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SUBJECT: Guidance for Verification of Applications for Meal Benefits Certification Overview, Verification Summary Report, Prototype Forms and Letters for Verification

NSLP - 51.4

TO: Authorized Representatives

FROM: Child & Adult Nutrition Services

Information from this memo is to be shared with personnel responsible for verification. This memo is available on the Child & Adult Nutrition Services website. This memo supersedes NSLP-51.3 as it provides new and updated information. The new rules and dates for completion also supersede information in the 2008 version of the Eligibility Guidance for School Meals Manual when there are differences.

This memo is intended to serve as information and guidance in regards to the annual verification of applications. General information on application approval and verification can be found in the Eligibility Guidance for School Meals Manual.

Reauthorization of the Child Nutrition Programs (Public Law 111-296) in December 2010 brought about a change in requirements of verification. The purpose of this memo is to provide updated information regarding the annual verification process which requires each local education agency (LEA) participating in the National School Lunch Program to complete. The state agency will follow-up with LEA's as necessary and submit data as required.

The "Healthy, Hunger-Free Kids Act of 2010" amended the requirement for collecting social security numbers in Child Nutrition Programs. The full social security number is no longer required on applications. Only the last four-digits are required on the application. The requirement to gather social security number as a part of verification was removed entirely. This change is effective July 1, 2011.

Previously, the Richard B. Russell National School Lunch Act (NSLA) established an exact sample size for routine annual verification activities. LEAs must use Basic verification method unless they meet criteria for Alternate method. While LEAs should verify questionable applications, they cannot choose to verify more than the determined minimum for the sample size allowed for the LEA in the regular verification process. Agencies may not choose 100% verification.

Attachments to this memo include:

- an overview of the verification process
- question and answer section
- acronyms and definitions
- choosing a verification method with examples
- worksheet to calculate numbers to be verified
- sample letters to use with the households selected for verification
- forms households may use to document eligibility
- sample verification tracker forms that the school may find useful
- verification summary form (742SD)

Note that the attached form (742SD) is a summary of information collected by the LEA. It must be sent to Child and Adult Nutrition Services on or before December 15. If you would like further guidance or have questions related to this matter, please call our office at (605) 773-3413.

Enrollment, Application and Eligibility Information. Local education agencies (LEAs) are required to use household applications for free/reduced price meals. Agencies such as residential childcare institutions with day students are the only agencies that use individual student applications.

Verification Types are:

Basic, Alternate-Random, and Alternate-Focused.

Basic:

- All LEAs may use basic verification. LEAs must use this method if their non-response rate from the prior year's verification was 20% or more. To determine this, divide the number of non-responses by the total number of applications that were chosen for verification. If you had to verify five or fewer applications and at least one did not respond, the non-response was 20% or greater and the LEA must use Basic verification.
- LEA must verify 3% of all approved applications on file as of October 1.
- Once the sample size is determined, error prone applications are the first selected. Error prone applications are those with income within \$100 monthly or \$1200 annually of the appropriate income eligibility guideline.
- If there are not enough error prone applications to complete the sample, the remainder of applications to be verified are selected randomly from all applications subject to verification.
- *This method should be reported as "Basic" on 742SD.*

Alternate-Random:

- LEAs that had a non-response rate from the prior year's verification was of less than 20% may use an alternate verification method. To determine this, divide the number of non-responses by the total number of applications that were chosen to be verified. If the non-response was 20% or greater and the LEA must use Basic verification.
- LEA must verify 3% of all approved applications on file as of October 1.
- Once the sample size is determined, applications are selected at random.
- *This method should be reported as "Alternate-Random" on 742SD.*

Alternate-Focused:

- LEAs that had a non-response rate from the prior year's verification of less than 20% may use an alternate verification method. To determine this, divide the number of non-responses by the total number of applications that were chosen to be verified. If the non-response was 20% or greater and the LEA must use Basic verification.
- LEA must verify:
 - 1% of all applications approved as of October 1.
 - **PLUS** .005% (one-half percent) of all applications approved as of October 1 that provided a case number in lieu of income.
- *This method should be reported as "Alternate-Focused" on 742SD.*

Section II, Enrollment, Application and Eligibility Information, item 1 will be the following:

- Individual Student Household Both

Local education agencies are required to use household applications for free/reduced price meals. Agencies such as residential childcare institutions with day students are the only agencies that use individual student applications.

Section III, Results of Verification by Application Type, item 6 will be:

- Basic Alternate-Random Alternate-Focused No Verification Performed

No Verifications Performed:

- LEA is not exempt from Verification Reporting, but no verifications were performed for the current school year. For example:
 - LEA has all Provision 2 or 3 non-base year schools, so no verification was performed.
 - LEA has only free eligible students who are not subject to verification (directly certified or other).
 - LEA had free/reduced price students eligible by application, but failed to perform verification.
- *This response should be coded "No Verification Performed".*

See enclosed 742SD Verification Summary Report. When completing the Verification Summary Report, it is very important to report numbers accurately. The following edit checks should be used:

Section II, Enrollment Application and Eligibility Information

For Column A – items 4 & 5:

- The data requested is for all schools, not just Provision 2 and 3 schools. Column A is used to report the number of eligible students for each category and sub-category as of October 31; column B is used to report the number of applications (pieces of paper) approved as categorically eligible free (4-2), income-eligible free, (4-3) and reduced price eligible (5) as of October 1.

Section I, Local Agency Information

Question E:

- Report the number of applications on file October 1 which will be the sum total of Column b 4.2, 4.3, and 5.

Question F:

- Number Applications Selected for Verification should equal the sum total of number of applications reported in the upper cells for questions 7-11 in Section III (Results of Verification by Application Type).

Other changes that went into effect with the 2005-2006 school year and continue to be implemented include:

1. Verification Sample must be based on applications on file as of October 1 and verification must be completed by November 15.
2. A process for preliminary review at verification was established.
3. Toll free access for assistance or questions regarding verification
4. Follow-up activities for non-response
5. LEAs are allowed to make substitutions in the verification sample.

There is no change for residential childcare institutions (RCCIs) demonstrating eligibility of the residential students by using a roster. Applications and verification of eligibility of day students should still be carried out following standard procedures.

Requirements for LEAs (also commonly referred to as School Food Authorities – SFAs) on Special Provisions 2 and 3 past their base year also do not change.

Guidance from USDA also references income conversions. Many households have different sources of income at different frequencies, such as weekly or bi-weekly wages and monthly social security benefits. Past practice has been to convert all income to a monthly amount. USDA established a conversion factor of 4.33 for weekly income and 2.15 for bi-weekly income. However, use of these conversion factors has resulted in some perceived inconsistencies in the relationship between converted amounts and the weekly, bi-weekly (every two weeks), bi-monthly (twice a month), and monthly income limits shown in the published Income Eligibility Guidelines. The guidelines are established by dividing annual income limits by the annual income frequency, and rounding up to the next whole dollar. While these conversion factors have created some inconsistent results, no eligible household has been denied eligibility.

To avoid these problems, the following procedures are recommended:

- If a household has only one income source, or if all sources are the same frequency, do not use conversion factors. Compare the income or the sum of the incomes to the published IEG for the appropriate frequency and household size to make the eligibility determination.
- If a household reports income sources at more than one frequency, the preferred method is to annualize all income by multiplying weekly income by 52, income received every two weeks by 26, income received twice a month by 24, and income received monthly by 12. *Do not round the values resulting from each conversion.* Sum all the unrounded converted values and compare the unrounded total to the published IEG for annual income for the appropriate household size.

LEAs that are currently using software which uses the published conversion factors (4.33 for weekly income, 2.15 for bi-weekly income) to calculate household income on a monthly basis may continue to use that software, as long as the same income determination process is used for all households.

Effective dates to complete verification

The annual Verification Sample must be based on applications approved for the current school year as of October 1, and must be completed by November 15.

Complete the confirmation review (a process for preliminary review completed during verification)

Prior to conducting any other verification activity, the LEA must ensure that each application selected for verification is reviewed for accuracy by an individual who did not make the initial eligibility determination.

Based on the preliminary review, the LEA must correct the status of any approved application as needed and notify the household of the change. If the initial determination was incorrect, the LEA must correct the household's status and notify the household of the change. If the household's status changes from free or reduced price to paid or from free to reduced price, a notice of adverse action is required. Any application that is not subject to verification must be replaced by a similar application.

If the household is determined to be ineligible for free or reduced-price meals the household may reapply with income documentation.

This requirement may be waived, however, if the LEA has a technology-based system that demonstrates a high-degree of accuracy. Any LEA that has an automated system processing applications must contact the State agency to determine if its system qualifies.

Provide toll free access for assistance or questions

LEAs must provide all households selected for verification with a telephone number that they may call for assistance. The call must be free to all households selected for verification in the LEA. The LEA may establish a toll-free number or allow the household to reverse the charges if any households in that school district are outside the local calling area. Another alternative is a calling card with limited minutes. The LEA could call the household back if/when the minutes run out. The LEA may also provide different telephone numbers for each local calling area within the school district. The school or LEA should determine the appropriate person to respond to requests for verification assistance. The household must be able to contact a school or LEA official who can either directly assist them or can refer the caller to a specific person for help. If the household is unable to obtain assistance during their initial call, an LEA or school official must attempt to initiate further contact.

Follow-up Activities for non-response

A formal follow-up is required when households fail to respond to the initial request for verification. The LEA must make at least one attempt to obtain the necessary verification from the household. The attempt may be made through the mail, by telephone, by e-mail, or through personal contact. The LEA must document any attempts and the results, if any. If the LEA is unable to verify the household's eligibility status after the follow-up attempt(s), the household's benefits must be terminated through a notice of adverse action.

The LEA may contract with a third party to assist with the required follow-up activity. Any third party is subject to the confidentiality requirements outlined in the current regulations. Given the small number of applications for most South Dakota LEAs, it is not anticipated that the third-party option will be utilized very much. Contact the CANS office for additional information to implement this option.

Making Substitutions in the Verification Sample

Based on individual review, up to 5% of applications selected for verification may be removed from the verification sample and replaced with other applications. This is intended to allow LEAs to recognize fragile households where a response would likely not be received. The non-response would result in a household's benefits being

terminated. Local education agencies should consider factors such as household stability and communication difficulties when declining applications. Any application that was removed from the sample must be replaced with another approved application.

Questions and Answers

1. What is Certification?

A. Certification is the process by which families apply for free and reduced price meals. While applications must be complete, local agency determining officials are to accept them at face value, that is, not to ask for verification of information at that time. Determining officials should ask clarifying questions when information is incomplete or questionable (for example, income for one of the household members is missing and the determining official knows that person has a job).

2. What is verification for the school meals programs?

A: As defined in the [Eligibility Guidance for School Meals Manual](#), *verification* is confirmation of eligibility for free and reduced price meals under the NSLP and the School Breakfast Program (SBP). Verification must include either confirmation of eligibility or confirmation that the child is included in a household currently certified to receive Food Stamps, FDPIR or TANF benefits, and may include confirmation of any other information required in the application. Schools should verify any questionable applications and may do so at any time. Steps in the verification process include:

- The local agency (LA) determines what type of verification method will be used.
- The LA separates applications accordingly and selects the applications to be verified.
- The LA corresponds with the families using the prototype letters and forms included with this memo.
- The LA reviews information provided from the families and determines if information provided supports the income reported on the application.
- The LA tells the family if the documentation supported the original determination of eligibility or if the family's eligibility status changed. Prototype letters and forms are included with this memo.
- All families that were selected for verification must have the process completed by
 - affirming the original eligibility status, or
 - changing the original eligibility status due to information provided, or
 - changing the eligibility status because the family did not respond. If the process is started for an application, it must be completed, or, if the family does not respond, the benefits must be terminated.
- The LA completes documentation of verification, prepares, and submits form 742SD by Dec. 15.

3. Are there any exceptions or exemptions to verification?

A. Yes.

- Residential Child Care Institutions (RCCIs) using rosters only (have no day students) are exempt from the verification. RCCIs that collect applications from residents and/or day students must complete verification.
- Agencies participating in Special Provisions 2 and 3 are exempt from verification *after* the base year. When a new base year is established, verification must be completed.

4. Is it necessary to impose a verification-reporting burden on LEAs/State agencies?

A: State agencies are required to perform program oversight, corrective action, and technical assistance as needed to assure that LEAs are implementing the school meals programs in accordance with the laws and regulations. Verification reporting will provide State agencies and FNS with information on the results of the verification process in order to focus and target oversight, corrective action, and technical assistance activities in the area of certification accuracy.

5. How do State agencies report verification information?

A: State agencies will submit a consolidated electronic file to FNS that transmits the required verification information for each LEA under its administration. The State Agency will analyze the consolidated data, determine if there are potential problems, and formulate corrective actions and technical assistance activities that will support the objective of certifying only those children eligible for free or reduced price meals. The availability of

this information at the State level will permit State agencies to target more rigorous oversight activities to school food authorities whose verification activities result in a high termination rate.

6. How do LEAs report verification information?

A: The State Agency will provide LEAs with a Verification Summary Report (742SD). The form will also be available on the CANS website. The form defines the data elements that must be reported by each LEA. Plans are to have this available as an electronic report that schools can utilize.

Each LEA must report information related to its annual verification activity to the State Agency on or before December 15 of each year in accordance with the guidelines provided by FNS. School food authorities are encouraged to collect and report any or all verification data elements before the required dates.

7. Where can I find forms needed to submit our LEAs verification information?

A: A copy of the prototype verification summary form, including the definition of the required data elements, is part of this memo and is also available for download from the CANS website under Numbered Memos on the School Lunch/Breakfast page at <http://www.doe.sd.gov/cans/nslp.asp>

8. What are the required data elements that need to be collected and submitted to State agencies from the LEAs for each reporting year?

A: The information that must be collected and reported by each LEA includes:

- the total number of schools (attendance centers) and total enrollment for all NSLP schools;
- the number of schools which are operating under Provision 2 or 3 in a non-base year, and the total enrollment in these schools;
- the number of children approved for free and reduced price meal benefits that are not subject to verification, including children approved by direct certification through TANF, food stamps, FDPIR, Homeless, Runaway, and Migrant;
- the number of children approved for free meal benefits based on a food stamp/TANF/FDPIR case number submitted on an application (categorically eligible), and the number of these applications;
- the number of children approved for free meal benefits based on income/household size information submitted on an application (income eligible), and the number of these applications;
- the number of children approved for reduced price meal benefits and the number of reduced-price eligible applications; and
- the method of verification sample selection (focused, random, all);
- a summary of the results of the verification process for all applications selected for verification, including the number of students whose eligibility for benefits did not change, the number whose eligibility was reduced or terminated based on the household response to verification, the number whose household did not respond to verification, and the number of applications in each of these categories.

9. What information regarding the verification process should be kept?

A: All verified applications must be readily retrievable on an individual school basis and include all documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official which indicate which document were submitted by the household and the date of submission. It is acceptable to have the documents stored using the school filing system and have, for example, a computerized list that can be sorted to determine location of applications and their supporting documents for easy retrieval.

Part §245.6a(c) requires school food authorities to retain copies of the information reported and all supporting documents. In addition, original documents or copies of all relevant correspondence between the household selected for verification and the school or LEA must be retained.

REMINDER: As with all applications, the information gathered is confidential and only the few persons directly involved with the verification process should have access to the information. All information is required to be kept confidential and in a secure location.

10. How do these requirements affect households with students who are eligible for free or reduced priced meals? Will there be adverse affects?

A: These reporting and recordkeeping requirements do not change existing certification and verification requirements, and should not change the way the LEAs interact with families applying for benefits. The rule merely requires reporting and State Agency analysis of information, related to existing certification and verification requirements.

It is important that LEAs and State agencies continue to do as much as possible to ensure that eligible children are not inadvertently hindered from receiving their appropriate level of benefits.

11. The rule requires that the State Agency analyze the verification data, determine if there are potential problems, specifically a “high termination rate” and formulate “rigorous oversight activities” to support the objective of certifying only those children eligible for free or reduced price meals. It also requires State agencies to report any “ameliorative actions” the State Agency has taken or intends to take in those school food authorities with high numbers of applications changed due to verification activities.

11a. How is *high termination rate* defined?

A: The *termination rate* is the percentage of verified applications and/or the percentage of students included on verified applications whose eligibility for free or reduced price meal benefits is not confirmed through the verification process. LEAs are to train and retrain staff to be sure a second person check has been established to verify accuracy of eligibility determination. The State Agency may require that an LEA take action if its termination rate is:

- high as defined by or determined by the State Agency;
- high in comparison to similar LEAs; or
- high within a particular type of application (for example, households with income that was very close to the maximum limit).

11b. What are *rigorous oversight activities*?

A: *Rigorous oversight activities* can include technical assistance activities such as on-site training by the State Agency, reanalysis of previous CRE results to determine the extent of problems, rescheduling CREs to expedite careful appraisal of the LEAs certification process, or development of an improvement strategy with the LEA to address certification and verification problems.

11c. Why should high termination rates trigger more rigorous oversight activities?

A: A high rate of terminations resulting from verification activities is one indicator that there could be an underlying problem with the LEAs certification actions such as a need for making additional foreign language materials available or the need to use direct certification more fully.

11d. What are *ameliorative actions*?

A: Ameliorative means to make better or to improve. *Ameliorative actions* are those efforts undertaken by the State Agency in LEAs where there were high termination rates, such as additional technical assistance, or corrective action steps. The determination of what constitutes appropriate ameliorative actions is made by the State Agency based on factors developed by the State Agency such as a statewide comparison. The corrective action and technical assistance required by this rulemaking is not directed toward the verification termination rate per se, but rather toward other issues. That may include ensuring that school food authorities are using direct certification to its fullest, providing appropriate translations for any large non-English speaking populations, providing appropriate follow-up to households when there is no response to a verification request, and/or addressing defective certification or verification practices and procedures.

12. When is free and reduced price application verification considered complete for households having benefits reduced or terminated because of the required verification process?

A: Applications that are to have benefits reduced or terminated due to verification are “complete” when either: (1) it is the day after the last day has passed for filing an appeal of the change, or, (2) if an appeal has been filed, it is the first operating day following the decision by the hearing official. Verification for an application that is having benefits reduced or terminated is “complete” when the letter of adverse action is sent by the LEA to the household.

In the rare instance when the situation is that a household makes a successful appeal of the reduction or termination of its benefits, and the household therefore continues with the level of benefits it had prior to verification, as through a hearing, before or after November 15, the application should be counted in the “no change” total to be entered in Section III, item 7 on Form 742SD.

13. How do you report students who reapplied and were re-approved for benefits after being terminated for non-response?

Students from families who were terminated from the benefits due to not responding and then later reapplied and were re-approved for benefits after being terminated for non-response cannot be counted as having responded. They are reported in item 11, “Did not respond, changed to paid”.

14. What income thresholds are used for selecting error-prone applications when the income is Weekly, biweekly, or bimonthly?

A request for clarification on the selection of error-prone applications in cases when applications have been approved based on weekly, bi-weekly, or bimonthly income figures. The Child Nutrition and WIC Reauthorization Act defines error-prone applications as those with income within \$1200 of the annual limit or \$100 of the monthly limit for free or reduced price meals. The equivalent thresholds for weekly, biweekly, and twice monthly incomes are determined by dividing the annual limit by the number of times per year the income is received. Therefore, the thresholds would be \$23.08 for weekly income ($\$1200/52$), \$43.16 for bi-weekly income ($\$1200/26$), and \$50 for twice-monthly income ($1200/24$). For administrative simplicity, an SFA may use rounded thresholds of \$24 for weekly income and \$44 for bi-weekly income when selecting error-prone applications. SFAs may not round the calculated thresholds down because that would exclude applications that the statute defines as error prone.

15. What if our agency has only households with one child in each one? Is that Household or Student application?

Even if all applications actually received only request benefits for a single enrolled student for SFAs which have implemented the household application, that SFA should report the application type as Household.

ACRONYMS AND DEFINITIONS

Application: Applications for free and reduced price meals collect income information identified by source and household member, except for households which may be categorically eligible because they receive Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or commodities through the Food Distribution Program on Indian Reservations (FDPIR), hereinafter referred to as “categorically eligible households”. Households, which provide direct certification, are exempt from verification and should not be included in counts to determine number to be verified. The process of collection/approving applications is called certification.

Alternate - Focused Verification: A verification process in which applications based on income that may be error prone are set aside. One percent (1%) of the total applications is selected from this group. In addition, one-half percent (1/2% or .005) is selected from the applications that were categorically eligible.

Alternate-Random Verification: A verification process in which applications based on income as well as those categorically eligible are eligible for verification. A random sample selection method is used and at least three percent (3%) are selected from this sample.

Attendance Centers: The units of grades approved for operation by SD Department of Education or as licensed by appropriate agency such as Dept of Social Services or Dept of Human Services. For example: A building may house grades K-12, so therefore is defined as having three attendance centers. 1) Elementary, 2) Junior High/Middle School, 3) High School.

Basic Verification: LEA must verify 3% of all approved applications on file as of October 1. Once the sample size is determined, error prone applications are the first selected; error prone applications are those with income within \$100 monthly or \$1200 annually of the appropriate income eligibility guideline.

BIA: Bureau of Indian Affairs, US Office of the Interior

BIE: Bureau of Indian Education, US Office of the Interior

CANS: Child and Adult Nutrition Services is a unit in the SD Department of Education, Office of School Enhancement.

Categorical eligibility: Children in households that have been approved for participation in a federal program with same or similar income guidelines may demonstrate eligibility for free meals by recording their case number on the application in lieu of recording family members and income. Approved programs for categorical eligibility include Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families, and Food Distribution Program on Indian Reservations.

Certification: The process of approving application for free and reduced price meals (meal benefits). After certification, applications are either denied or approved/certified.

Completion Date: All verification activity must be completed by November 15 of each school year, unless a waiver is granted by USDA's Food and Nutrition Services.

Confirmation Review: The process through which, prior to conducting any other verification activity, each application selected for verification is reviewed for accuracy by an individual who did not make the initial eligibility determination. Also called “preliminary review”.

Direct Certification: A simplified process of determining which students are eligible for free meals in which the determining agency for SNAP/TANF/FDPIR supplies a letter or certificate of eligibility to the families or to the school stating that the children on the letter or certificate are in households that receive said benefits.

Eligibility Category: Free, Reduce-Price or Paid. This is the category of benefits the local agency can claim reimbursement for; regardless of whether or not the agency gives all students free meals.

Error Prone: within \$100 of monthly income cutoff

SNAP/TANF/FDPIR: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families, Food Distribution Program on Indian Reservations

LA or LEA: Local Agency or Local Education Agency (also called School Food Authority, School District).

Notification: Households selected for verification must be given written notice. Prototype letters are included in this memo.

NSLP: National School Lunch Program

Preliminary Review: The process through which, prior to conducting any other verification activity, each application selected for verification is reviewed for accuracy by an individual who did not make the initial eligibility determination. Also called “confirmation review”.

Provision 2 or 3: A special provision that reduces paperwork for local agencies that operate a non-pricing (does not charge for meals) program and that have a high percentage of students eligible for free or reduced-price meals.

RCCI: Residential Child Care Institutions are agencies that are licensed by the appropriate government agency or are a government agency and whose primary function is the care of children.

Reduced Verification Process: A process of selecting fewer applications for verification than the standard or basic processes. LEAs that meet eligibility criteria may choose to utilize one of the alternate verification methods.

Sample Date: Final verification sample size is based on approved applications on file as of October 1 of each school year. Schools are encouraged to begin earlier based on projections done by school officials.

Sample Method: Each School Food Authority must select one of the three following methods to meet the verification requirement. The Basic sample method is encouraged as it focuses on applications close to the income guideline cutoffs. If a SFA meets criteria for the Reduced Verification Process, it can choose to either the Alternate-Random sample or the Alternate-Focused sample method.

SBP: School Breakfast Program

Student: An individual eligible to participate in NSLP/SBP according to definitions included in the agreement.

USDA: United States Department of Agriculture

Verification: Verification is a process of proving that a sample of the applications approved for free and reduced price meals is correct. Verification is to be completed each year that applications for student meal benefits are obtained.

Verification Sample: Verification Sample is the number of applications that must be selected to meet the verification requirement for the Local Education Agency (LEA).

Alternate-Random Sample: Three percent (3%) of approved applications (but *not* those directly certified) selected at random.

Example:

Total number of applications	45
	x .03
	1.35
Number to be verified	2***

***Select this number in a random method from the applications.

Alternate-Focused Sample* - One percent (1%) of the total approved applications (but *not* those directly certified) based on income and categorical eligibility, selected from non-categorically eligible households with income within \$100 of the monthly eligibility or \$1200 of the annual cutoff because those applications with \$100/\$1200 are more apt to be affected by an error in the income reporting, plus 0.5% (1/2 percent, 0.005) of approved applications which substituted a TANF, food stamp, or FDPIR case number for income information (categorically eligible). The focused sample is strongly recommended.

Example:

Focused Sampling could be accomplished as follows using for this example: A LEA has 45 approved applications, which includes 7 categorically eligible. Do not include any Direct Certification letters or forms.

1. Count all approved applications (but not direct certification letters), including Categorically Eligible households, to determine the number required to fill the 1% non-benefit sample size. (1% x 45 = .45, rounded up to 1).
2. Separate applications into two groups: Income Eligible households and Categorically Eligible households.
3. Separate Income Eligible applications into two more groups:
 - those within \$100 of the monthly or \$1200 annual income guideline cutoff for either free or reduced-price meals and
 - those beyond the cutoff.
4. Select the sample of households (for this example - 2) from those within the \$100 cutoff and proceed to verify their income.
5. From the Categorically Eligible group, determine the number required to fill the .5% sample size. (.005 x 7 = .035 or 1)
6. Submit a list of the selected names (1) and case numbers to the appropriate office for confirmation of current receipt of benefits or request a current "Notice of Eligibility" from the household.

Round all decimals upwards.

Alternate-Focused Sample: (1) Total number of applications

	45
	x .01
	.45
Number to be verified	1*

*Select this number of applications in a random method from those within \$100 of the monthly or \$1200 of the annual income guidelines cutoff.

(2) Number of categorically eligible applications

	7
	x .005
	.035

Number to be verified

	1**
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**Select this number from those who completed an application with a case number for categorically eligibility.

Worksheet to Calculate Numbers to be Verified

Standard verification is to be used unless the LEA meets the criteria for the Reduced Alternative. Round all decimals upwards.

Basic Verification

Total number of applications _____
_____ x .03

Round up for verification sample _____*

*Select this number of applications in a random method from those within \$100 monthly or \$1200 annually of the guidelines cutoff.

Reduced Verification Alternative

Alternate-Random Sample:

Total number of applications _____
_____ x .03

Round up for verification sample _____***

***Select this number in a random method from the applications.

Alternate-Focused Sample – A two-step process:

(1) Total number of applications _____
_____ x .01

Round up for verification sample _____*

*Select this number of applications in a random method from those within \$100 of the guidelines cutoff.

(2) Number of categorically eligible applications _____

_____ x .005

Round up for verification sample _____**

**Select this number from those who completed an application with a case number for categorically eligibility.

**LETTER TO HOUSEHOLDS
NOTIFICATION OF SELECTION FOR VERIFICATION OF ELIGIBILITY**

_____ (Student's Name) _____ (School) _____ (Date) _____

IMPORTANT: YOU MUST ANSWER THIS LETTER

Dear _____:

Your child's application has been chosen as part of a review to make sure only eligible students receive free or reduced price meal benefits.

If you do not reply to this letter, your child will not continue to receive free or reduced price meals. This letter requires that you send information or contact _____ (official's name) _____ by _____ (date) _____.

You must send either

- papers that show that you get Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or FDPIR benefits for your child **or**
- papers that show your household's income for any point in time between the month prior to when you applied for meal benefits and now when you submit the papers.

We have enclosed information that shows the kinds of papers that you may use to prove that you now get SNAP, TANF, or FDPIR for your child or to show your household's income. If possible, do not send original papers. If you do send original documents, they will be sent back to you only if you ask.

If you do not send information that proves your child is eligible to receive free or reduced price meal benefits by _____ (the date above) _____, these meal benefits will be stopped and the family will be responsible to pay for any meals the child receives.

If you have any questions, or if you need any help, please call _____ (name) _____ at _____ (phone number) _____. If you do not hear from us by _____ (date) _____, free or reduced price meals will continue without change.

Thank you for your cooperation in this matter.

Sincerely,

Enclosures: Verification Information for Free and Reduced Price Meals

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

**LETTER HOUSEHOLD MAY HAVE
SNAP/TANF/FDPIR OFFICE COMPLETE**

STATEMENT OF SNAP/TANF/FDPIR BENEFITS

<u>(List Name of Child[ren])</u>	<u>(List of parent/Guardian)</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

This statement is to confirm that the child [ren] named above

is/are currently certified to receive SNAP, TANF, or FDPIR benefits, or

did recently receive SNAP, TANF, or FDPIR benefits. The eligibility ended _____.

The household's case number is _____.

Signature and Title of Official

Date

Address

Telephone Number

Email

LETTER TO THE SNAP / TANF / FDPIR OFFICE FROM THE SCHOOL FOOD AUTHORITY

Dear _____:

A child or family's eligibility for Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or Food Distribution Program on Indian Reservations (FDPIR) automatically qualifies children for free school meals. The regulations for SNAP, TANF, and FDPIR permit offices to release eligibility information to administrators of the National School Lunch and Breakfast Programs to ensure that only eligible children receive free meal benefits.

Enclosed is a listing of approved free meal applicants who have been selected for verification and who have indicated that the child for whom application was made now receives SNAP, TANF, or FDPIR benefits. Please indicate on the enclosed listing if these household members are currently participating in SNAP, TANF, or FDPIR or were participating as of the beginning of school this year _____ (date) _____. This information will be used only to confirm the applicant's eligibility for free meal benefits.

Your return of the listing by _____ (date) _____ will be appreciated. A self-addressed return envelope is also enclosed for your convenience. If you have any questions or need additional information, please contact _____ (name) _____ at the following telephone number _____.

Sincerely,

Signature and Title

Date

Address

Telephone Number

Email

Enclosure: Verification Form – SNAP/TANF Recipients

LETTER OF VERIFICATION RESULTS AND ADVERSE ACTION FOR SNAP/TANF/FDPIR COMMODITY HOUSEHOLDS

Date: _____

Available records show that your household

- did not respond to our request for documentation
- was not getting SNAP/TANF/FDPIR commodities at the time described on your application for meal benefits.

To continue benefits for your child:

- (1) send in papers that show your household was receiving benefits

Or

- (2) complete a new application with income and other requested information and.
- (3) send in papers that show your household's current income.

Your child's free school meal benefits will be stopped on (insert 10 calendar days from date sent) unless we receive this information. Any continued free or reduced price meals would depend on your showing documentation of benefits or else your current household income.

If you do not agree with the decision, you may discuss it with (school official) by calling (telephone number).

You also have a right to a fair hearing. This can be done by calling or writing the following official:

Name: _____
Address: _____
Phone: _____

If you request a hearing by (insert 10 calendar days from the date sent), your child will continue to receive free meals until the decision of the hearing official is made.

If you are not eligible for benefits now, but your household circumstances change, you may fill out an application at that time and reapply for benefits.

Sincerely,

Enclosures: Verification Information for Free and Reduced Price Meals

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

**LETTER OF VERIFICATION RESULTS AND ADVERSE ACTION
FOR INCOME HOUSEHOLDS**

Child(ren)'s Name(s): _____
School: _____ Date: _____
Dear _____.

We have completed verification of your child(ren)'s eligibility. Starting (10 calendar days from the date sent) your child(ren)'s eligibility for meal benefits will be:

_____ Changed from free to reduced price because your income is over the allowable amount. The reduced price charge is _____ cents for lunch and _____ cents for breakfast.

_____ Stopped for the following reason(s):

_____ your income is over the allowable amount for free or reduced price meals;

_____ you did not provide proof of current eligibility. The following information is missing:

_____.

Starting immediately your child(ren)'s eligibility for meal benefits will be:

_____ Changed from reduced price to free because your income is within the free meal eligibility limits. Your child(ren) will receive meals at no cost.

If your benefits changed now but you later on have a decrease in household income, become unemployed, or have an increase in the size of your household, you may fill out an application at that time to reapply for benefits. If you start getting SNAP, TANF, or FDPIR later on, bring a copy of the notice of eligibility in to the school.

If you do not agree with the decision, you may discuss it with: _____ (verifying official) _____. You also have the right to a fair hearing. If you request a hearing by _____ (insert 10 calendar days from the date sent) _____, your child(ren) will continue to receive (free or reduced price meals) until the decision of the hearing official is made. You may request a fair hearing by calling or writing the following official:

Name: _____

Address: _____

Telephone Number: _____

Email: _____

Sincerely,

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

NOTIFICATION OF CONTINUATION OF BENEFITS AS A RESULT OF VERIFICATION

Date: _____

Dear _____:

Thank you for cooperating with the (insert name of school food authority) in its verification of eligibility for school meal benefits. The materials you have sent showed us that your child is eligible for the meal benefits he or she is receiving.

We appreciate your cooperation and support during this process. If you have any questions concerning our program, please feel free to contact our office.

Sincerely,

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

VERIFICATION TRACKER - FOR LOCAL AGENCY USE (Optional)

Name of student or family/household: _____

- ✓ **Attach to each application selected for verification with a copy of all correspondence from household regarding verification and a copy of documents received from the household.**

Date Verification Notice Sent:	
Date Response Due from Household:	
Date Second Notice Sent (or N/A):	
Number of Students on Application:	
Original Approval was: <input type="checkbox"/> Free Eligible Based on SNAP/TANF/FDPIR Case Number <input type="checkbox"/> Free Eligible Based on Income/Household Size Information <input type="checkbox"/> Reduced Price Eligible	
Verification Result: Record the calculations and frequency of income on this page. <input type="checkbox"/> No Change <input type="checkbox"/> Free Eligible Based on SNAP/TANF/FDPIR Agency Response <input type="checkbox"/> Free Eligible Based on Income/Household Size Information <input type="checkbox"/> Reduced Price Eligible Based on Income/Household Size Information <input type="checkbox"/> Paid Eligible Based on Income/Household Size or SNAP/TANF/FDPIR Agency Response Information <input type="checkbox"/> Paid Eligible as Household Did Not Respond	
Date the Notice of Findings Letter was Sent:	
Date Change Made:	
Date Hearing Requested:	
Hearing Decision/Date:	
Date Verification Completed:	
Verifying Official's Signature:	

Reapplied With Documentation: Record the calculations and frequency of income on this page.

Results of Reapplication:

- Denied Based on Income/Household Size Information
- Free Eligible Based on SNAP/TANF/FDPIR Agency Response
- Free Eligible Based on Income/Household Size Information
- Reduced Price Eligible Based on Income/Household Size Information

Date of Reapproval: _____ Determining Official's Signature: _____

INSTRUCTIONS FOR COMPLETING VERIFICATION SUMMARY

The South Dakota Department of Education, Child & Adult Nutrition Services, must annually gather and report application and verification information on form 742SD. Verification is required for each local agency which operates the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP) except:

- agencies which ONLY administer the program in Residential Child Care Institutions (RCCIs) which do not have day students and
- agencies that do not have any free or reduced price eligible students.

These agencies still complete a form though only information in Sections I and IV needs to be completed.

RELATIONSHIP TO OCTOBER SITE SURVEY REPORT

Data is gathered by site on the October Site Survey. Some of that can be used to complete certain portions of the Verification Summary Report. The information for the Verification Summary report is a total of all of the site summaries from a few cells reported on the October Site Survey forms.

The total number of Attendance Centers is reported in the Verification Summary Report.

Information for Item II.4 column A, Item II.5 column A, and Item II.3 column A or B can be obtained from the October Site Survey.

The total of all students eligible for free meals in Item II.4 column A can be obtained from the sum of all Site Summaries cell B-1.

The total of all students eligible for reduced-price meals in Item II.5 column A can be obtained from the sum of all Site Summaries cell B-3.

The total of all attendance centers' eligible enrollment for Item II.3 column A or B (depending upon whether or not the SFA is participating in Special Provision 2 or 3 and is beyond its base year) can be obtained from the sum of Total Eligible Enrollment from all Site Summaries (B-1 + B-2 + B-3).

Part I. Local Agency Information

The basic information in A – B asks for the local agency name and number utilized on agreements and claims for reimbursement. All agencies complete these two items. The local agency number is a seven-digit number ending in 00. The type of Local Agency (Public/Government or Private) is somewhat different for this report. "Public" in this instance refers to all publicly-funded agencies (Public School Districts, State schools, BIA, BIA Grant, or Tribal Schools, as well as any county entities). "Private" includes parochial schools and any other private entities.

Item C - Agencies that have no students eligible for free or reduced price meals check this box, then skip to part IV, fill it out, and submit the form.

Item D – Agencies that are RCCIs and that have no day students check this box, then skip to part IV, fill it out, and submit the form.

Item E – Fill in the blank with the sum from Column B 4.2, 4.3, and 5.

Item F – Fill in the blank with the number of applications selected for verification. This should be the sum of questions 7 thru 11.

Item G – Complete the blank with the date the local agency completed the Verification Process.

PART II. Enrollment, Application, and Approval Information (before verification)

1. Report the type of application used for students/participants who apply for Free/Reduced Price Meal benefits.
- 2 – 5. Please note that the **column A and B headings for items 2 and 3** on the form are different from the **column A and B headings for items 4 and 5**.
 - For items 2 and 3, column A is used to report total participating schools and total enrollment; column B is used to report the number of schools and the enrollment for Provisions 2 and 3 schools that are not operating a base year.
 - For items 4 and 5, the data requested is for all schools, not just Provision 2 and 3 schools. Column A is used to report the number of eligible students for each category and sub-category as of October 31; column B is used to report the number of applications approved as categorically eligible free (4-2), income-eligible free, (4-3) and reduced price eligible (5).

Report Items 2 and 3 as of October 31 for both columns A and B.

2. Column A: Report the TOTAL number of NSLP attendance centers plus any SBP-only attendance centers for the local agency. Keep in mind, elementary is one attendance center, junior high/middle school is one attendance center, and high school is an attendance center. For example, a single building that houses grades K-12 has three attendance centers.

Column B: Provision 2 or 3 local agencies beyond the base year report the number of these attendance centers on Provision 2 or 3 in Column B. (If an attendance center operates only SBP under Provision 2 or 3, but uses regular claiming procedures for the NSLP, do not include it in the data reported in Col. B.)

3. Column A: Report the TOTAL number of students in the NSLP attendance centers not on Provision 2 or 3 plus any SBP-only attendance centers for the local agency. *Do not count students twice.*
Column B: Local agencies on Provision 2 or 3 beyond the base year report the number of students in these attendance centers in Column B.

Items 4 and 5 – Number of Free and Reduced Eligible Students and Number of Applications. SFAs must select their verification samples based on the number of applications on file as of October 1 or the first operating day of October, while the count of free and reduced price eligible students will still be reported as of October 31 or the last operating day in October. This does not include students whose eligibility is carried over from the prior year.

4. In Column A, report the total number of free eligible students the local agency had approved as of October 1 or the first operating day in October. This total must equal the sum of lines 4-1 through 4-4.

4-1. In Column A, report the total number of students approved as free eligible whose approval is not subject to verification as of October 31 or the last operating day in October. This includes students who are

- directly certified based on information from the SNAP, TANF, or FDPIR (including additional children in the household when at least one person is eligible for SNAP, TANF, and FDPIR),
- children on the homeless liaison or runaway list,
- children of migrant families who have a certificate of eligibility,
- income eligible Head Start, pre-K Even Start,
- foster children who were directly certified (SFA received notice from the placement agency)
- residential students in RCCIs, and non-applicants who are approved by local officials.

Do not include the calculated number of students eligible for free meals that are reported for Provision 2 or 3 schools that are not operating in a base year. These are included in item 4-4 below.

4-2. In Column A, report the total number of students approved as free eligible based on a SNAP/TANF/FDPIR case number that submitted on an application and foster children listed on an application (Categorically Eligible Applications) as of October 31 or the last operating day in October.

In Column B, report the total number of approved categorically eligible applications (pieces of paper) on file as of October 1 or the first operating day in October.

4-3. In Column A, report the total number of students approved as free eligible based on income/household size information submitted on an application (Income Eligible – Free Applications) as of October 31 or the last operating day in October. Do not include foster children listed on applications in this count.

In Column B, report the total number of approved income-eligible free applications (pieces of paper) on file as of October 1 or the first operating day in October.

4-4. In Column A, report the total number of free eligible students reported for Provision 2 or 3 schools that are not operating a base year as of October 31 or the last operating day in October. (This number is determined by adjusting the number of free eligible students from the base year for these schools to reflect current enrollment. For example, if your enrollment is 5% higher now than it was in the base year, you would increase the number of children in the free category from the base year by 5%.)

5. In Column A, report the total number of students approved as reduced-price eligible as of October 31 or the last operating day in October.

In Column B, report the total number of approved reduced price eligible applications (pieces of paper) on file as of October 1 or the first operating day in October.

Report the total number reduced-price eligible students reported for Provision 2 or 3 schools that are beyond the base year in Column A as of October 31 or the last operating day in October. (This number is determined by adjusting the number of reduced-price eligible students in the base year for these schools to reflect current total enrollment.) For example, if your enrollment is 5% higher now than it was in the base year, you would increase the number of children in the reduced-price category from the base year by 5%.)

Part III. Results of Verification

6. Report the type of verification process the local agency uses. Refer to page 1 and 2 of this memo for descriptions of Basic, Alternate-Random, Alternate-Focused, and No Verification Performed.

7 through 12. Report the results of the verification process by type of original application approval (see columns A, B, and C). Final verification results are reported. For the purposes of this report, verification of an application is complete:

- for households whose eligibility does not change: as of the date of the confirmation of eligibility by a reviewing official;
- for households which do not appeal a change in eligibility: as of the first operating day following the last date for filing an appeal in response to a notice of change in eligibility;
- for households which appeal a change in eligibility: as of the first operating day following a decision by the hearing official.

7. In column A, B, or C, report the number of applications selected for verification that did not change eligibility after verification and the number of students on these applications, by eligibility category.

8. In column A, B, or C, report the number of applications selected for verification that were originally approved as reduced price for which the eligibility was changed to free based on income/ household size information, and the number of students on the applications, by eligibility category.

9. In column A, B, or C, report the number of applications selected for verification that were originally approved as free for which the eligibility was changed to reduced-price based on income/household size information, and the number of students on these applications, by application type.

10. In column A, B, or C, report the number of applications selected for verification for which the eligibility was changed to paid based on documentation provided by the household or by FS/TANF/FDPIR agency response, and the number of students on the applications, for each by eligibility category.

11. In column A, B, or C, report the number of applications selected for verification for which the eligibility was changed to PAID *because the household did not respond*, and the number of students on these applications, for each eligibility category. NOTE: Report ALL applications for which the household did not respond, even if the school/district decides to provide students on the application free/reduced price meals while claiming them as paid.

Part IV: Completion of the Form

Provide the name, telephone number, and e-mail address of the person who completed the form so that person can be contacted if questions should arise. List the date the verification summary report is submitted to Child & Adult Nutrition Services. It is due **on or before December 15**. You may submit it by mail, fax to 605-773-6846, or email to shar.venjohn@state.sd.us.