

CHILD NUTRITION SERVICES APPROVING OFFICERS HANDBOOK



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www.maine.gov/education/sfsr1.htm

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DIRECT CERTIFICATION

During the month of August, the Maine Department of Health and Human Services (DHHS) will mail a letter of Notification of Predetermined Eligibility to the parents or guardians of eligible children. You can find a sample of this Letter of Notification on **Appendix A-6**. Parents or guardians have the right to decline the meal benefits. Only the DHHS Letters of Predetermined Eligibility, returned to schools with the declined box left blank, can be counted as eligibility documentation.

The Direct Certification reference list is posted electronically and must be accessed by the Superintendent/Headmaster with the assigned ID and Password used for the Reimbursement system. The web address is <http://www.maine.gov/education/sfsr1.htm>. School Districts are **required** to directly certify as eligible for free school meals, without further application, any child who is a member of a food stamp household

When a school receives a DHHS Letter of Predetermined Eligibility from a household that has children attending several schools, the school official must give prompt notification to the other schools within the school administrative unit and must, within 5 days, send copies of the DHHS Predetermined Eligibility Letter to other school administrative units and private schools within Maine that are listed.

If a child is eligible for free meals, but the household wants to pay the reduced price, the school should respect the family's wishes and allow the child to pay the reduced price charge. The application or eligibility notification letter should correctly reflect that the child is eligible for free meals. However, the school should note on the application and eligibility notification that the family has chosen to pay the reduced price charge. The meals served to such a child **must** be claimed for reduced price reimbursement since the school received the reduced price payment from the household.

Please take extra precautions to maintain the confidentiality of the information in the reference list. It should be available only to those individuals who have the responsibility for making school meal eligibility determinations.

Youths served by grant programs under the Runaway and Homeless Youth Act and Migrant children are automatically eligible for free school meals. Documentation must include student name, date, coordinators signature. This approval is for the school year.

INCOME GUIDELINES

The application for Free or Reduced Price Meals lists the maximum allowable income for reduced price meals only. Federal Regulations prevent free guidelines from being included. However, the Public Release from the Maine Department of Education gives the guidelines for both categories.

Children who are receiving benefits under the Food Stamp or Temporary Assistance for Needy Families (TANF) Programs are automatically eligible for free meal benefits. That automatic eligibility exempts recipients from giving income information and supersedes any income information given, if a food or TANF number is given for every school age child listed on the application.

The Guidelines on page 2A of the Approving Officers Handbook will determine the eligibility for free or reduced price meals, free milk, or free or reduced snacks for the **CURRENT** school year. Please find the appropriate family size and read across the income figure for the yearly or monthly income as shown on the application. If the income is at or below the amount listed under Free Meals or Free Milk, the child(ren) is/are eligible for free meals or free milk. If the income is above that figure but at or below the amount listed under Reduced Meals, the child(ren) is/are eligible for reduced price meals.

The guidelines are also available on the Child Nutrition Services Web Pages under Financial Information

www.maine.gov/education/sfs.htm

DEFINITIONS

ADULT - All individuals 21 years of age and older.

CRE - Coordinated Review Effort; the administrative review of the Food Service Program by State Agency or USDA.

CRE VIOLATION - Federal regulations require that "...each child's application is complete and correctly approved..". An incomplete application must be considered incorrectly processed. A reclaim of reimbursement must be taken on any review when any deficiencies are found.

CURRENT INCOME - Household income received during the month before the application is made. Take last month's total income before taxes are deducted. If that income does not give a realistic picture of annual income and for farmers, self-employed workers, migrant workers and other seasonal employees use their income for the past 12 months.

DIRECT CERTIFICATION – Certification of a student using data from other agencies and no family application is required

ECONOMIC UNIT - A group of people who share housing and/or all significant income and expense of its members. Although economic units share expenses such as food, utilities, medical, expenses, household insurance, etc., they are financially independent of each other. More than one economic unit may live in the same house.

FINANCIALLY INDEPENDENT - A person with financial resources is a separate economic unit, when his or her financial resources and expenses are not shared by the household.

HOMELESS – As specified in the statute, the term “homeless” means individuals who lack a fixed, regular, and adequate nighttime residence. The definition includes:

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

HOUSEHOLD - A group of individuals who are living as one economic unit in one house. Children or family members living in an institution are not counted.

INCOME - All sources of earned or unearned money before deductions for income taxes including welfare and TANF payments, pensions, Social Security, workers' compensation, and alimony. It does not include any income or benefits received under any Federal program which is excluded from consideration as income by any legislative prohibition.

MIGRANT – Migratory child means a child who is, or whose parent, spouse, or guardian is a, agricultural worker, including a migratory dairy worker, or a migratory fisher and who in the preceding 36 months, in order to obtain, or accompany such parent, spouse or guardian, temporary or seasonal employment in agricultural or fishing work.

NSLA – National School Lunch Act (42 U.S.C. 1751(b)(2)(C) An Act passed by the Federal Government in 1946 for the school lunch program.

PRIVATIZED HOUSING – Privatized housing refers to the Military Housing Privatization Initiative, a program operating at a number of military installations. This initiative puts the operation of military owned housing under private contractors. Under this privatization initiative, a housing allowance appears on the leave and earnings statement of service members living in privatized housing.

RUNAWAY - A runaway is one that meets any one of the following criteria -

- A child leaves home without permission and stays out overnight.
- A child 14 years old or younger (or older and mentally incompetent) who is away from home chooses not to come home when expected and stays away overnight.
- A child 15 years old or older who is away from home chooses not to come home when expected and stays away overnight

SFA – School Food Authority. The governing body which is responsible for the administration of one or more schools and has the legal authority to operate the program.

TANF – Temporary Assistance for Needy Families. An individual or group of individuals certified to receive assistance under the Temporary Assistance for Needy Families (TANF) program. The benefits do not exceed the eligibility guidelines for free meals or free milk.

VERIFICATION - The confirmation of eligibility for free or reduced price benefits under the National School Lunch, School Breakfast and Special Milk Programs required of local school administrative units.

PROCEDURES

FIRST WEEK OF SCHOOL,

Send home with every student:

1. The standardized letter to families, and
2. The standardized household application* for free and reduced price meals (SNP-15)

* A foreign translation may be available to schools.

WITHIN 10 DAYS OF RECEIVING COMPLETED APPLICATIONS

A. Review application for completeness.

On Food stamp or TANF recipient applications look for:

1. Both the first and last name of the child. The approving officer can complete the name from personal knowledge or a sibling application rather than returning the application to the family to complete.
2. Each child's Food Stamp or TANF number. A case number can end in either A or T. Be aware that a nine digit number is likely to be a Social Security, or EBT number, which is unacceptable. The adult will have to contact Department of Health and Human Services to obtain the necessary case number for each school age child listed.

Please note the student Food Stamp Debit Card number (19 digits) is not a case number. A case number must be obtained.

3. The signature of the adult household member.

On an application for a homeless child look for

1. Both the first and last name of the child. The approving officer can complete the name from personal knowledge or a sibling application rather than returning the application to the family to complete.
2. Eligibility Period. The approving officer enters the effective date of the child's entry into the school. When the child withdraws the approving officer must make that entry too.
3. Residence. This may be a shelter or other temporary (45 days or less) living quarters. If the child has no known address, a statement signed by a knowledgeable local official of the child's living conditions is needed.

4. Signature. Acceptable signatures would include: the director of the homeless shelter where the child resides; or other knowledgeable local level official; or the approving officer.

On all other applications look for:

1. Both the first and last name of the child. The approving officer can complete the name from personal knowledge or a sibling application, rather than returning the application to the family to complete.
2. Both first and last names of all other household members. If the approving officer completes a name, the source must be documented on the application.
3. Monthly income information given by source for each household member named. If no income is received by the household member, the word "none" should be written across all entries.
4. A legible and complete 9 digit Social Security Number. Only persons over 21 are required to give their Social Security Number. If an adult does not have a Social Security Number, the word "none" must be circled. Lacking a Social Security Number or the word "none" circled the approving officer will have to contact the household to complete this. Such contact must be documented on the application.
5. The signature of the adult household member.
Processing an incomplete application as eligible for free or reduced price meals makes your school liable for a reclaim of unearned reimbursement and necessitates your implementation of verification procedures in order to enable your school to claim meals in the future.

Processing an incomplete application as denied deprives those children of needed meal benefits and your school of income from either reimbursement or the family. Since you are limited by the 10 day processing period, we hope efforts will be made to obtain missing information within that period of time, so the application will not have to be denied.

Once the application is denied the household would have to submit a new and complete application, in order to receive meal benefits.

Incomplete applications must not be approved.

- B. To compute the household's total monthly income, if it has not been given as monthly amounts for every source or every person:

(a) Determine monthly income if paid by week:

Amount of Weekly Income x 4.33 = Monthly

(b) Determine monthly income if paid every two weeks:

Amount of Every Two Weeks Income x 2.15 = Monthly.

(c) Determine monthly income if paid twice a month:

Amount of Twice A Month Income x 2 = Monthly

Example 1 - Mary V Public has reported 3 people in her household and

Mary V Public \$157 Weekly \$210 Monthly -0- \$2500 Yearly

1. List all weekly amounts shown for household, total and multiply by 4.33.
2. List all annual incomes, total and divide by 12.
3. Add all these calculated monthly incomes and any monthly income reported by the household.
4. Compare the total household monthly income to the income guideline for the household size stated in Item 5 on the application.

To calculate household income:

<i>Step 1)</i>	<i>Step 2)</i>		<i>Step 3)</i>
			\$679.81
\$157	\$2500		\$208.34
<u>x4.33</u>	<u>+ 12</u>		+ \$210.00
\$679.81	\$208.34	\$210	<u>\$1098.15</u>

Step 4) Mary's children would qualify for free meals.

Example 2 - Jane and John Citizen have 5 in their household and

John Citizen \$250 Weekly \$460 Monthly -0- -0-

Jane Citizen \$120 Weekly \$500 Monthly -0- -0-

To calculate household income:

<i>Step 1)</i>	<i>Step 2)</i>	<i>Step 3)</i>
\$250		
<u>+\$120</u>		
<u>\$370</u>		
\$370	\$460	\$960.00
<u>x4.33</u>	<u>+\$500</u>	<u>+\$1602.10</u>
\$1602.10	\$960	\$2562.10

Step 4) The Citizen children would qualify for reduced price meals.

- C. Complete the eligibility section at the bottom of the application form; include the determination, the date, the approving officer's signature, and the official's name. Completing the back of the application is optional unless it is being photocopied to send as the "Notification of Eligibility Determination."

Note: In a computerized operation, where the computer generates the determination, the determining official may sign or initial and date a sheet of paper that would then be attached to a batch of applications. However, the computer system should be able to capture the original date of approval and to update the status of applications to account for transfers, withdrawals, terminations, and other changes.

- D. Send parents a written "Notification of Eligibility Determination" and include the determination or the reason for denial, if applicable. The charge for reduced price meals, and the name, address, and telephone number of the hearing official could be preprinted on the form when the School Administrative unit prints its own forms.

The duplicate "Notification of Eligibility Determination" no longer needs to be saved, provided the approving officer has indicated on each application the date the parent was notified.

- E. The family application for free/reduced meal benefits is valid for the entire school year. Exceptions would be when an application has been pulled for verification.
- F. Generate a confidential list of students. The list must include – student names, status, approval date and status change dates.

EACH MONTH

- A. Temporary approvals must be reviewed and the need for continued eligibility should be determined. The maximum is 45 calendar days.

- B. The number and names of children eligible for free and reduced price meals must be kept current on the master list. Additions, deletions, and status changes must be indicated by the date as they occur.
- C. The person responsible for recording daily meal counts on the optional Daily Record Form (EF-N-79) must be notified of the numbers eligible for free and reduced price meals and free milk, in order to perform the daily edit check necessary under the Regulations.

AT YEAR END

- A. Applications must be kept on file for a period of three years, plus the current year
- B. If applications for a district are kept in a central office, a current list of eligible children, by school, must be maintained.

MAINE CARE

If a number written on an application is indicated to be a Maine Care Number, the children listed are not automatically eligible for Free School Meals.

Question: How do I get the Maine Care Application for those families requesting information?

Answer: Schools may order forms from the Department of Health and Human Services mailroom by faxing the request to 626-5555 to request Maine Care applications. Please be sure to include the number requested along with the mailing address.

Schools or individuals may also get an application on the Bureau of Family Independence website: <http://www.maine.gov/dhhs/bfi/mainecareapplication.pdf>

QUESTIONS & ANSWERS

APPLICATION COMPLETION

1. **What do I do at the beginning of the school year before applications have been approved?**

From the opening of school until September 30th or when current application is submitted, school officials may serve free and reduced price meals to children from households with approved applications or direct certification letters on file from the previous year.

2. **How do I handle eligibility for students who transfer from another school?**

When a student transfers from one school to another in the same district, the eligibility and a copy of the application can be transferred. Both districts need to maintain copies of the paper work.

3. **What do I do with incomplete applications or applications with conflicting information?**

For incomplete applications, the Approving Officer must contact the parent, explain why the information is necessary and try to get it. Note all contacts on the application. If attempts to get information fail, the application should be denied unless the approving officer or another responsible adult has information about the eligibility of the child(ren) in question.

4. **Can I certify a child to be eligible for free or reduced price meals if the child's parents have not sent in an application and I know the household is eligible?**

After sending out the letter to parents and application and having information that a child, for whom an application has not been submitted, meets the eligibility criteria for free or reduced price meals, the school official may certify the child eligible. The school official does this by completing and filing an application on behalf of the needy child giving the best household size and income information available and the source of the information. The Approving Officer does not need the names of all adult household members and signature and social security number of a household member. The household must be notified of the eligibility determination. These applications may be excluded from the universe of applications subject to verification.

5. **What can I do to get free or reduced price meals for a homeless child who enters school?**

When a homeless family does not submit, nor is it likely that an application will be submitted, the director of the homeless shelter at which the child resides or the homeless coordinator may complete and submit a list of homeless children. Approval for free meals may be based solely on the knowledge that the child's address is a homeless shelter or that the child has no known address and is indeed homeless. Moreover, when it is not practical for those officials to

complete individual application because of large numbers of homeless children or for some other reason, documentation to substantiate free meal eligibility must consist, at a minimum, of the following information:

1. Child's Name
2. Effective Date
3. Signature of knowledgeable adult/coordinator

Eligibility is valid for the school year, even if the student during the school year is no longer considered homeless.

FOOD STAMP AND TANF HOUSEHOLDS

6. **Does a household's eligibility for Food Stamps or TANF automatically qualify that household for free meals?**

Yes, with documentation in the form of a valid Food Stamp/TANF number, a DHHS direct certification letter, or listing on predetermined list. If this letter is not submitted, or not listed on the predetermined list, then a completed application is needed. When a household qualifies for Food Stamps or TANF, it does not need to complete the income questions. All students listed on the application are eligible for free meals even if an individual food stamp/TANF number is not listed for each child.

7. **What do I do if a household reports an income and Food Stamp or TANF case numbers for all school age children?**

You should base the eligibility for school meal benefits on the Food Stamp or TANF eligibility as indicated by a case number. Disregard the income given.

FOSTER CHILDREN

8. **What do I do about granting free or reduced price meals to foster children?**

When the court system or a welfare agency is legally responsible for the child, and the foster home is an extension of the welfare agency or court, the foster child is considered as a one-member household. The payments made by the welfare agency and/or child's family for the "personal use" of that foster child, earnings from full-time or regular part-time employment, and monies from estates, trusts, etc., shall be considered as income. "Personal use" means monies for clothing, school fees and allowances. Welfare funds paid to foster households for shelter, care and "special needs" such as medical and therapeutic services are excluded.

Therefore, if the foster child's monthly income is below the prescribed income levels of a one-member household, the foster child shall receive the appropriate meal or milk benefits.

Note: This also applies to applications for children in residential child care institutions.

10. **What guidelines do I use when there are several foster children living with the same household?**

An application for each foster child with a different last name should be considered as that of a one-member household and only the child's income should be recorded.

11. **How do I handle an application for a household with a foster child who wants free or reduced price meals for their own children as well?**

Two applications should be filed. One application should contain information about only the foster child, and the other application should state all the required information exclusive of the foster child. Since the household, excluding the foster child, is the basis for applying the income guideline, it is possible for the foster child and the other children to be eligible for different meal benefits. The foster parent must sign the foster child application but may omit the household size and social security number.

What if the parent's income changes during the school year?

Household eligibility is for the school year unless the application is pulled for verification purposes and the status changes.

DETERMINING HOUSEHOLD SIZE

12. **Is a child who lives with relatives, neighbors or friends of the household considered a one-member household?**

When no specific welfare agency or court is legally responsible for the child the child shall be considered a member of the household where s/he lives. The size and total income of the household where the child resides shall be used to determine the child's eligibility.

13. **How is the eligibility determined for a teenager who lives alone or with another minor and is totally responsible for himself/herself?**

Although the student is a minor, the student may fill out and sign the application. S/he must give the income(s) of all persons living in the household and the household size. S/he need not give the social security number if all household members are minors.

14. **How is the household size and income determined for an institutionalized child?**

When a child lives in a residential-type facility which the State has determined is not a boarding school, the child is a household of one. In most cases the child has no income. Payments from any source received directly by the institution in a child's behalf are not considered income. Only the income the child receives or earns for personal use is considered income. (See also Question #9.)

15. **Is a student who attends, but does not live in an institution, considered a household of one?**

No. The student is considered a member of the household in which s/he lives. That household's size and income determine the child's eligibility.

16. **In determining household size, are students who are away at school considered part of the household?**

Students who are temporarily away at school and who receive their primary support from the household should be counted as a member of the household (e.g. students attending boarding schools or colleges).

17. **What do I do when a parent is serving in the military overseas or away on Temporary Duty (TDY)?**

Military personnel serving overseas are not counted as a household member. Only the money sent to the household is household income. Military personnel away on TDY are considered as household members.

18. **How do I determine what is a household when two or more families live together?**

Approving Officers must keep in mind the definitions of "economic unit" and "financially independent" (page 3), use the facts available and their best judgment. The following examples are provided as guidance:

SITUATION #1:

A parent, employed as a housekeeper in the household, has a school age child. The employer furnishes lodging and subsistence for the parent and child, plus a salary. The household and employee do not share expenses. In this situation, two households exist. The lodging and subsistence received by the housekeeper are treated as in-kind benefits and the wage earned is considered as income. The in-kind value is not included in the income calculations.

SITUATION #2:

A brother and sister, each with school age children, live with their parents and each pays a lodging and subsistence to their parents. No other income or expenses are shared. In this situation, three households would exist. The brother and his children would be one, the

sister and her children would be another, and the parents of the brother and sister are a third household.

SITUATION #3:

A daughter graduates from school, finds employment, but continues to live at home. She pays the parents \$100 a month for room and board, and pays for personal telephone calls. She shares no other income or expenses. Only one household exists since the household continues to have legal responsibility for the child. Only in cases where the court has declared the child emancipated, would there be a second household.

SITUATION #4:

A parent remarries and the stepchildren live in the household, but are not adopted. Even if child support is received, the Federal Government considers this as one household with one economic unit. The size and total income of the household shall be used to determine the child's eligibility.

Because of these varying situations, the local official must make determinations on a case-by-case basis.

19. **Joint custody: If the mother applies and the children are approved as free and then the children move to the non-qualifying father's home, can the children remain in the free category?**

Once a child's eligibility has been determined, it is in effect for the entire school year. If the father's home is in the same district, a new application is not necessary. If the father's home is in a different district, the district can either have the father fill out a new application or request a copy of the paper work from the previous district. So, if the parents live in the same district, and the mother's household qualifies for free meals, and the father's household qualifies for reduced-price meals, then the child would be free

20. **Are foreign exchange students, refugees, aliens, and citizens of other countries and/or their dependent children eligible for free or reduced price benefits?**

Such students are considered to be a member of the household in which they live. The same household size and income criteria are used for these students regardless of U.S. citizenship.

21. **How do I consider foreign students under the sponsorship of Maine Teacher's Association or American Field Service?**

In these voluntary programs the American family takes the student as part of their household, the student is considered as a member of that household when determining the eligibility for free or reduced price meals.

TEMPORARY APPROVALS

22. What do I do if a household suffers a temporary financial hardship, such as a layoff, strike or seasonal layoff?

In cases of layoffs, strikes or seasonal employment, where the household income changes, a new application can be completed.

DETERMINING INCOME

24. Can income be reported on the application as a range between two figures?

No. Income figures reported on the application must be an exact amount.

25. Can a household deduct the money paid for alimony or the support of a child not living within the household?

No.

26. What do I do if household records zero (0) for income?

If income is zero (0), eligibility must be determined based on the present rate of income rather than on regular annual income. Temporary approval should be given for a maximum of 45 days.

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

The following is a list of the current exclusions:

- a. the value of Food Stamps;
- b. reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- c. any payment to volunteers in VISTA, RSVP, foster grandparents, and others under the Domestic Volunteer Service Act of 1973 to the extent excluded by that Act;
- d. payments due to volunteers in SCORE and ACE;
- e. income derived from certain submarginal land of the U.S. that is held in trust for certain Indian tribes;
- f. payments received under the Job Training Partnership Act;
- g. income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
- h. payments received under the Alaska Native Claims Settlement and Maine Indian Claim Settlement Acts;
- i. payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation;
- j. 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 that Act;

- k. Agent Orange Settlement Payments to veterans; and
- l. payments received under the Civil Liberties Act of 1988.

Since programs are periodically added to the above list, school food authorities should contact the State agency when there is a question of whether specific payments are to be included as income.

28. How does income from Job Corp figure into a household's income?

If the individual is living in the household, Job Corp income is included in the household income. If the individual is away, only the money sent to the household is included as income.

29. How is a large lump sum payment such as an insurance settlement, court ordered award, lottery or other large winning figured into a household's income?

Large lump sum payments are not counted as income since they are not received on a regular basis. However, when they are put into a savings program, from which the household regularly draws for living expenses, the amount withdrawn is counted as income.

30. How does a seasonally employed household or migrant household determine their current income?

Since last month's income may not accurately reflect income, the seasonally employed and migrant household may use last year's income as a base to project their current year's income.

31. Is SSI for handicapped and special education students or adoption subsidy for hard to place children counted as income?

Yes. It should be included on the income line for the head of household.

32. Does the income a student earns have to be listed on the application as a type of household income?

The earnings of a student who is a full-time or regular part-time employee must be listed on the application. However, earnings such as paper routes or baby-sitting, that do not significantly affect the household's level of income, or earning from work-study and similar programs funded under Title IV or the Higher Education Act should not be listed on the application.

33. How is the income of self-employed persons such as farmers, businessmen, etc., determined?

Last year's net income is used to project the current year's net income.

Net Income from non-farm self-employment is net income (gross receipts minus expenses) from one's own business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include costs of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, business taxes (not personal income taxes), etc. The value of saleable merchandise consumed by the proprietors of retail stores is not included as part of the net income.

Net Income from farm self-employment is net income (gross receipts minus operating expenses) from the operation of a farm by a person on his own account as an owner, renter, or sharecropper. Gross receipts include the value of all products sold, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, etc. Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not state and Federal income taxes). The value of fuel, food, or other farm products used for household living is not included as part of net income. In general, inventory changes were not considered in determining net income; however, information based on income tax returns or other official records do reflect inventory changes.

34. How do I figure income in households going thru bankruptcy or wage garnishment?

In these cases, the total gross income must be used to figure household income, regardless of amounts garnished or ordered in payment to creditors.

35. Can the business losses of self-employed adults offset the income of the wage earners in the household?

No. The wage earners' income must be listed on the application. If the self-employed persons' income is negative, it should be listed as "zero" income.

36. Are military benefits included as part of a household's income?

All cash income or payments a household receives must be considered as income. This includes military housing and food allowances even though IRS does not consider them as such. However, the value of in-kind benefits, such as military base housing or other subsidized housing, medical or dental services are not considered as income.

The housing allowance for military personnel living in privatized housing, under the "Military Housing Privatization Initiative", will not be counted as income. Income is counted for household living off base in general commercial/private real estate market.

37. Why is the off-base housing allowance provided to service personnel counted as income when the value of on-base housing is not?

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

38. Homeless children residing with another household?

A child or family may temporarily reside with another household and still be considered homeless under the definition of homeless in the McKinney-Vento Homeless Assistance Act. In these cases the household size and income of the host family is not taken into consideration in determining the free meal eligibility for the child(ren) designated as homeless by the local educational agency liaison. Additionally, when a host family applies for free and reduced price meals for their own children, the host family may include the homeless family as household members if the host family provides financial support to the homeless family, such as shelter, utilities, clothing or food. In such cases, the host family must also include any income received by the homeless family. School officials must determine eligibility for the host family in the traditional manner. However, free meal eligibility for the homeless child is based on the documentation provided by the local education liaison, even when the child is included on the host family's free and reduced price meal application. If the host family meets the free or reduced price meal eligibility criteria, school officials should provide the host family with temporary approval for free or reduced price meal benefits, as appropriate. The host family's eligibility should be re-evaluated when their household size decreases, i.e., the homeless family leaves.

39. Are children for whom households receive adoption assistance payments under Title IV-E of the Social Security Act automatically eligible for free school meals?

No. Although Sections 673 and 674 of the Social Security Act specify that, for purposes

of Titles XIX (medical assistance) and XX (child care), children whose parents receive adoption payments shall be deemed to be recipients of the Aid to Families with Dependent Children program (now TANF), the statute did not extend this TANF equivalency to the NSLP, SBP, or SMP. Additionally, since there is no legislative prohibition from considering the adoption assistance payments as income, the amount of assistance **must** be included as household income in the free and reduced price meal eligibility determination.

40. **What can I do if I believe that a household's application contains false information?**

If an application is complete, it must be approved or denied on the basis of the information supplied. Verification efforts must not delay the approval. Verification must take place after the application approval process.

41. **May the approval of the application be delegated or contracted out along with other management responsibilities.**

No. Determination of eligibility for free and reduced benefits is a SFA responsibility.

VERIFICATION – please refer to the Verification Manual for more details.

(www.maine.gov/education/sfs/verif.htm)

42. **When is it necessary for me to verify applications?**

The local SFA must carry out verification of every school by November 15th of each school year. The number of applications to be verified are based on October 1st eligible free and reduced household applications.

43. **What schools must do verifications?**

All SFAs except schools using “Special Assistance Certification and Reimbursement Alternative” per 7 CFR 245.9 that are not in their base year of the cycle.

44. **What applications do not need verification?**

- * Students approved by Direct Certification.
- * Residential Child Care Institution (RCCI) except for day students.
- * Schools in the Special Milk Program (SMP)
- * Schools participating in one of the three special assistance certifications.

45. **What information must I verify?**

Verification is limited to confirmation that the child is included in a currently certified food stamp household or TANF assistance unit, or the household's income and household size.

46. **What information must I supply to the household?**

School officials must inform households of the types of information or documents that are acceptable (see Verification Handbook); that, if the household participates in the Food Stamp or TANF Programs, they may submit proof of current eligibility for that program instead of income information; that failure to cooperate will result in a loss of benefits; and the name and toll free phone number of a school official who can assist the household.

47. **What happens if the household will not cooperate with the verification process?**

Districts must make at least one attempt to obtain necessary verification information. Then the household is no longer eligible for free or reduced price meal benefits.

48. **What happens if the verification effort shows the household is ineligible to receive benefits or is eligible to receive lesser benefits?**

In these cases, the household must be notified in writing of the reduction or loss of benefits, allowing 10 days before the termination or reduction takes place, after at least one additional attempt to obtain the information is made.

49. **What if the household appeals to the hearing official?**

If the household was approved for benefits, and if the appeal is made within the 10 day notification period, the household should continue to receive the same benefits pending the hearing official's decision.

50. **A household removed due to lack of cooperation submits a new application. Does the school have to provide meals to the children while the new application undergoes the verification process?**

Yes. Approve the application according to the income stated, and place the children in the appropriate category pending verification.

51. **A child, removed from the free and reduced list due to verification, comes to school without lunch money or a bag lunch. What action should the school take?**

The school should set up its own policy for handling such instances. If the school allows the student to take school lunch, it may claim it only as a paid lunch and subsidize the meal from other district funds. Even though the child is not paying for the meal, s/he no longer

qualifies for free/reduced meal subsidies. If the school wishes to deny the child a meal, it should be documented with a registered letter to the parents.

SPECIAL ASSISTANCE CERTIFICATION

52. Must all schools collect applications on a yearly basis?

No. Schools with 80% or more students eligible for free or reduced price meals as of the preceding October, have the option to collect applications biennially from those students qualifying for free meals. All students who did not qualify for free meals during Year I must receive applications during Year II. This includes first graders, transfer students, all children previously certified for reduced price meals, and all paid children. This ensures that households will be aware of changes in income eligibility.

53. Must I collect applications on a yearly basis if my school serves meals free to all children?

Schools that elect to serve meals free to all non-eligible children in the school and to pay for them from sources other than Federal funds, have the option to collect applications triennially, every three or four years, depending on which provisional option is selected.

54. If my school qualifies and I distribute applications biennially, how does that affect my accountability?

For an 80% school, there is no change.

MILK PROGRAM

55. Are there any situations when free milk can be offered in schools participating in the lunch or breakfast program?

Milk subsidies are not available to such schools except for 1/2 day Pre-K/K classes approved under the Special Milk Program. Unless the district chooses to subsidize free milk for students in other grade levels, a child eligible for a free meal must take a reimbursable meal to receive the milk.

56. In Milk Only Schools (where neither breakfast nor lunch is offered), or in 1/2 day Pre-K/K classes approved for the Special Milk Program, how much milk must be made available to children eligible for free milk?

There is no regulatory requirement or limitation of the number of free half pints that a particular school may serve to each eligible child.

DISCIPLINARY ACTION

57. Are there any restrictions on disciplining children by restricting meal services?

FNS Instructions 791-1 prohibits the denial of free or reduced price meals, as disciplinary action, to children certified as eligible for such meals. Section 9 of the National School Lunch Act and Public Law 92-32 mandates the requirement of meal service to free or reduced price children. Thus, any disciplinary action, which results in the denial of free or reduced price meals to eligible children, is clearly contrary to the law.

58. What can I do when students abuse the system by selling their free or reduced price tickets and then expect to have their tickets replaced?

Tickets do not have to be replaced. Most schools keep a list of the students who lose their tickets. When this happens repeatedly, the tickets are not replaced. Schools are urged to have a written, widely publicized policy about meal ticket replacement for students in any meal category. Tickets can be printed with a blank line where the student's name is written upon receipt of the tickets. In schools where the cashier knows the students, a person with a stolen or resold ticket can thus be identified

59. How do I handle charges or delinquent payments for paid meals?

Schools are urged to have a written, widely publicized policy regarding charging for students in paying and reduced price meal categories. A written record must be kept for all students who charge. This would include the name and the amount of money charged. A limit should be set on the amount of money to be charged or the number of meals. Bills could be sent out weekly. After a bill and a letter explaining the free and reduced price meal policies accompanied by an application has been sent, and no attempt to pay the bill has been made, the school administrator may contact the household personally. If this effort to get payment is unsuccessful, a registered letter should follow. It should tell the parents that the children will no longer be allowed to charge as of a specified date and that they must then provide lunches or funds to pay for school lunches.

STUDENT WORKERS

60. Are there any restrictions against free and reduced price meal recipients working in the lunchroom?

The regulations state that free and reduced price meal recipients shall not be required to work for their meals or milk. Students may volunteer, however, or schools may employ student helpers for monetary or other compensation. Minors under 15 years of age are permitted to serve food, scrape trays, and wash tables. In these cases, parents of all workers should be informed in writing that their children have volunteered to work in the lunchroom. The letter should state that if the child has been certified as eligible for a free or reduced price meal, their continued eligibility is in no way dependent upon their working.

CONFIDENTIALITY

61. What information may be disclosed permissibly without consent?

(The term “persons directly connected” in this section included Federal, State and local program operators responsible for program administration or program compliance and their contractors.)

A. Disclosing names and eligibility status in accordance with the NSLA.

Determining agencies may disclose, without consent, participants’ names and eligibility status (whether they are eligible for free meals or free milk or reduced price meals) to persons *directly* connected with the administration or enforcement of the following programs:

1. Federal education programs, such as Title I and the National Assessment of Educational Progress, No Child Left Behind (NCLB).
2. State health or State education programs provided the programs are administered by a State agency or a local education agency.

Representatives of State or local education agencies evaluating the results and compliance with student assessment programs would be covered only to the extent that the assessment program was established at the State, not local level.

3. Federal, State, or local means-tested nutrition programs with eligibility standards comparable to the National School Lunch Program (i.e., food assistance programs to households with income at or below 185 percent of the Federal poverty level, such as the Food Stamp Program or a State or local nutrition program).
4. MEDEMS

B. Disclosing all eligibility information in accordance with the NSLA.

In addition to names and eligibility status, determining agencies may disclose, without consent, **all eligibility information** obtained through the free and reduced price meal or free milk eligibility process (including all information on the application or obtained through direct certification or verification) to the following:

1. Persons directly connected with the administration or enforcement of the programs authorized under the NSLA or Child Nutrition Act of 1966 (CNA) (42 U.S.C. 1771). This includes the National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, Summer Food Service Program, and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). This means that program eligibility information collected for any one of the Child Nutrition Programs may be shared with another Child Nutrition Program, even if the programs are sponsored by different entities. For example, a public school may disclose information from children’s free and reduced price school meal applications, without parental consent, to a Summer Food Service Program administered by Parks and Recreation.

2. The Comptroller General of the United States for purposes of audit and examination.
3. 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 authorized to have access to names and eligibility status discussed in Paragraph A above.

C. Recommendation for notifying households of potential disclosures.

While not a requirement, we recommend that determining agencies inform households if they plan to disclose or use eligibility information outside the originating program. The notice of potential disclosure may be in the notice/letter to households that accompanies the free and reduced price meal or free milk application, on the application, or, for participants directly certified, in the document informing households of the participants' eligibility through direct certification. The notification should state that the participants' names, eligibility status and other information provided on the application or obtained through direct certification or verification 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.

62. What types of disclosures require consent?

A. Disclosing eligibility information to individuals and programs not authorized under the NSLA.

The disclosure of participants' names and *any* eligibility information that identifies them individually to programs or individuals not specifically authorized by the NSLA requires written consent. Some programs that may request names and eligibility information for which consent prior to disclosure is required include:

1. Federal health programs, such as Medicaid or the Children's Health Insurance Program (CHIP);
2. Local health and local education programs and other local level activities. For example, the disclosure of children's eligibility for free and reduced price meals to determine children's eligibility for free text books or reduced fees for summer school requires consent when these are local initiatives and not State programs; and
3. Any other Federal, State or local program or individual not included in the statute.

B. Disclosing information that goes beyond that allowed under the NSLA.

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

63. What are the requirements for consent statements?

The consent statement must be in writing. It may be obtained at the time of application, such as on a multi-use application, or at a later time.

The consent statement must conform to the following requirements:

1. consent statement must identify the information that will be shared and how the information will be used.
2. The consent statement must 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 the CACFP, the adult participant must sign the consent statement unless a guardian has been appointed.
3. The consent statement must state that failing to sign the consent statement will not affect eligibility or participation for the program and that the information will not be shared by the receiving program with any other entity or program.
4. The parent/guardian/adult must be able to limit consent to only those programs which he or she wishes to share information. For example, the consent statement could use a check-off system under which the applicant would check or initial a box to indicate that he or she wants to have information disclosed to determine eligibility for benefits from a particular program.

64. What are the requirements for disclosure of social security numbers?

When disclosing or using the social security number provided by the household on the application for any purpose other than the program for which the number was collected, the determining agency must modify the notice required by the Privacy Act of 1974 concerning the potential uses of the social security number. The notice must inform households of the additional intended uses of the number.

65. Are agreements required?

Prior to disclosing or using any information for purposes other than the program for which the information was obtained, we recommend that the determining agency enter into a written agreement with the entity requesting the information. We suggest that the agreement be signed by both the determining agency and the receiving entity, identify the entity receiving the information to be disclosed and how it will be used, describe how the information will be protected from unauthorized uses and disclosures, and describe the penalties for unauthorized disclosure.

At a minimum, the receiving entity must be informed in writing that eligibility information may only be used for the purpose for which the disclosure was made, that further use or disclosure to other parties is prohibited and that a violation of this provision may result in a fine or not more than \$1000 or imprisonment of not more than 1 year, or both.

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

66. **Are there any penalties for improper disclosure?**

The NSLA establishes a fine of not more than \$1000 or imprisonment of not more than 1 year, or both, for publishing, divulging, disclosing, or making known in any manner or extent not authorized by Federal law, any eligibility information. This includes the disclosure of eligibility information by one entity authorized under the NSLA to receive the information to any other entity, even if that entity would otherwise be authorized to receive the information directly from the determining agency.