poverty line, direct verification information must include: <ul style="list-style-type: none"> <li>• The percentage of the Federal poverty line upon which the applicant’s participation is based; or</li> <li>• The income and household size used by Medicaid or CHIP to determine that the applicant is either at or below 133 percent or between 133 and 185 percent of the Federal poverty line.</li> </ul>

**Documentation Timeframe**

The NSLA requires information used for direct verification to be the most recent information available. This information may not be dated more than 180 days prior to the date of the 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.

For direct verification, LEAs and State agencies may use:

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



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

If information provided by the public agency does not verify eligibility (i.e. the public agency provides incomplete or inconsistent information) the LEA must proceed with regular verification activities. Households may dispute the validity of income information acquired through direct verification and shall be given the opportunity to provide other documentation. [7 CFR 245.6a(g)(6)].

## **Verification Follow-Up**

The NSLA requires LEAs to conduct verification follow-up activities. To continue the verification process after household notification, the LEA must either determine:

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

## **Following Up with Households**

The LEA must make at least one attempt to contact the household when the household does not adequately respond to the request for verification [7 CFR 245.6a(f)(6)]. “Non-response” includes no response and incomplete or ambiguous responses that do not permit the LEA to resolve children’s eligibility for free and reduced price meals. The required follow-up attempt may be in writing (mail or e-mail) or by telephone or text message. The LEA must document contact was attempted. Additionally, the LEA must ensure LEP households are provided adequate language assistance and understand the need to respond to the verification request, as outlined in Section 9(b)(8) of the NSLA and USDA LEP guidance.

The LEA must make a follow-up attempt when:

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

When following up with households, the LEA:

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

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

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



LEAs are encouraged but not required to conduct additional follow-up if a household fails to provide adequate documentation after the first required follow-up. LEAs are permitted to contract with a third party to assist with the required follow-up activity. Any third party is subject to the confidentiality requirements outlined in Program regulations. For more information, see: SP 13-2005: *Verification Activities - Reauthorization 2004 Implementation Memo*, <http://www.fns.usda.gov/verification-activities-%E2%80%93-reauthorization-2004-implementation-memo-sp-13>.

If the household does not respond or fails to provide adequate documentation after the required follow-up (and, if applicable, additional follow-ups), verification is considered complete for the household when notice of adverse action is sent. A household's refusal to cooperate with efforts to verify will result in the termination of household benefits. Households refusing to complete the verification process are counted toward meeting the LEA's required sample of verified applications [7 CFR 245.6a(f)4]

### **When Verification is Considered Complete**

The following examples demonstrate how the LEA determines whether or not a household response is adequate and whether follow-up is required.

- Household Action: The household submits either adequate written evidence or collateral contact corroboration of income or categorical eligibility.
  - Verification Status and Action: Verification is considered complete for this household.
- Household Action: The household submits either adequate written evidence or collateral contact corroboration of income indicating that the children should receive either a greater or lesser level of benefits.

- Verification Status and Action: Verification is considered complete for this household when the household is notified that its benefits will be increased or decreased. If benefits are decreased, a notice of adverse action must be sent before verification is considered complete.
- Household Action: The household indicates, verbally or in writing, that it no longer wishes to receive free or reduced price benefits.
  - Verification Status and Action: Verification is considered complete when the notice of adverse action is sent.
- Household Action: The application provided case numbers. It is determined that no household member is receiving benefits from an Assistance Program.
  - Verification Status and Action: Verification is considered complete when the notice of adverse action is sent.

Households must be notified of any reduction in benefits, and must be informed of their right to reapply for benefits at any time [7 CFR 245.6a(f)(7)]. If benefits are decreased, a notice of adverse action must be sent. LEAs must provide 10 days advance notification to households that are to receive a reduction or termination of benefits, prior to the actual reduction or termination [7 CFR 245.6a(j)].

## **Record Retention**

All verified applications must be readily retrievable on an individual school basis. All documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official indicating which documents were submitted by the household and the date of submission also must be retained, along with all relevant correspondence between the households selected for verification and the school or LEA [7 CFR 245.6a(h)]. This documentation, including documentation concerning any appeals, must be kept by the LEA to demonstrate compliance with the verification requirements when LEAs are reviewed by State or Federal officials. The documentation must be kept for a minimum of three years, after the date of the fiscal year to which they pertain.

LEAs must also maintain a description of their verification efforts. The description must include:

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

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

### *Individual Applications*

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



- Copies of all relevant correspondence between the households selected for verification and the LEA, including notices of adverse action and records of follow-up attempts, information obtained from collateral contacts, etc.
- One of the following for all documentation used to verify eligibility:
  - All documents submitted by the household or reproductions of those documents;
  - Direct verification results; or
  - Documentation from Assistance Program or Other Categorically Eligible Program officials, with dates of receipt of benefits and date of the information provided.
- Documentation for any change in eligibility as a result of verification, including:
  - The reason for the change;
  - The date the household was notified;
  - The date it became effective, if necessary; and
  - If applicable, records of follow-up attempts and results for termination for non-response.
- The title and signature of the verifying official.
- Criteria for replacing applications for verification.

In cases where the actual documents or photocopies submitted by the household cannot be kept, the verifying official must make a written record of the documents submitted by the household including the type of document (e.g., wage stubs or a letter from an employer, income shown on the document, time period of the income, and the date of the document).

## Section 6: Questions and Answers

### **1. Is the LEA required to provide a no-cost telephone option, even if no households live outside the local calling area?**

Yes. The LEA is not required to have a toll-free number, but parents and guardians must be able to call collect [7 CFR 245.6a(f)(5)]. This helps to ensure parents and guardians can contact the LEA during the LEA's operating hours if they work outside the local calling area.

### **2. What if the LEA is using other agency records to verify applications, and the agency does not respond before the November 15 deadline?**

The LEA should document its attempt to contact the appropriate agency in advance of the November 15 deadline. This would demonstrate good faith, and would be a valid reason for the State agency to extend the deadline.

### **3. A household voluntarily provides pay stubs that conflict with the income information on the household's application. According to the application, the household is eligible for free meals, but according to the pay stubs, it appears the household is not eligible. What should the determining official do?**

Under these circumstances, the 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, giving the household an opportunity to resolve the discrepancy during the advance notice of adverse action.
- Sending the household a notice of approval and a verification letter, based on verification for cause, at the same time.

LEA officials are in the best position to determine which action is appropriate. Regardless of the action taken, the inconsistency must be resolved expeditiously.

### **4. How is overtime income counted for the purposes of verification?**

The LEA official should work with the household to determine whether overtime during the verification month is representative of overtime worked in other months. If the overtime is a rare or sporadic source of income, the household's income should be calculated on the regular monthly income without the overtime.

### **5. If a household is paid weekly, and submits a pay stub for a week, must the LEA request pay stubs for a whole month?**

If the weekly pay stub is representative of the household's regular weekly income, one pay stub is sufficient.

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

If a household selected for verification transfers out of a school district before the information can be verified, verification cannot be completed. To meet minimum verification requirements, a new application must be selected.

## Appendix A: Policy Statement

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

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

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

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

### *Amendments*

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

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

The amendments must reflect:

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

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

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



## Appendix B: Prototype Applications

### *Paper-Based Prototype*

LEAs are encouraged to use the FNS *Prototype Application for Free and Reduced Price School Meals* to support access to school meals for eligible children. The *Prototype Application* complies with Federal requirements and meets all criteria examined during Administrative Reviews. These materials, updated in SY 2016-2017, may be adapted for direct use by State and local agencies or used as a reference for designing an effective application packet.

The *Prototype Application for Free and Reduced Price School Meals*, which may be viewed and downloaded at: <https://www.fns.usda.gov/school-meals/applying-free-and-reduced-price-school-meals>, is accompanied by the following materials:

- Prototype letter to households, titled *Frequently Asked Questions About Free and Reduced Price School Meals*
- *Prototype Application* instructions, titled *How to Apply for Free and Reduced Price School Meals*
- Prototype information sharing authorizations:
  - *Sharing Information with Medicaid/CHIP*
  - *Sharing Information with Other Programs*
- Prototype verification materials:
  - *We Must Check Your Application*
  - *We Have Checked Your Application*
- Prototype household benefit issuance notifications:
  - *Notice to Households of Approval/Denial of Benefits*
  - *Notice of Direct Certification*

Updates to the paper prototype in SY 2016-2017 included several design modifications intended to simplify the application for households and improve application processing by local officials. Inclusion of these elements on the application is optional:

- The income reporting fields in the paper prototype ask for income sums in whole dollars only. Standard rounding rules apply. To round amounts to the nearest whole dollar, round down amounts from 1 to 49 cents and round up amounts from 50 to 99 cents. For example, a weekly income of \$305.47 would be rounded down to \$305.
- In recognition that children do not receive income on a regular basis, the paper prototype separates income reporting sections for adult and child household members. Household member reporting sections for infants, children, and students up to grade 12 are apart from those for adult household members. This is intended to reduce the risk of duplicate entries and more accurately reflect a list of all household members. Income for children is then totaled into a single reporting field.

- The paper prototype includes a “grade” field in the children and students reporting section. The additional identifying information will assist in the matching of student names to existing enrollment figures.
- The paper prototype includes a “For School or District Use Only” section to assist in the review process for determining officials. This feature was included on prior application designs and has been returned to the application based on feedback from State and local officials.
- The paper prototype has moved the “Source of Income” table from the instructions document to the top of the reverse side of the Prototype Application.

LEAs are encouraged to accept the paper prototype when submitted by households, even if the prototype is not identical to the application provided by the LEA.

FNS has translated all of the paper prototype materials into 49 non-English languages. The translated applications are available on the FNS website: <http://www.fns.usda.gov/school-meals/applying-free-and-reduced-price-school-meals>.

### *Web-Based Prototype*

On November 30, 2016, FNS released its first *Web-Based Prototype Application for Free and Reduced Price School Meals v1.0*. While use of this application’s design and/or programming code is optional, FNS encourages adoption of its critical integrity features.

Reducing error rates in the NSLP and SBP was a key motivation behind the development of the *Web-Based Prototype Application*. The new model application incorporates research-backed design features intended to reduce applicant error that can lead to improper over-certification or mistaken denial of program benefits.

State and local agencies may choose to adapt the *Web-Based Prototype Application* for their own use, or may borrow design features from the prototype when developing their own web-based applications. FNS also encourages software vendors that serve the school market to incorporate any or all of the prototype’s integrity features into their own products. The application was developed using “open source” code, so it is free to use and copy without charge. Notably, the application is mobile-friendly, and will recognize the type of device the applicant is using and adjust accordingly.

*The Web-Based Prototype Application* materials are not structured for direct or immediate use by households. These materials must be adapted and integrated with appropriate data management systems maintained at the State and/or local levels prior to household use. The *Web-Based Prototype Application* will require some initial investment in order to complete this integration, and the cost will vary depending on a number of factors, including any systems already in place and capabilities of available information technology (IT) resources. However, the extensive

coding work that contributed to the development of the prototype as-released represents a significant down payment on the total programming and implementation costs associated with designing a web-based application from the ground up.

The FNS website provides many resources related to the *Web-Based Prototype Application*, including a web-based interactive demo, Q&A guidance, a comprehensive guide, and a downloadable copy of the source code for the electronic application. To view the resources, please visit: <http://www.fns.usda.gov/school-meals/web-based-prototype-application>. The demonstration version of the application on the USDA web site is just a model. School districts must not direct their families to the demo; it is not a national school meal application.

States may adopt/adapt any or all of these materials, or develop their own State specific forms. States may also permit local level agencies to design application materials. Local officials seeking guidance or information about prototype application materials for their State may contact the State agency responsible for the administration of the CNPs. State agency contact information is available at: <http://www.fns.usda.gov/school-meals/school-meals-contacts>.

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

## *I. Purpose and Scope*

[Insert Name of Determining Agency] and [Insert Name of Receiving Agency] acknowledge and agree that children's free and reduced price meal and free milk eligibility information obtained under provisions of the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) (NSLA) or Child Nutrition Act of 1966 (42 U.S.C. 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 U.S.C. 1758(b)(6)(A)) authorizes the limited disclosure of children's free and reduced price meal or free milk eligibility information to specific programs or individuals, without prior parent/guardian consent. Except that, the parent/guardian must be provided the opportunity to decline to share eligibility information prior to the disclosure for identifying children eligible for benefits under or enrolling children in the State Medicaid Program and the Children's Health Insurance Program (CHIP). Additionally, the statute specifies that for any disclosures not authorized by the statute, the consent of children's parents/guardians must be obtained prior to the disclosure.

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

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

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

### ***III. Responsibilities***

[Insert Name of Determining Agency] will:

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

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

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

[Insert Name of Receiving Agency] will:

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

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

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

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

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

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

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

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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)

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#### *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 U.S.C. 1758(b)(6)(C)) or a regulation, any information about a child's eligibility for free and reduced price meals or free milk, shall be fined not more than a \$1,000 or imprisonment of not more than 1 year or both.

#### *VI. Signatures*

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

Requesting Agency/Program Administrator:

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

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

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

Determining Agency Administrator:

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

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

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

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

## Appendix D: Policy Memos

May 10, 2017	SP 29-2017: 2017 Edition: Overcoming the Unpaid Meal Challenge: Proven Strategies from Our Nation's Schools
March 23, 2017	SP 23-2017: Unpaid Meal Charges: Guidance and Q&A
March 15, 2017	SP 19-2017: Reporting Annual Income on School Meal Applications
December 1, 2016	SP 08 CACFP 04 SFSP 03-2017: Area Eligibility in Child Nutrition Programs
December 1, 2016	SP 09-2017: 2017 Edition of Questions and Answers for the National School Lunch Program's Seamless Summer Option
October 7, 2016	SP 04-2017: Model Functional Requirements for State and Local Information Technology Systems
September 30, 2016	SP 61-2016: Fall 2016 Edition: Community Eligibility Provision: Planning and Implementation Guidance
September 9, 2016	SP 54-2016: Community Eligibility Provision: Guidance and Updated Q&As
August 10, 2016	SP 43-2016 (v.2): Ensuring Access to Free and Reduced Price School Meals for Low-Income Students
August 8, 2016	SP 51-2016: SP 51 Ensuring Year-long Eligibility in the School Lunch and School Breakfast Programs
July 8, 2016	SP 46-2016: Unpaid Meal Charges: Local Meal Charge Policies
July 8, 2016	SP 47-2016: Unpaid Meal Charges: Clarification on Collection of Delinquent Meal Payments
May 24, 2016	SP 37-2016: Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&As
April 29, 2016	SP 34-2016: Revised Prototype Free and Reduced Price Application Materials for SY2016-17
December 28, 2015	SP 21-2016: Fiscal Year Reporting Timeline and Reporting Table



December 7, 2015	SP 16 CACFP 06 SFP 10-2016: Disclosure Requirements for the Child Nutrition Programs
October 8, 2014	<a href="#">SP 02-2015</a> : Online Fees in the School Meal Programs
June 19, 2014	SP 51-2014: Eligibility Effective Date for Directly Certified Students
April 30, 2014	SP 44-2014: Questions and Answers Related to the Independent Review of Applications
April 24, 2014	SP 42 SFSP 17 CACFP 11-2014: Sharing Aggregate Data to Expand Program Access and Services in Child Nutrition Programs
January 22, 2014	SP 17-2014: Discretionary Elimination of Reduced Price Charges in the School Meal Programs
December 3, 2013	SP 11 CACFP 06 SFSP 11-2011: Effective Date of Free or Reduced Price Meal Eligibility Determinations
June 25, 2013	SP 48-2013: Extending Flexibility for RCCIs in the NSLP
May 17, 2013	SP 40 CACFP 13 SFSP 13-2013: Q&As Regarding the Participation of Head Start Programs in Child Nutrition Programs
November 28, 2012	SP 09 CACFP 04-2013: Streamlining At-risk Meal Participation for School Food Authorities
August 24, 2012	SP 45-2012: Preventing Overt Identification of Children Certified for Free or Reduced Price School Meals
July 16, 2016	SP 38-2012: Residential Child Care Institutions exception for safety if serving Multiple Age/Grade Groups
April 10, 2012	SP 13-2012: Verification for Cause in the School Meal Programs
October 24, 2011	SP 02-2012: Verification and Reporting of Foster Children
June 15, 2011	SP 40-2011: Outreach to Households on the Availability of the School Breakfast Program
April 1, 2011	SP 26 CACFP 15 SFSP 10-2011: Eligibility of Children Evacuated from Japan and Bahrain

December 6, 2010	SP 11 CACFP 02 SFSP 01-2011: Effects of Busing on Area Eligibility in the CACFP, SFSP, and Afterschool Snack and the Seamless Summer Option served through NSLP
September 15, 2010	SP 06 CACFP 03 SFSP 04-2010: Exclusion of Military Combat Pay
May 3, 2010	SP 25 CACFP 11 SFSP 10-2010: Q&As on Extending Categorical Eligibility to Additional Children in a Household
April 19, 2010	SP 22 CACFP 10 SFSP 08-2010: Categorical Eligibility—Temporary Assistance to Needy Families
January 29, 2010	SP 17 CACFP 07 SFSP 07-2010: Eligibility of Haitian Refugees for the Child Nutrition Programs
August 27, 2009	SP 38 CACFP 08 SFSP 07-2009: Extending Categorical Eligibility to Additional Children in a Household
September 29, 2008	SP 40-2008: Reaffirmation of Policy on Limited Disclosure of Children's Eligibility Information to the National Assessment of Educational Progress (NAEP)
March 26, 2008	SP 18-2008: Rebates from the Economic Stimulus Act of 2008
January 15, 2008	SP 07-2008: Charter School Involvement in the NSLP and SBP
June 15, 2007	SP 12 CACFP 09 SFSP 07-2007: Electronic Record and Reporting Systems
May 1, 2007	SP 10 CACFP 07 SFSP 06-2007: Update on Electronic Transactions in the Child Nutrition Programs
January 29, 2007	SP 04-2007: Scanned Income Applications
August 31, 2006	SP 32-2006: Clarification of Direct Verification
August 25, 2006	SP 30 CACFP 14 SFSP 07-2006: U.S. Armed Forces Family Supplemental Subsistence Allowance – Permanently Excluded from Income Consideration for the Child Nutrition Programs
July 25, 2006	SP 27-2006: Verification Sample Size
March 2, 2006	SP 14-2006: Reauthorization 2004: Communications Concerning Verification Activities

February 9, 2006	SP 12-2006: Commercial Software Used in School Nutrition Programs
December 23, 2005	SP 08-2006: Reauthorization 2004: Communication with Households
October 29, 2005	SP 02 CACFP 02 SFSP 01-2006: Treatment of Family Subsistence Supplemental Allowance and National Flood Insurance Program payments in Income Eligibility Determinations for Food and Nutrition Service Programs
August 30, 2005	SP 17-2005: Initial Carry-over of Previous Year's Eligibility - Reauthorization 2004: Implementation Memo - SP 17
March 10, 2005	SP 13-2005: Verification Activities - Reauthorization 2004 Implementation Memo SP-13
September 17, 2004	[No Code]: Guidance on Determining Categorical Eligibility for Free Lunches and Breakfasts for Youth Served under the Runaway and Homeless Youth Act

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

## Glossary of Acronyms

CACFP	Child and Adult Care Food Program
CEP	Community Eligibility Provision
CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CNA	Child Nutrition Act
DEIP	Deployment Extension Incentive Pay
DOD	Department of Defense
EBT	Electronic Benefit Transfer
FDPIR	Food Distribution Program on Indian Reservations
FERPA	Family Educational Rights and Privacy Act
FNS	Food and Nutrition Service
FNSRO	Food and Nutrition Service Regional Office
FSSA	Family Subsistence Supplemental Allowance
FYSB	Family and Youth Services Bureau
IEGs	Income Eligibility Guidelines
ISP	Identified Student Percentage
LEA	Local Educational Agency
LEP	Limited English Proficiency
NAEP	National Assessment of Educational Progress
NFIP	National Flood Insurance Program
NSLA	National School Lunch Act
RCCI	Residential Child Care Institution
ROAP	Regional Office Administered Program

SBP	School Breakfast Program
SFA	School Food Authority
SMP	Special Milk Program
SFSP	Summer Food Service Program
SNAP	Supplemental Nutrition Assistance Program
SSI	Supplemental Security Income
SSN	Social Security Number
SY	School Year
TANF	Temporary Assistance to Needy Families
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children
USDA	United States Department of Agriculture

## **Additional Resources**

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

- **Child Nutrition Programs - PartnerWeb** (State agencies only)
- **USDA-FNS School Programs Website**
- **USDA-FNS School Programs Policy Page**
- **GovDelivery**
- **Code of Federal Regulations Part 245 - Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools**