

# Verification

## Section 6 Update Guide

- April 11, 2019 Clarified information on the following topics:
- Appeals
  - Confirmation reviews
  - Income
  - Medicaid direct verification
  - Records retention
  - Required Use of Information statement
  - Resources
  - Sample size
  - Texas Eligibility List Management System (Texas ELMS)
  - Timeline
  - Use of Texas Eligibility List Management System (Texas ELMS)
  - Verification for residential child care centers (RCCIs) and non-charging programs including special provision options
- September 29, 2017 Updated *Section 6, Verification* to incorporate the following United States Department of Agriculture guidance:
- *USDA Memo SP 36-2017, Eligibility Manual for School Meals Determining and Verifying Eligibility* (July 18, 2017)
- Clarified information on the following topics:
- Appeal process
  - Complete verification process
  - Compliance
  - Definitions to include the information related to Medicaid and Indian Tribal Organizations (ITO)
  - Direct Certification is completed before the verification process is completed
  - Household notification
  - Non-response rate
  - Official roles related to eligibility and verification
  - Third party verification tasks
- November 29, 2016 Updated *Section 6, Verification* to incorporate the following USDA memos and guidance:
- *USDA Memo SP 51-2016, Ensuring Year-long Eligibility in the School Lunch and School Breakfast Programs* (August 5, 2016)
  - *USDA Memo SP 50-2016, 2016 Edition of Eligibility Manual for School Meals* (July 29, 2016)
  - *USDA Memo SP 43-2016, Ensuring Access to Free and Reduced Price School Meals for Low-Income Students* (June 30, 2016)
  - *USDA Memo SP 37-2016, Meaningful Access for Persons with Limited English Proficiency (LEP) in the School Meal Programs: Guidance and Q&As* (May 25, 2016)

Provided clarification on the following topics in addition to incorporating guidance from USDA:

- Confirming official, confirmation review
- Direct verification
- Records retention
- TDA Forms
- Training
- Use of Information statement
- Verification for cause

December 16, 2015

Updated *Section 6, Verification* to incorporate the following USDA memos and guidance:

- *USDA Memo SP 40-2015 , 2015 Edition of Eligibility Manual for School Meals* (July 7, 2015)

Provided clarification on the following topics in addition to incorporating guidance from USDA:

- Community Eligibility Provision and Special Provision 2
- Household reapply for the program
- Program integrity
- Timeline
- Verification for cause
- Verification pool
- Verification reporting

May 18, 2015

Updated *Section 6, Verification* to clarify use of calendar and operating days.

March 27, 2015

Updated *Section 6, Verification* to incorporate the following USDA memos and guidance:

- *USDA Guidance, Eligibility Manual for School Meals Determining and Verifying Eligibility* (August 8, 2014)

Provided clarification on the following topics in addition to incorporating guidance from USDA:

- Compliance
- Direct certification and direct verification
- Official roles related to eligibility and verification
- Questionable household applications, verification for cause
- Record retention
- *School Food Authority (SFA) Verification Collection Report, FNS-742*
- Validation of program participation
- Verification pool
- Verification reporting

- December 2, 2013 Updated *Section 6, Verification* to incorporate the following USDA memos and guidance:
- USDA Guidance, *Eligibility Manual for School Meals Determining and Verifying Eligibility* (August 29, 2013)
  - USDA Memo SP 42-2012, *Application and Other Household Materials for Limited English Proficient Households* (August 16, 2012)
  - USDA Memo SP 40-2013, *Questions and Answers Regarding the Participation of Head Start Programs in Child Nutrition Programs* (May 17, 2013)
  - USDA Memo SP 02-2012, *Verification and Reporting of Foster Children* (October , 24, 2011)
- Provided clarification on the following topics in addition to incorporating guidance from USDA:
- Contact information for the Texas Department of Agriculture (TDA)
  - Definitions for terms used during the verification process
  - Documentation related to verification
  - Specific actions CEs take during the verification process
  - Standard and alternative sample size methods
  - Timeline for adverse action
  - Toll free phone numbers
- August 15, 2013 Updated *Section 6, Verification* references to required verification forms.
- July 10, 2013 Updated *Section 6, Verification* to include the current nondiscrimination statement as provided in *USDA Memo, USDA Nondiscrimination Statement Update* (May 24, 2013)

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## Contact Information for the

### Texas Department of Agriculture (TDA), Food and Nutrition

When contacting TDA by phone, Contracting Entities (CEs) need to have their CE Identification Number (CE ID) (and site ID, if applicable). CEs should include their name and CE ID (and site name and ID if applicable) in all communication or documentation.

General Contact Information			
<i>Physical Address</i>		<i>Mailing Address</i>	
1700 N. Congress, 11th Floor, Austin, TX 78701		PO Box 12847, Austin, TX 78711-2847	
<i>Phone</i>	<i>Fax</i>	<i>Email Contact</i>	<i>Website</i>
877-TEXMEAL, (877) 839 -6325	(888) 203-6593	<a href="mailto:squaremeals@TexasAgriculture.gov">squaremeals@TexasAgriculture.gov</a>	<a href="http://www.squaremeals.org">www.squaremeals.org</a>
<i>Questions about Program Applications</i>		<i>Questions about Program Operation</i>	
<i>Child &amp; Adult Care Food Program</i>		<i>USDA Foods Operations</i>	
<a href="mailto:CACFP.BOps@TexasAgriculture.gov">CACFP.BOps@TexasAgriculture.gov</a>		<a href="mailto:CommodityOperations@TexasAgriculture.gov">CommodityOperations@TexasAgriculture.gov</a>	
<i>National School Lunch Program, School Breakfast Program, &amp; Special Milk Program</i>		<i>Community Operations (Child &amp; Adult Care Food Program &amp; Summer Food Service Program)</i>	
<a href="mailto:NSLP-SBP.BOps@TexasAgriculture.gov">NSLP-SBP.BOps@TexasAgriculture.gov</a>		<a href="mailto:Commuinty.Ops@TexasAgriculture.gov">Commuinty.Ops@TexasAgriculture.gov</a>	
<i>Seamless Summer Option</i>		<i>School Operations (National School Lunch Program, School Breakfast Program, &amp; Special Milk Program)</i>	
<a href="mailto:SSO.BOps@TexasAgriculture.gov">SSO.BOps@TexasAgriculture.gov</a>		<a href="mailto:School.Operations@TexasAgriculture.gov">School.Operations@TexasAgriculture.gov</a>	
<i>Summer Food Service Program</i>		<i>Texas Eligibility List Management System (Texas ELMS)</i>	
<a href="mailto:SFSP.BOps@TexasAgriculture.gov">SFSP.BOps@TexasAgriculture.gov</a>		<a href="mailto:DirectCertification@TexasAgriculture.gov">DirectCertification@TexasAgriculture.gov</a>	
		<i>Local Products</i>	
		<a href="mailto:LocalProducts.SquareMeals@TexasAgriculture.gov">LocalProducts.SquareMeals@TexasAgriculture.gov</a>	
<i>Questions about Program Flexibility</i>		<i>Questions about Financial Issues</i>	
<a href="mailto:SNPWaivers@TexasAgriculture.gov">SNPWaivers@TexasAgriculture.gov</a> for questions about		<i>Capital Expenditures</i>	
<ul style="list-style-type: none"> <li>▪ <i>Breakfast Waiver</i></li> <li>▪ <i>Child Nutrition Program Requirement Waivers</i></li> <li>▪ <i>Gender Exception</i></li> <li>▪ <i>Hiring Standards for CEs with Less Than 500 Students</i></li> <li>▪ <i>Lunch Meal Time</i></li> <li>▪ <i>Paid Lunch Equity (not currently available)</i></li> <li>▪ <i>RCCI Age/Grade Group Meal Pattern</i></li> <li>▪ <i>Seamless Summer Operation (SSO) Age/Grade</i></li> <li>▪ <i>Summer Mandate</i></li> <li>▪ <i>Technology-Based Confirmation</i></li> <li>▪ <i>Universal Breakfast Mandate</i></li> <li>▪ <i>Vending Machine to Dispense Reimbursable Meals</i></li> </ul>		<a href="mailto:NSLP-SBP.BOps@TexasAgriculture.gov">NSLP-SBP.BOps@TexasAgriculture.gov</a>	
		<i>Procurement, Including Sole Source</i>	
		<a href="mailto:CE.ProcurementReviews.BOps@TexasAgriculture.gov">CE.ProcurementReviews.BOps@TexasAgriculture.gov</a>	
		<i>Excessive Balance Plan</i>	
		<a href="mailto:School.Operations@TexasAgriculture.gov">School.Operations@TexasAgriculture.gov</a>	
<a href="mailto:Nutrition@TexasAgriculture.gov">Nutrition@TexasAgriculture.gov</a> for questions about			
<ul style="list-style-type: none"> <li>▪ <i>Whole Grain Rich for SY 2018-2019 Exemption:</i></li> <li>▪ <i>Milk Substitute Notification</i></li> </ul>			

2/11/19



# Verification

Verification is the process for reviewing the eligibility determination for a free or reduced-priced household application submitted for the National School Lunch Program (NSLP) and School Breakfast Program (SBP). Verification of a household's application must include one of the following:

1. Confirmation of income eligibility
2. Confirmation that the student or any member of the household is a participant in a Categorical Assistance Program
  - Supplemental Nutrition Assistance Program (SNAP)
  - Temporary Assistance for needy Families (TANF)
  - Food Distribution Program on Indian Reservations (FDPIR)
  - Medicaid Free (Identified through a direct verification match in the Texas Eligibility List Management System [Texas ELMS])
  - Medicaid Reduced (Identified through a direct verification match in Texas ELMS)

or a participant in one of the Other Source Categorical Eligible programs

- Designated state<sup>1</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, Head Start, and Indian Tribal Organization (ITO) pre-kindergarten program

## Information Box 1

### Categorical Programs Qualifying Students for NSLP and SBP Free Benefits

#### Categorical Assistance Programs

- Supplemental Nutritional Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Food Distribution Program on Indian Reservations (FDPIR)

*Identified through a direct certification match in the Texas Eligibility List Management System (Texas ELMS)*

- Medicaid Free
- Medicaid Reduced

#### Other Source Categorical Eligible Programs

- Designated state or federally funded pre-kindergarten programs, including Early Head Start, Even Start, Head Start, and Indian Tribal Organization (ITO) pre-kindergarten program
- Foster
- Homeless, including runaways and individuals displaced by declared disasters
- Migrant
- SNAP, TANF, or FDPIR eligible students who are not directly certified

<sup>1</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

- Foster<sup>2</sup>
- Homeless, including runaways and individuals displaced by declared disasters
- Migrant
- SNAP, TANF, or FDPIR eligible students who are not directly certified

The verification process helps to maintain program integrity.

As part of the process to determine eligibility, CEs are required to validate<sup>3</sup> that a student is a participant in a categorical program, with the exception of a foster child, when a household application designates participation in one of the categorical programs. If a student’s participation in a designated state<sup>4</sup> or federally funded pre-kindergarten program, including Early Head Start, Even Start, and Head Start; homeless, including runaways and individuals displaced by declared disasters; or migrant is validated,<sup>5</sup> the student is directly certified and is not subject to verification or direct verification and is not included in the verification pool.

The *Administrator’s Reference Manual, Section 4, Determining Eligibility* provides detailed information on processes that are related to eligibility determination.

Information Box 2

**Strategies to Prevent Overlooking Verification Deadlines**

CEs may find the following strategies helpful in meeting the verification timeline.

**Calendar:**

Mark the date verification is to begin and the deadline for its completion on the school calendar of events or a calendar noting other important dates and deadlines.

**Staff Backup:**

Ensure that more than one person is aware of the deadline and of the verification requirements.

Assign an alternate Verification Official. This will help if an assigned Verification Official is suddenly unable to conduct verifications.

**Plan of Action:**

Develop a written verification plan that includes the methods to be used and the time frames by which each step must be accomplished. The plan should be revised and updated each year as needed.

**Time Management:**

Allow sufficient time for agencies (e.g., SNAP or TANF office) to confirm household eligibility. Thirty days is the minimum time an CE should allow for agencies to confirm household eligibility when using agency records in this process.

<sup>2</sup> Where the state retains legal custody of the child. See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>3</sup> See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>4</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>5</sup> See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for additional information on validation.

This section provides detailed information on the following topics:

- Process for verifying household applications
- Selection of the verification sample from the total pool of household applications
- Confirmation of the initial eligibility determination for household applications selected for verification
- Notification—selection for verification and verification results
- Requirements for applying verification results
- Appeal of verification decisions
- Reporting
- Records retention

## Definitions for This Section

For this section, the following terms will be used:

<i>Categorical Assistance Eligible Program</i>	Program benefits for a student are based on the student or any household member’s participation in SNAP, TANF, FDPIR, or, if directly certified in the Texas ELMS, Medicaid Free and Medicaid Reduced that conveys categorical or direct certification of eligibility for free or reduced-price school meals.
<i>CE Operating Day</i>	Days when the school nutrition program staff are preparing for or serving reimbursable meals and other days when conducting official operational tasks
<i>Confirmation Review</i>	Process used to ensure that the initial eligibility determination was accurate for all household applications selected for verification.
<i>Current Income<sup>6</sup></i>	Gross income received by a household, before deductions, for the current month, or the amount projected for the first month for which the household application is filled out, or for the month prior to household application. If this income is higher or lower than usual and does not fairly or accurately represent the household’s actual circumstances, the household may, in conjunction with determining officials, project its annual rate of income based on the circumstance of the situation. These circumstances are described in the special situation guidance located throughout this section.

<sup>6</sup> See *Administrator’s Reference Manual (ARM), Section 4, Determining Eligibility* for additional income information.

DC List, Texas  
ELMS  
(NSLP/SBP  
Only)

List of students that have been directly certified<sup>7</sup> using the Texas ELMS for NSLP or SBP. Texas CEs match the names of enrolled students' households that qualify for SNAP and TANF eligibility and, starting October of 2017 for NSLP and SBP, Medicaid Free and Medicaid Reduced eligibility.

[NOTE: Disaster SNAP (D-SNAP) data is included in the SNAP data provided in Texas ELMS.]

CEs must securely maintain this list onsite with their eligibility determination documentation. See the *Records Retention* subsection in this section for additional information on retention of eligibility documentation.

CEs will also use this information on the *School Food Authority (SFA) Verification Collection Report (FNS-742)*<sup>8</sup> which is submitted in TX-UNPS each year.

Determination of eligibility for free or reduced-price meals based on documentation obtained directly from a state or local agency or authorized program representative. When a student is directly certified, the household does not need to submit a school meal application.

*Direct Certification for Categorical Assistance Eligible Programs*

- *SNAP/TANF (Free Meals)*—CEs match the names of enrolled students whose households qualify for SNAP or TANF in Texas ELMS.
- *FDPIR (Free Meals)*—In Texas, Direct Certification for FDPIR is accomplished when the CE reaches out to the local tribal organization or appropriate tribal official to get a list of eligible students.

Direct  
Certification  
(NSLP/SBP  
Only)

*If a Directly Certified in Texas ELMS*

- *Medicaid Free (Free Meals)*—Direct Certification for Medicaid Free must be based on a match in Texas ELMS.
- *Medicaid Reduced (Reduced-Price Meals)*—Direct Certification for Medicaid Reduced must be based on a match in Texas ELMS.<sup>9</sup>

*Direct Certification for Other Source Categorical Eligible Programs*

- *Designated state<sup>10</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, and Head Start; homeless, including runaways and individuals displaced by declared disasters; migrant; and SNAP, TANF, or FDPIR eligible students who are not directly certified*—The CE works with an authorized program representative to obtain information, so the CE can match a student enrollment list to a program participant list. Students who are directly certified for Other Source Categorical Programs receive free or reduced-price school meals.

<sup>7</sup> CEs may also directly certify students for Other Source Categorical Eligible Programs.

<sup>8</sup> Applies only to NSLP and SBP

<sup>9</sup> CEs must only use the Direct Certification component of the Texas ELMS when directly certifying households. The Direct Verification component must only be used when conducting Direct Verification of a household selected for verification.

<sup>10</sup> See the definition for *State-Funded Early Childhood Program Categorical Eligibility* for additional information on state-funded program eligibility.

The direct certification list with the names of all enrolled students who are directly certified. This list which is commonly maintained in a CE's point of service (POS) system must delineate by type of direct certification:

*Categorical Assistance Eligible Program*

- SNAP
- TANF
- FDPIR

*If Directly Certified in Texas ELSM*

- Medicaid Free
- Medicaid Reduced

*Other Source Categorical Eligible Program*

- Designated state<sup>11</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, Head Start, and Indian Tribal Organization (ITO) pre-kindergarten programs;
- Foster<sup>12</sup>
- Homeless, including runaways and individuals displaced by declared disasters
- Migrant
- SNAP, TANF, or FDPIR eligible students who are not directly certified

Direct  
Certification  
List, CE  
Maintained

All CEs must maintain this list with appropriate documentation onsite. All CEs must use this information on the *School Food Authority (SFA) Verification Collection Report (742)* which is submitted in TX-UNPS each year.

*[NOTE: The School Food Authority (SFA) Verification Collection Report (742)<sup>13</sup> requires that CEs report direct certification for SNAP, TANF, and Other Source Categorical Eligible programs in different answer fields. CEs will need to be diligent to ensure that the correct numbers are recorded in each answer field. However, when reporting information. CEs will report Medicaid Free and Medicaid Reduced after October of 2017 for NSLP and SBP.]*

All CEs must also report their direct certification numbers for Categorical Assistance Eligible programs and Other Source Categorical Eligible programs in the Community Eligibility Provision (CEP) report each year.

*[NOTE: The CEP report requires that CEs report a combined total for all programs.]*

<sup>11</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>12</sup> Where the state retains legal custody of the child. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>13</sup> Applies only to NSLP and SBP

<i>Eligibility Determination Group Number (EDG#)</i>	Identification number provided by Texas Health and Human Services for households receiving Supplemental Nutrition Assistance Program (SNAP which includes Disaster SNAP or D-SNAP) or Temporary Assistance for Needy Families (TANF) benefits
<i>Enrolled Student (As defined for this section)</i>	Student enrolled in a participating NSLB and/or SBP school. A student’s eligibility to participate in NSLP and SBP is based on a student’s enrollment status as defined in <i>Texas Education Code (TEC), Title 2, Subtitle E, Chapter 25, Subchapter A, Section 25.001.</i> [NOTE: This includes half-day students who have access to either breakfast and/or lunch.]
<i>Error Prone Household Application</i>	Household application that includes an income amount that is within \$100 per month (\$1200 per year) of the applicable Income Eligibility Guidelines (IEG). <sup>14</sup> <i>Error prone replaces the term <u>focused sample</u> in the verification process. Error prone household applications do not include SNAP, TANF, or FDPIR household applications that are directly certified.</i>
<i>Extended Eligibility of Categorical Eligibility</i>	Student who is categorically eligible because the student lives in a household where a household member participates in a program that extends eligibility to other household members. All students in the household who are participating in one or more of the child nutrition programs are categorically eligible for free or reduced-price meals if any student or adult is receiving SNAP and TANF and, starting October of 2017 for NSLP and SBP, Medicaid Free and Medicaid Reduced program benefits is a member of that household. Adults in the household include parents, adult siblings, aunts, uncles, cousins, or adults that are not relatives who are part of the household.
<i>Fragile Household</i>	Household that would be unable to satisfactorily respond to a verification request.
<i>Gross Income</i>	All money earned before such deductions as income taxes, employee’s Social Security taxes, insurance premiums, and bonds.
<i>Household Application</i>	Household application used by households to apply for free or reduced-price meals through NSLP or SBP.
<i>Income (As defined for this section)</i>	Any money received on a recurring basis, including earnings, pensions, and child or spousal support, unless an income source is specifically excluded by law for the Child Nutrition Programs. This definition only applies to eligibility determination as used in this section.
<i>Income Eligibility Guidelines (IEGs)</i>	The household size and income levels for determining eligibility for free and reduced-price meals—IEGs—are published annually by the U.S. Department of Agriculture (USDA).

<sup>14</sup> USDA typically updates the income eligibility criteria in the late spring. As soon as those updates are publicized, changes are posted at [www.squaremeals.org](http://www.squaremeals.org). For SY 2012–2013, free guidelines are at or below 130 percent of the Federal poverty guidelines. The reduced-price guidelines are between 130 and at or below 185 percent of the Federal poverty guidelines. See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for more information on income eligibility, including how to convert household income with varied frequency to total yearly income.

<i>Indian Tribal Organization (ITO)</i>	<p>Recognized governing body of (1) <i>any Indian tribe, Band, Nation, or other organized Indian group on a reservation<sup>15</sup> that is recognized as eligible for federal programs and services provided to Indians because of their status as Indians; or (2) any Indian tribe or Band on a reservation holding a treaty with a State government as defined in Title 7, Code of Federal Regulations 271.2.</i></p> <p>Students who participate in an Indian Tribal Organization (ITO)-funded pre-K or comparable Head Start program using identical or more stringent eligibility criteria than the federally funded Head Start Program are categorically eligible for free meals.</p>
<i>Indian Tribal Organization (ITO) Pre-Kindergarten Program Eligibility</i>	<p>Students who participate in an Indian Tribal Organization (ITO) funded pre-kindergarten program using identical or more stringent eligibility criteria than the federally funded Head Start Program are categorically eligible for free meals.</p>
<i>Interval Number</i>	<p>Number used to randomly select household applications for verification. To get the interval number, divide the total number of household applications by the sample size.</p>
<i>Medicaid Free</i>	<p>Eligibility determination made in Texas ELMS. Students whose households match as Medicaid Free are eligible for free meals.</p>
<i>Medicaid Reduced</i>	<p>Eligibility determination made in Texas ELMS. Students whose households match as Medicaid Reduced are eligible for reduced-price meals.</p>
<i>Non-Responsive (Non-Response)</i>	<p>Lack of or incomplete response by the household after the initial request for verification information.</p>
<i>Non-Response Rate</i>	<p>Percentage of households that do not respond to a request for verification information. This includes households that do not respond as well as incomplete or ambiguous responses.</p>

<sup>15</sup> Recognized ITO is defined as (1) *Any Indian tribe, Band, Nation, or other organized Indian group on a reservation for example, a Rancheria, Pueblo or Colony, and including any Alaska Native Village or regional or village corporation (established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), that is on a reservation and is recognized as eligible for Federal programs and services provided to Indians because of their status as Indians; or (2) any Indian tribe or Band on a reservation holding a treaty with a State government.*

<i>Other Source Categorical Eligible Programs</i>	<p>An individual student’s eligibility under any of the Other Source Categorical Eligible programs does not convey to other students in the household. The following programs are classified as Other Source Categorical Eligible programs:</p> <ul style="list-style-type: none"> <li>– Designated state<sup>16</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, Head Start, and Indian Tribal Organization (ITO) pre-kindergarten programs</li> <li>– Foster<sup>17</sup></li> <li>– Homeless, including runaways and individuals displaced by declared disasters</li> <li>– Migrant</li> <li>– SNAP, TANF, or FDPIR eligible students who are not directly certified</li> </ul>
<i>Random Sampling or Selection</i>	Process for giving each household application an equal chance of being selected for verification. A statistically valid sample is not required.
<i>Random Selection Method</i>	Use of the interval number to choose household applications for the verification process.
<i>Sample Size</i>	Number of household applications to be verified.
<i>SNAP Household Categorical Eligibility</i>	Any student in a household where an individual or group of individuals currently certified to receive program benefits under the Supplemental Nutrition Assistance Program (SNAP) is categorically eligible for free meals.
<i>TANF Categorical Eligibility</i>	Any student in a household where an individual or group of individuals currently certified to receive assistance under the Temporary Assistance for Needy Families (TANF) Program is categorically eligible for free meals.
<i>Total Enrollment Number for Schools Operating NSLP or SBP</i>	Total number of students that accurately reflects the total number of students that are currently attending and enrolled <sup>18</sup> in a school operating NSLP or SBP and who have access to at least one NSLP or SBP meal service during the operational day.

<sup>16</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>17</sup> Where the state retains legal custody of the child. See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>18</sup> As defined by *Texas Education Code (TEC), Title 2, Subtitle E, Chapter 25, Subchapter A, Section 25.001* provides additional information related to enrollment.



<i>Validation of Program Participation</i> <sup>19</sup>	A process to validate that a student participates in a Categorical Assistance Eligible <sup>20</sup> program or one of the Other Source Categorical Eligible programs <sup>21</sup> when a household school meal application designates that a student participates in one of these programs. The requirement to validate participation does not apply to a household application that designates that the student is a foster child. A designation of foster on a household application is accepted at face value and does not require validation. If <u>all</u> of the students listed on the household application are validated, the household application is not included in the verification pool.
<i>Verification for Cause</i>	A process to verify any questionable household application on a case-by-case basis.
<i>Verification Sample</i>	Household applications selected to be verified, not including household applications selected <i>for cause</i> or household applications for students who are directly certified. <i>[NOTE: In cases where households include students designated as Other Source Categorical Eligible program participants and students who are not participants in an Other Source Categorical Eligible program, only those students who are not directly certified as Other Source Categorical Eligible program participants are included in the verification process if the household application is selected for verification.]</i>
<i>Verification Sample Pool</i>	Total number of <u>approved</u> household applications as of October 1 of the current school year (SY). These household applications must be included in the pool of household applications from which household applications are chosen for verification.

<sup>19</sup> See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for addition information on validation.

<sup>20</sup> SNAP, TANF, and FDPIR

<sup>21</sup> Designated state or federally funded pre-kindergarten programs, including Early Head Start, Even Start, and Head Start; foster; homeless, including runaways and individuals displaced by declared disasters; migrant; and SNAP, TANF, or FDPIR eligible students who are not directly certified. Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

# Official Roles Related to Eligibility and Verification

Each CE must designate a specific person—Determining or Reviewing Official, Verification Official, and Hearing Official—in the Contracting Entity Application in the Texas Unified Nutrition Programs System (TX-UNPS) Application Packet screen.

The CE must ensure that staff performing these roles have the necessary training or preparation to perform these roles effectively and accurately.

Eligibility/Verification Official Role Chart					
If a <u>No</u> is recorded at the intersection of the column and row, the individual <u>cannot</u> perform the required actions for both official roles.					
If a <u>Yes</u> is recorded at the intersection of the column and row, the individual <u>can</u> perform the required actions for both official roles.					
	Determining /Reviewing <sup>R</sup>	Hearing <sup>R</sup>	Verification <sup>R</sup>	Confirming <sup>O</sup>	Follow-Up <sup>O</sup>
Determining /Reviewing <sup>R</sup>	--	No	Yes	No	Yes
Hearing <sup>R</sup>	No	--	No	No	No
Verification <sup>R</sup>	Yes	No	--	Yes	Yes
Confirming <sup>O</sup>	No	No	Yes	--	Yes
Follow-Up <sup>O</sup>	Yes	No	Yes	Yes	--
<p><i>Key for Abbreviations</i></p> <p><sup>R</sup> = Required—CE <b>is required</b> to assign an individual(s) to perform the actions associated with this role.</p> <p><sup>O</sup> = Optional— CE <b>is not required</b> to assign an individual(s) to perform the actions associated with this role, but the actions associated with this role <b>are required</b>.</p>					

## *Determining or Reviewing Official (Required)*

Person who reviews all household applications, direct certification lists, and other documentation for categorical eligibility in order to make decisions related to eligibility.

*Cannot be the same person as the confirming or hearing official*

## *Hearing Official (Required)*

Person who ensures that all required provisions are followed correctly and makes a determination any time there is an appeal of decisions related to eligibility determinations.

*Cannot be the same person as the determining or reviewing official, confirming, or verifying official*

## *Verifying Official (Required for Verification)*

Person who verifies the eligibility of applicant households.

*Cannot be the same person as hearing official*

*May be the same person as determining or reviewing or confirming or follow-up official*

*Confirming Official (Optional Designation, Required Action)*

Person who confirms that the initial determination made by the determining or reviewing official was accurate; cannot be the same person as the determining or reviewing or hearing officials.

*May be the Follow-up or Verification Officials*

*Follow-Up Official (Optional Designation, Required Action)*

Person who conducts follow-up with any household or agency that has not submitted requested or adequate information.

*May be the Confirming or Verification Official*

**Food Service Management Company (FSMC) Role in Household Application Review**

An employee of the food service management company may act as an agent for the CE in various aspects of the household application including the verification process. The FSMC employee must comply with all requirements for these processes, including limited disclosure of individual eligibility information. The information on the household application remains the property of the CE and cannot be used or possessed by the food service management company for any use other than to determine eligibility for free or reduced-price meals or conduct verification as appropriate.

When an FSMC assists with verification, the CE retains the responsibility to sign notifications and other determination-related documentation. This responsibility includes a CE official's signature (or initials) on printed copies of the household application or batched electronic household applications after the FSMC has completed eligibility determinations for verification. In all cases, the CE is ultimately responsible for ensuring that all requirements are being met.

**Third Party**

If a CE contracts with a third party to assist with the required follow-up activities, the third party is subject to the confidentiality requirements outlined in program regulations.

# Verification Process

The following chart summarizes the verification process:

Verification Process Chart	
<i>Identify Sample Size</i>	
<ul style="list-style-type: none"> <li>➔ Determine sample size.</li> </ul>	
<hr/>	
<i>Direct Verification (DV)</i>	
<ul style="list-style-type: none"> <li>➔ Conduct DV<sup>22</sup> for all of the household applications selected for verification.</li> <li>➔ Remove household applications that are directly verified from sample.</li> </ul>	
<hr/>	
<i>Confirmation</i>	
<ul style="list-style-type: none"> <li>➔ Ensure that the eligibility determination is correct.</li> </ul>	
<hr/>	
<i>Notification</i>	
<ul style="list-style-type: none"> <li>➔ Send a letter to the household of remaining applications asking the households to submit verification documentation.</li> </ul>	
<hr/>	
<i>Verification Process</i>	
<ul style="list-style-type: none"> <li>➔ Follows-up with all households that have not submitted verification documentation as requested.</li> <li>➔ Review all documentation submitted to verify eligibility.</li> <li>➔ Completes the verification process based on the results.</li> </ul>	
↓	↓
<i>No Eligibility Change</i>	<i>or</i> <i>Change in Eligibility</i>
<ul style="list-style-type: none"> <li>➔ Verification is complete.</li> </ul>	<p><b>Benefit Increase</b></p> <ul style="list-style-type: none"> <li>➔ Implement the benefit increase within 3 operating days.</li> </ul> <p><b>Benefit Decrease</b></p> <ul style="list-style-type: none"> <li>➔ Notify household within 10 operating days of new eligibility determination.</li> <li>➔ Include notice that household has 10 calendar days (advance period) to appeal the determination. <b>The advance period starts</b> the day the notice was sent.</li> <li>➔ Implement the new eligibility determination within 10 operational days of the last day in the 10 calendar days advance period if there is no appeal.</li> </ul>

<sup>22</sup> Direct Verification is not required. However, conducting Direct Verification often reduces the number of households that must be contacted for the verification process.

## Timeline Requirements

The following timeline is used each year for the verification process:

- *Beginning of School Year Until October 1*— The Verification Official can verify a household application as soon as it is approved even if this is before the official October 1 start date for verification. CEs are encouraged to begin the verification process as early as possible, especially if the CE has had difficulty collecting verification documentation in the past. If starting early, the CE should use a preliminary sample size based on the previous year’s sample number.
- *October 1*—CE must determine the total number of approved household applications and use this number to calculate the sample size.
- *October 1*—CEs must determine the number of household applications to be verified for the school year (also called the sample size) and begin the verification process. If October 1 falls on a weekend, CEs may use the next operating day after October 1 as the day to establish the sample size. However, any new household applications or direct certification determinations that are made after October 1 (or Monday following if it falls on a weekend) must be included in the October 31<sup>st</sup> counts, not the October 1 counts.
- *October 31*—CEs determine the total number of students enrolled and sites for the current SY as of this date.<sup>23</sup>
- *November 15*—CEs complete verification activities. The November 15 date is same whether the date falls on a weekend or holiday.
- *November 15*—CEs must submit the *Preliminary Verification Report* to TDA, accessed in Texas Unified Nutrition Programs System (TX-UNPS) | [Applications | Download Forms](#). Follow the form directions for submission.
- *February 1*—CEs must report verification results in the *School Food Authority (SFA) Verification Collection Report, FNS-742*, accessed in TX-UNPS | [Applications | Verification Report](#)<sup>24</sup>

## Verification for Cause

A CE must verify any questionable household application that provides conflicting information on a case-by-case basis. Verification for cause may be conducted at any time during the school year. However, the CE should seek clarification from the household about any discrepancies found during the certification process before verifying a household application for cause.

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<sup>23</sup> CEs may open sites after this date, but any site opened after October 31<sup>st</sup> is not reported on the CE’s *School Food Authority (SFA) Verification Collection Report, FNS-742*.

<sup>24</sup> Located at <https://txunps1.texasagriculture.gov/TXUNPS/Splash.aspx>

Any household applications that have been verified for cause are not counted in calculating the verification sample size.

### Reasons for Selection of Household Application for Verification for Cause

Verification for cause is not an automatic process. Any household application that is selected to be verified for cause is chosen because it is considered to be a *questionable household application*:

- Known or available information is conflicting
- Known or available information indicates a mistake or misrepresentation on the household application form.

*For Example:* A household records a total income on the household application and voluntarily submits paystubs indicating that the recorded total income is incorrect. The CE must approve the household application based on the information on the household application. A household application cannot be denied because of additional information voluntarily submitted—even if that information contradicts what is recorded on the household application. However, the determining or reviewing official must identify this household application to be verified for cause. Households can be sent the award notification and verification notification for cause at the same time.

A household completed a multi-use application allowing the CE to share income information for the household application with another program. When the other program processes the household's application for that program, they determine that the household income is above applicable Income Eligibility Guidelines (IEGs). The other program notifies the CE about the basis for the denial. This household application is questionable and, therefore, it is appropriate to conduct verification for cause. TDA provides sample forms and letters to assist CEs in collecting additional information to verify the household's income or participation in one of the categorical assistance or other source categorical programs at [www.squaremeals.org](http://www.squaremeals.org).

TDA provides sample forms and letters to assist CEs in collecting additional information to verify household's income<sup>25</sup> or participation in one of the categorical assistance or other source categorical programs at [www.squaremeals.org](http://www.squaremeals.org).

### Verification for Cause, No Income Reported

CEs cannot automatically select all free and reduced price household applications submitted with no income reported for verification *for cause*. If a household application

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<sup>25</sup> See *Administrator's Reference Manual (ARM), Section 4, Determining Eligibility* for additional income information.

with no income reported is selected to be verified for cause, there must be an additional reason for this course of action.

### Verification for Cause, CE Employees

CEs cannot automatically select all free and reduced price household applications submitted by staff for verification *for cause*. CEs are encouraged to consult with legal counsel to establish parameters of verification *for cause* for staff submitted household applications.

## Household Applications Excluded from the Verification Sample Pool

A CE must not verify the household applications of students if the determination of eligibility was made in one of the following ways:

- Household applications for students attending a school that participates in the Special Milk Program only.
- Household applications for students attending a school where there is no separate charge for food service and no special cash assistance claimed (i.e., non-pricing programs claiming only the paid rate of reimbursement for meals served).
- Household applications for students living in residential child care institutions (RCCIs).<sup>26</sup>

*[NOTE: Although RCCI schools are not required to conduct verification, participation data from these schools **must still be reported in the School Food Authority (SFA) Verification Collection Report, FNS-742.]***

- Applications for students whose applications have been validated.

*[NOTE: CEs are required to validate that a student is categorically eligible (with the exception of foster) as part of the process to determine eligibility. When a student's participation in designated state<sup>27</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, and Head Start; homeless, including runaways and individuals displaced by declared disasters; or migrant is validated, the student is directly certified and is not subject to verification, direct verification or included in the verification pool.]<sup>28</sup>*

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<sup>26</sup> See the *Administrator's Reference Manual, Section 26, Residential Child Care Institutions* for additional information regarding verification and RCCIs. **If an RCCI has enrolled day students, verification is required.**

<sup>27</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>28</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for addition information on validation.

- Household applications for students whose household applications have been verified for cause.
- Household applications listing students that are directly certified using records from public agencies (*Texas ELMS* in TX-UNPS, dated and signed lists from appropriate agencies, or other acceptable documentation methods for Categorical Assistance Programs or Other Source Categorical Eligible programs<sup>29</sup>  
*[NOTE: If some of the students in the household are directly certified and others are not, the students in the household who have not been directly certified must be added to verification pool.]*
- Household applications that have been denied.

## Verification Sample Pool—Household Applications to Include

Before any household application can be verified, the household application must be approved. Denied household applications are not verified. A CE must use the following guidance in creating its verification sample pool:

- Household applications submitted for income.
- Household applications submitted for Other Source Categorical Eligible program participants that are not able to be directly certified.

*[NOTE: CEs are required to validate<sup>30</sup> categorical program participation for Other Source Categorical Eligible program participants (with the exception of foster) when making an eligibility determination based on a household application. When a student's participation in a designated state<sup>31</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, and Head Start homeless, including runaways and individuals displaced by declared disasters; or migrant is validated, the student is directly certified and is not included in the verification pool.]<sup>32</sup>*

When a foster child is not directly certified, and the household submits a separate household application for the foster child and a separate household application for the other students in the household, both household applications are included in the verification sample pool. If the household submits one

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<sup>29</sup> See the *Administrator's Reference Manual (ARM), Section 4, Determining Eligibility* for additional information on this topic.

<sup>30</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on validation.

<sup>31</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>32</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for more information on this topic.



household application for all students in the household, including the foster child, only one household application is included in the verification sample pool.

- If some of the students in the household are directly certified **for other source categorical programs**<sup>33</sup> and others are not, the household application for the students in the household who have not been directly certified must be added to verification pool.

## Total Number of Household Applications to Be Verified

The total number of household applications to be verified is determined by adding the number of household application verified *for cause* plus the sample size number based on the total number of household applications approved by the CE on October 1.

<b>Verification Sample Size</b> <i>(total number of household applications selected for verification)</i>	+	<b>Additional Household Applications Verified For Cause*</b> <i>(household applications selected because of inconsistent or misrepresented documentation)</i>	=	<b>Total Number of Household Applications Verified</b>
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\* Additional household applications verified for cause must not be included in the verification sample.

The verification sample size does not include any household applications selected to be verified for cause. However, the number of applications verified for cause is reported in the School Food Authority (SFA) Verification Collection Report (742).

In the verification process, CEs must not take the following two actions:

1. Verify 100% of all household applications
2. Request that any household submit verification documents at the same time the household application is submitted

## Determining Sample Size

CEs are required to determine the verification sample size based on total number of household applications approved by the CE as of October 1 of each year. The sample size is the total number of household applications that must be selected for verification in addition to the for cause household applications selected for verification. CEs must use the following guidance in determining the sample size:

### Begin Verification Early

If the CE has chosen to start verification early, the Verification Official will determine if the estimated number of household applications chosen to fulfill the preliminary verification sample size matches the final sample size number

<sup>33</sup> Designated state or federally funded pre-kindergarten programs, including Early Head Start, Even Start, and Head Start; foster; homeless, including runaways and individuals displaced by declared disasters; migrant.

determined on October 1. If necessary, additional household applications must be selected when the CE determines the total number of household applications for the current year.

### Minimum Sample

At least one household application must always be verified.

### Nondiscrimination

Regulations require that any method used for selecting household applications for verification must be nondiscriminatory.

### Rounding

When determining the required verification sample size of household applications to be verified, round all fractions upward.

## Methods for Determining Sample Size

CEs determine their verification sample size in one of two ways as described below:

<p><b><i>Standard Sample Size</i></b> Any CE that <u>does not qualify</u> for an alternative sample size method <i>Using Error Prone Approved Household Applications</i></p>	OR	<p><b><i>Alternate Sample Size</i></b> Any CE that <u>does qualify</u> to use one of the two methods for determining an alternative sample size <i>Using All Approved Household Applications</i></p>
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### Standard Sample Size

Those CEs that do not qualify for an alternate sample size will use the Standard Sample Size method. For this method, error-prone household applications are verified first, non error-prone household applications are used to complete the sample size if there are not enough error-prone household applications.

An error prone household application includes an income amount that is within \$100 per month (\$1200 per year) of the applicable Income Eligibility Guideline (IEG).<sup>34</sup> Error prone household applications do not include SNAP, TANF, or FDPIR household applications that are directly certified.

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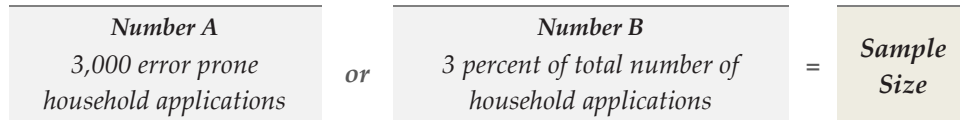
<sup>34</sup> USDA typically updates the income eligibility criteria in the late spring. As soon as those updates are publicized, changes are posted at [www.squaremeals.org](http://www.squaremeals.org). Free eligible households are at or below 130 percent of the Federal poverty guidelines. The reduced-price eligible households are between 130 and at or below 185 percent of the Federal poverty guidelines. See the *Administrator's Reference Manual, Section 4, Eligibility Determination* for more information on income eligibility, including how to convert household income with varied frequency to total yearly income.

## Standard Sample Size Method

CEs must take the following steps to use the Standard Sample Size Method.

**Step 1: Standard Sample Size Calculation Process.** Determine which amount is smaller — 3,000 error prone household applications or 3 percent of the total number of household applications.

*Determine which is smaller—Number A or Number B. Use that number for the required sample size.*



**Step 2: Interval Number.** Determine the interval for selecting household applications for verification by dividing the total number of household applications by the sample size.<sup>35</sup>



**Step 3: Random Selection of Household Applications.** Count through the *error prone household applications* selecting each household application that corresponds to the interval number. To reach the sample size, the Verification Official may need to count through the household applications more than one time. If there are not enough error prone household applications, the CE must use randomly selected non-error prone household applications.

*For Example: If the interval number is 76, the Verification Official selects every 76<sup>th</sup> error prone household application for verification until the sample size is reached.*

## Alternate Sample Sizes

The ability to use an alternate sample method must be determined annually. Those CEs that qualify for an alternate sample size must meet one of the following conditions:

- **Lowered Non-Response Rate.** CEs that have less than a twenty percent non-response rate for verification requests for the preceding school year.

*For Example: In SY 2015–2016, the CE had a non-response rate of 18 percent. Because this percentage is less than 20 percent, the CE qualifies to use an alternate method for determining its sample size in SY 2016–2017.*

<sup>35</sup> See the *Random Selection Method* subsection in this section for more detailed information on this topic.

- **Improved Non-Response Rate.** CEs that
  1. have more than 20,000 students approved by household application as eligible for free or reduced-price meals as of October 1
  - and
  2. have at least a 10 percent decrease in the non-response percentage between Year 1 and Year 2 qualify to use an alternate sample size method in Year 3.

*For Example:* In SY 2014–2015—Year 1, the CE had 21,000 students approved for free and reduced-price meal benefits and a total of 6,000 approved household applications.<sup>36</sup> Therefore, 180 household applications have to be verified.

Forty-five (45) households out of 180 fail to respond to verification requests, creating a non-response rate of 25 percent.

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*Non-Response Rate:*  
 $45 \div 180 = 25\%$

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To meet the criteria for an improved non-response rate, the CE needs to improve its response rate by 10 percent the following year—they will need to have a non-response rate of less than 22.5 percent in the next SY.

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*Needed Improvement:*  
 $25\% \times 10\% = 2.5\%$   
 $25\% - 2.5\% = 22.5\%$

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In SY 2015–2016—Year 2, the CE again has 6,000 approved household applications and a required sample size of 180.

At the end of verification Year 2, the CE reduces its non-response rate to 19.7 percent.

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*Improved Non-Response Rate:*  
 $19.7\% < 22.5\%$

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The CE is eligible for an alternate sample size method in the SY 2016–2017—Year 3 since its non-response rate the second year is less than 22.5 percent.

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<sup>36</sup> See the Standard Sample Size Calculation Process description in the *Standard Sample Size Method* subsection in this section for more information on this determination.

## Alternate Sample Size Methods

CEs qualifying for alternative sample size methods will use one of the following alternative sample size methods:

### *Alternate 1 Sample Size Method*

This sample is drawn from the total pool of all household applications—not just the error prone household applications.

**Step 1: Alternate 1 Sample Size Calculation Process.** Determine which amount is smaller—3,000 household applications or 3 percent of the total number of household applications.

*Determine which is smaller—#A or #B. Use that number for the required sample size.*

#A 3,000 household applications	or	#B 3 percent of total number of household applications	=	<b>Sample Size</b>
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**Step 2: Interval Number.** Determine the interval for selecting household applications for verification by dividing the total number of household applications by the sample size.<sup>37</sup>

Total Number of Household Applications in the Verification Pool	÷	Sample Size Determined in Step 1	=	<b>Interval Number</b>
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**Step 3: Random Selection of Household Applications.** Count through the household applications selecting each household application that corresponds to the interval number. To reach the sample size, the Verification Official may need to count through the household applications more than one time.

*For Example: If the interval number is 76, the Verification Official selects every 76<sup>th</sup> error prone household application for verification until the sample size is reached.*

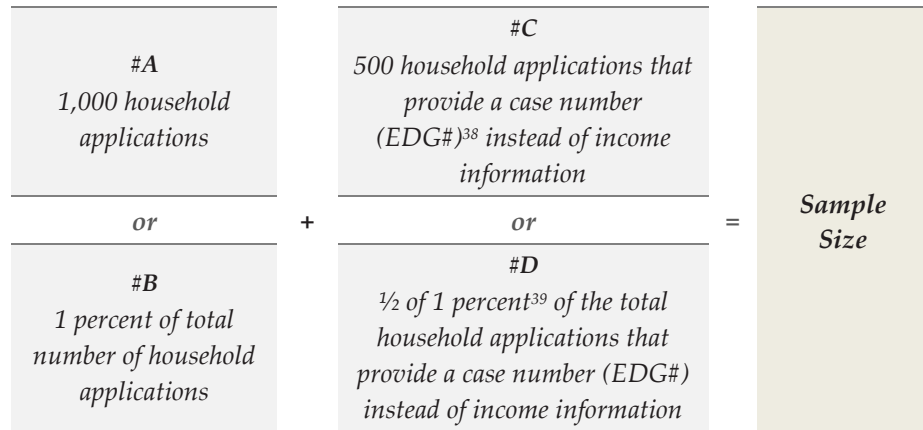
<sup>37</sup> See the *Random Selection Method* subsection in this section for more detailed information on random selection and the use of an interval number.

### Alternate 2 Sample Size Method

This sample is drawn from all approved error prone household applications and from SNAP or TANF household applications.

**Step 1: Alternate 2 Sample Size Calculation Process.** Determine which amount is smaller—1,000 household applications or 1 percent of the total number of household applications.

*Determine which is smaller—#A or #B; use that number. Determine which is smaller—#C or #D; use that number. Add the smaller numbers from #A/#B and #C/#D and use that number for the sample size.*



**Step 2: Interval Number.** Determine the interval for selecting household applications for verification by dividing the total number of household applications by the sample size.<sup>40</sup>



**Step 3: Random Selection of Household Applications.** Count through the household applications selecting each household application that corresponds to the interval number. To reach the sample size, the Verification Official may need to count through the household applications more than one time.

*For Example: If the interval number is 76, the Verification Official selects every 76<sup>th</sup> error prone household application for verification until the sample size is reached.*

### Random Selection Method

No matter which sample size method is used—standard or alternative—CEs must use an interval number to randomly select household applications. Directions for using an interval number are located in Step 2 in the directions for each method.

<sup>38</sup> Eligibility Determination Group Number

<sup>39</sup> .005 when converted to a decimal.

<sup>40</sup> See the *Random Selection Method* subsection in this section for more detailed information on random selection and the use of an interval number.

## Direct Verification

Direct Verification is the use of public records<sup>41</sup> to verify a student's eligibility for free or reduced price meals when verification of a student's eligibility is required.

*[NOTE: Direct Verification and Direct Certification are two separate processes, but the processes are linked. The purpose of Direct Verification is to verify a student or household's eligibility. However, once the Direct Verification process is completed, the CE is allowed to use Direct Verification information to assign a student's eligibility as directly certified for free or reduced-price meals.]*

When a CE is able to directly verify eligibility, the CE is not required to notify the household of its selection for verification.

Direct Verification cannot be used to determine eligibility. It can only be used verify eligibility. CEs must not attempt to directly verify their total student enrollment. In direct verification, CEs must only attempt to directly verify the households/students selected for verification.

*[NOTE: Once direct verification is complete, CEs will use that information to directly certify eligible households.]*

If a CE conducts Direct Verification, Direct Verification must be completed before asking a household to provide documentation. If Direct Verification indicates a change in eligibility benefit level,<sup>42</sup> the CE must not request additional documentation from the household with the exception of a Medicaid match that results in decreased benefits.

### Medicaid Match Reduces Benefits

A Medicaid Reduced direct verification match cannot be used to decrease benefits. Therefore, the CE must continue with the verification process when this occurs.

A CE that conducts Direct Verification must also follow all local and state regulations in obtaining and using information for this process.

CEs are not required to conduct direct verification, but the CE will find that there are benefits from doing this process.

### Benefits to the CE Using Direct Verification

Direct Verification streamlines the verification of household applications—saving the CE time and effort. By increasing Direct Verification, the number of household applications that the CE must verify by contacting the household is decreased. If any student in the household is identified using the Texas ELMS in TX-UNPS or records provided by another governmental agency, all students in

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<sup>41</sup> See the *Collateral Contacts* subsection in this section for additional information on sources to assist in direct verification. See the *Records Retention* subsection in this section for additional information on the records retention requirements for direct verification.

<sup>42</sup> Free, reduced-price, or paid

the household are directly verified, and there is no need to request additional documentation from the household.

### **Submitting Children’s Names for Direct Verification in TX-UNPS**

Texas ELMS allows Texas CEs to match enrolled students based on the nine-digit EDG#, student name, Texas Education Agency unique student identification number, social security number, and birthdate. Direct Verification will allow CEs to match SNAP, TANF, Medicaid Free, Medicaid Reduced, or the Children’s Health Insurance Program (CHIP).

For children who qualify for Medicaid or the Children’s Health Insurance Program (CHIP), the database will report whether the student is eligible for free or reduced-price meals. **Verification of benefits for Medicaid and CHIP can only be conducted in Texas ELMS—no other method is allowed.**

TDA has created the *School Nutrition Programs Direct Certification and Direct Verification (DCDV) Supplemental Manual* to assist CEs in uploading the necessary data and using the database. This manual is located in the Application Packet, Form Download screen in TX-UNPS.

### **Extended Eligibility**

If a CE determines through Direct Verification that a student is categorically eligible for SNAP, TANF, Medicaid Free, or Medicaid Reduced, all students in the household are extended eligibility.

### **Notification**

If Direct Verification results verify the student’s eligibility, the CE is not required to notify the household.

If Direct Verification results in a decrease in eligibility **based on a Medicaid Reduced match**, the CE must notify the household as described in the Notification of Adverse Action subsection in this section.

### **Point of Service System Update**

When a CE is able to directly verify the eligibility for a household, the CE must update its POS to indicate that the household/student(s) have been directly verified

## **Confirmation Review**

After selecting the household applications to be verified, the verification sample, the CE must perform a confirmation review **before sending notification to the household**. The confirmation review is a process where the *Confirmation Official*<sup>43</sup> reviews all the selected household

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<sup>43</sup> See the *Official Roles Related to Eligibility and Verification* subsection of this document for additional information.



applications for the verification sample and the household applications selected *for cause* to ensure that the initial eligibility determination was accurate.

The following guidance applies to the confirmation review.

- A confirmation review must be conducted by an official who was not the determining or reviewing official or hearing official.
- The confirming official reviews the documentation used by the determining or reviewing official and ensures that the eligibility determination is correct.
- If a CE confirms the accuracy of all eligibility determinations as part of the initial eligibility determination process, the CE is not required to perform a second confirmation of eligibility during verification.

### Technology-Based Verification System

The requirement for a confirmation review may be waived if the CE has a technology-based system that demonstrates a high-degree of accuracy. Any CE that has an automated system for processing household applications **must request approval for this flexibility.**<sup>44</sup>

### Outcome of Confirmation Review Process

One of the following actions must be taken after the confirmation review determination:

- *No Change in Benefits*: If the confirming review shows the initial eligibility was correct for the household application, the CE must complete the verification process for the household application.
- *Increased Benefits*: If the confirmation review indicates an increase in benefits for the household based on the confirmation review of the household application, the CE must take the following actions:
  - Make the increased benefits available immediately.
  - Notify the household of the increased benefits.
  - Complete verification process for the household application.
- *Decreased Benefits from Free to Reduced Price*: If the confirmation review indicates a decrease in benefits from free to reduced price, the CE must take the following actions:
  - Leave the household's eligibility status at its initial determination.
  - Complete the verification process for the household application.

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<sup>44</sup> See the [TDA Contact Information](#) page that follows the table of contents for this section.

- *Decreased Benefits from Free or Reduced Price to Paid:* If the confirmation review indicates a decrease in benefits from free or reduced price to paid, the CE must take the following actions:
  - Notify the household of adverse action immediately.
  - Remove the household application from verification sample pool.
  - Select a similar household application to replace it in the verification sample pool.<sup>45</sup>
  - Complete the verification process for the newly selected household application.

## Replacing Household Applications

After completing the confirmation reviews, the CE may, on a case-by-case basis, replace up to five (5) percent of selected household applications in the following conditions:

### Inability of Household to Respond to the Request

The CE believes the household is unable to satisfactorily respond to the verification request. Households in this circumstance are commonly called *fragile households*.

*For Example: There is a death in the household, or the household is adversely affected by a disaster.*

### Household Moves

A household moves before the verification process can be completed.

### Household Becomes Directly Certified

When a household selected for verification is found to be directly certified before the household can provide documentation of eligibility, the CE does not have to replace the household application in the verification sample pool. This situation should be reported in the remarks section of the *School Food Authority (SFA) Verification Collection Report, FNS-742* (through TX-UNPS).

When a household application is replaced, the CE must adhere to the following guidelines:

- When calculating the five (5) percent of the selected household applications that may be replaced, CEs should round up to the next whole number. If five (5) percent of the total household applications selected for verification is less than one, one household application may still be replaced.
- Any household application removed must be replaced with another approved household application selected on the same basis—i.e., an error-prone household application must be replaced by an error-prone household application.

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<sup>45</sup> See the *Replacing Applications* subsection in this section for additional information on replacing an application.

- The newly selected household application must have a confirmation review before the verification process begins.

## Household Notification about Selection for Verification

Household notification<sup>46</sup> takes place after the confirmation review determines that a household application must be verified.<sup>47</sup> Household notification may be done by email or regular mail. Households should be given no less than 2 weeks to respond.

**However**, if the CE is able to directly verify the eligibility of the household through the Texas ELMS or through other agency documentation, the CE does not have to notify the household of its selection for verification.

Once households have received notification of selection for verification, they are required to send in documentation that verifies eligibility. The household notice or letter must include the following information:<sup>48</sup>

### General Information

1. Explanation that the household has been selected for verification
2. USDA *Use of Information Statement*

*CEs must use this statement in its entirety.*

*The Richard B. Russell National School Lunch Act requires the information requested in order to verify your children's eligibility for free or reduced price meals. If you do not provide the information or provide incomplete information, your children may no longer receive free or reduced price meals.*

**USDA allows a shorter and more targeted Richard B. Russell statement for verification purposes only.**

3. Explanation of the due date for the household to provide the requested documentation.
4. Explanation that failure to provide the requested documentation will result in termination of benefits
5. Contact information including the name and telephone number of a staff member who can answer questions and provide assistance to the household about verification at no cost to the household

*[NOTE: For verification inquiries, the CE must establish a toll-free number or allow the household to reverse the charges if any households are located outside of the local calling area. Even if every household in the CE is located within a local calling area, the CE must*

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<sup>46</sup> TDA has developed a sample household notification letter that CEs may use to notify households. This sample form is available at [www.squaremeals.org](http://www.squaremeals.org).

<sup>47</sup> See the *Outcome of Confirmation Review* subsection in this section more additional information on this topic.

<sup>48</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

*provide an opportunity for a household member to call collect if the person is unable to call the CE from within the CE's local calling area. This includes accepting call charges from parents who work outside of the calling area and who are calling from work.*

*The CE may provide different telephone numbers for each local calling area within the CE.]*

### **Information on Acceptable Documentation**

6. Description of the types of acceptable information<sup>49</sup> that households may provide to confirm current income<sup>50</sup>

*[NOTE: This includes, but is not limited to, pay stubs, award letters from assistance agencies such as Social Security, and support payment decrees from courts.]*

7. Explanation the household may submit documentation of income received for a full month for any time between the month prior to the household application through the time period the household is required to provide the documentation
8. Explanation that the household may provide proof that any household member is receiving benefits under an Categorical Assistance Program<sup>51</sup> instead of providing income information
9. Explanation that the household may provide proof that a student is other source categorically eligible<sup>52</sup> instead of providing income information

### **Household with Limited English Proficiency (LEP)**

CEs must ensure that limited English proficient (LEP) households are provided adequate language assistance so that the household understands the need for a response to the verification request and the timeline for responding to the request.

### **Notification Exception**

When using agency records exclusively to verify household eligibility, a selection notice is not required because the household will not have to provide documentation.

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<sup>49</sup> See the *Acceptable Documentation* subsection in this section for additional information on documentation.

<sup>50</sup> See *Administrator's Reference Manual (ARM), Section 4, Determining Eligibility* for additional income information.

<sup>51</sup> Assistance programs include Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or Food Distribution Program on Indian Reservations (FDPIR).

<sup>52</sup> Other Source Categorically Eligible programs includes foster, homeless, migrant, runaway, and state- or federally funded early literacy programs including Head Start, Early Head Start, and Even Head Start. Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

# Acceptable Documentation

There are three methods of documenting household eligibility:<sup>53</sup>

## Documentation Provided by the Household

1. Written income evidence
2. Appropriate letters of award sent to the household by a governing agency

## Documentation Obtained from Sources Other Than the Household

3. Agency records
4. Collateral contacts

## Written Income Documentation

Household income documentation should reflect any gross income received on a recurring basis for each individual in the household receiving income. *Administrator’s Reference Manual (ARM), Section 4, Determining Eligibility* also has detailed information on this topic.

<i>Required household documentation in response to a verification request for each individual in the household earning income:</i>	<i>Information Verification Official looks for while examining documentation for each individual in the household earning income:</i>
<ol style="list-style-type: none"> <li>1. Dated paycheck stub</li> <li>2. Dated pay envelope</li> <li>3. Letter from employer stating gross wages paid and how often they are paid<sup>54</sup></li> </ol>	<ol style="list-style-type: none"> <li>1. Name of individual receiving income</li> <li>2. Amount of income</li> <li>3. Date(s) income received</li> <li>4. Frequency of income</li> </ol>

## Gross Income

Gross income for earnings – wages, salary, tips, and commissions – includes the following:

- Income that is automatically deducted from a person’s paycheck to pay any type of withholding tax, employee insurance costs, or charitable contributions
- Income from bonds
- Cash amounts received or withdrawn from any source, including savings, investments, trust accounts, and other resources which would be available to pay the price of a student’s meal

In general, anything considered as income for the initial household application process is also considered as income for verification purposes.<sup>55</sup>

<sup>53</sup> See *Administrator’s Reference Manual (ARM), Section 4, Determining Eligibility* for additional information and detailed guidance on documentation.

<sup>54</sup> TDA provides a form for employers to use to submit income information at [www.squaremeals.org](http://www.squaremeals.org).

### **One-Month Period**

Households must provide income information for a period of one month. The one-month period may be the previous month or the current month.

### **Income Exclusions**

Income does not include any income or benefits received under any federal programs that are excluded from consideration as income by any legislative prohibition.<sup>56</sup>

### **Overtime Income**

If overtime income is reported, the Verification Official must work with the household to determine whether the overtime for the month being verified is representative of overtime received in other months. If the overtime is a one-time or occasional source of income, income should be calculated based on the regular monthly income without overtime.

### **Military Income Exclusions**

When determining eligibility for military service members, refer to the member's Leave and Earnings Statement (LES). Reviewers must not count any amounts listed as Combat Pay toward household income. Combat pay is also referred to by the U.S. Department of Defense as Hostile Fire Pay/Imminent Danger Pay (HFP/IDP). The entry on the military LES is HFP/IDP and may not include the words Combat Pay. However, the descriptors must be treated equally.<sup>57</sup>

### **No Income**

If a household application for a household selected for regular verification or verification for cause indicates zero income, the Verification Official

- must request an explanation of how living expenses are met and
- may request additional written documentation or for the household to name collateral contacts that can provide the additional information.

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<sup>55</sup> See the *Income Verification Documentation* subsection in this section for detailed information on acceptable income documentation.

<sup>56</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on income exclusions.

<sup>57</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility*, for a list of income exclusions for military personnel.

Income Documentation for Verification Chart	
Type of Income <sup>58</sup>	Acceptable Documentation Suggestions
<b>Cash Income</b> —Wages received from an employer who does not want to be responsible for withholdings. This includes domestic workers, casual laborers, or employees of an individual or small business. Wages may be paid in cash.	<ul style="list-style-type: none"> <li>• Letter from employer or form completed by employer stating wages paid and frequency</li> </ul>
<b>Child Support or Alimony</b> —Payment by a separated or divorced spouse for support of children or a spouse. Although the court orders a monthly amount, payments may be infrequent or irregular. Only actual payments, not the amount awarded, must be reported.	<ul style="list-style-type: none"> <li>• Copies of checks or other payment proof received including bank statements</li> <li>• Court decree or formal written agreement</li> </ul>
<b>Earnings of Self-Employed Business Person or Farmer</b> —Net income from self-employed business owner or farmer. Although individuals may hold considerable property and equipment, households must report only actual cash income, not assets.	<ul style="list-style-type: none"> <li>• Business or farming document, such as ledger books or self-issued paycheck stub</li> <li>• Previous year’s tax return</li> </ul>
<b>Military Housing Allowance</b> —Payment received if an adult member of the household is a member of the military, and the household is located off base.	<ul style="list-style-type: none"> <li>• Leave and earnings statement</li> <li>• Letter from base commander stating amount and frequency of allowance</li> </ul>
<b>Retirement or Pension</b> —Retirement or pension income that is non-Social Security retirement. This includes private and state pensions, veteran benefits, and military retirement.	<ul style="list-style-type: none"> <li>• Official statement of benefits received or award notice</li> </ul>
<b>R. R. Benefit or Railroad Retirement</b> —Special government retirement fund for former employees of the railroads. Payments can be made to survivors, spouses, and children.	<ul style="list-style-type: none"> <li>• Official statement of benefits received or award letter</li> </ul>
<b>Social Security Retirement</b> —Traditional retirement benefits; payments to survivors, spouses and children; and disability payments—more correctly named Old Age and Survivors Disability Insurance. This income applies to younger persons, pre-retirement individuals, and dependents.	<ul style="list-style-type: none"> <li>• Official statement or benefit letter</li> <li>• Copy of monthly check</li> </ul>
<b>Supplemental Security Income (SSI)</b> —Special funding program to assist households with aged, blind, or other disabled members, including learning disabled. Sometimes called <i>disability payments</i> .	<ul style="list-style-type: none"> <li>• SSI eligibility letter or statement of benefits</li> <li>• SSI check or bank statement indicating check deposit</li> </ul>
<b>Unemployment Compensation or Disability or Workers’ Compensation</b> —Income provided through federal or state unemployment or work-related injury compensation.	<ul style="list-style-type: none"> <li>• Notice of eligibility; copy of the disability award letter, or unemployment compensation award letter</li> <li>• Check stub</li> </ul>

<sup>58</sup> See the *Administrator’s Reference Manual, Section 4, Determining Eligibility* for addition information on income and eligibility.

## Unacceptable Income Documentation

The following types of documentation are not acceptable to verify monthly income:<sup>59</sup>

- *Tax Returns:* Tax returns are not considered acceptable proof of income except for households with irregular income (seasonal workers, self-employed persons, etc.). In these cases, tax returns may be used to project the amount of income the household expects to receive for the current year.
- *Non-Representative Weekly Pay Stub:* A pay stub that is not representative of what the household receives each week cannot be used to determine monthly income. However, if one weekly pay stub is representative of what the household receives each week, one pay stub is sufficient to calculate a full month's income.

## Records Containing Household Confidential Information

TDA strongly recommends that CEs do not keep confidential information beyond the period of time needed to verify a child's eligibility. TDA has developed the *Verification Individual Household Report Form* that allows CEs to summarize information obtained about each household's eligibility, so CEs do not have to retain confidential information. CEs must use this form or a CE-developed form that contains the same information fields.

When fully completed, this form serves as documentation for the verification of household eligibility or non-eligibility. Therefore, documentation containing confidential information can be destroyed or returned by a method that ensures household confidentiality.

## Return of Documentation to the Household

If a household requests that documentation be returned, the Verification Official should comply with the request.

## Agency Records

A household's eligibility may be verified through the use of information maintained by other government agencies to which the CE has legal access. This information includes proof that a household or individual participates in a categorically eligible program.<sup>60</sup> Proof of program participation may be in the form of a letter, list, other benefit issuance

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<sup>59</sup> See *Administrator's Reference Manual (ARM), Section 4, Determining Eligibility* for additional income information.

<sup>60</sup> See the *Information Box 1, Assistance Programs Qualifying Children for NSLP and SBP Free Benefits* for additional information on categorical eligibility. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for more detailed information on documentation related to categorical eligibility.



form, or proper format for a SNAP or TANF Eligibility Determination Group Number (EDG#).<sup>61</sup>

*[Note: When a student's participation in designated state<sup>62</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, and Head Start homeless, including runaways and individuals displaced by declared disasters; or migrant is validated, the student is directly certified and not included in the verification pool.<sup>63</sup>]*

### **SNAP, TANF, or FDPIR**

Documentation for SNAP, TANF, or FDPIR households that does not specify the certification period is not adequate proof of participation.

*For Example: The SNAP identification card is not acceptable because it does not have an expiration date. The Lone Star Card is not proof of eligibility for SNAP benefits as the card has no set expiration date.*

### **Best Practice in Using Agency Records**

When verifying eligibility for categorical programs through other agencies begin as early as possible to allow sufficient time, at least 30 days, for that office to respond to the request.

#### *Notifying Households about Use of Agency Records*

Although USDA regulations do not require that households be notified of selection when verification is made through agency records, such agencies may have their own notification requirements. The CE should work with the agency to collaboratively ensure that the regulations applying to the agency or funding source are followed.

### **Collateral Contacts**

A collateral contact is a person outside of the household who is knowledgeable about the household's circumstances and can give confirmation of

- a household's income for the current month or the previous month and

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<sup>61</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for addition information on validation.

<sup>62</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>63</sup> See the *Administrator's Reference Manual (ARM), Section 4, Determining Eligibility* for more information on this topic.

- participation in a Categorical Assistance Program or one of the Other Source Categorical Eligible programs.<sup>64</sup>

Collateral contracts include employers, social service agencies, migrant workers' agencies, and religious or civic organizations.<sup>65</sup>

### **Collateral Contact Requirements**

CEs must adhere to the following guidance in using collateral contacts:

- *When to Use*—The Verification Official should request a collateral contact only in cases when the household has not been able to provide adequate written evidence.
- *Household Designation of Collateral Contact*—The CE must give the household the opportunity to designate the collateral contact.
- *CE Designation of Collateral Contact*—If the household fails to designate a collateral or designates one who is unacceptable to the Verification Official, the Verification Official may select the collateral contact.
- *Household Notification*—No contact may be made to a collateral contact without first notifying the household and obtaining permission to make the contact.
- *Inadequate or Inability of Collateral Contact*—If the collateral contact is unwilling or unable to provide the requested information, the household is considered to be non-responsive.<sup>66</sup>

### **Collateral Contact Documentation**

CEs must document written or oral information provided by a collateral contact. Documentation must include the date of communication or interactions and initials of person initiating the communication or interaction and receiving the information. Collateral contacts typically provide two types of records:<sup>67</sup>

- Individual benefit award notification forms or letters
- Lists of eligible household members

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<sup>64</sup> See the *Information Box 1, Assistance Programs Qualifying Children for NSLP and SBP Free Benefits* of this document for additional information on sources of categorical eligibility.

<sup>65</sup> TDA provides forms and sample letters for obtaining collateral information at [www.squaremeals.org](http://www.squaremeals.org).

<sup>66</sup> See the *Non-Responsive or Inadequate Response* subsection in this section for additional information.

<sup>67</sup> In some cases, collateral contacts may fall into the category of Direct Verification. See the *Direct Verification* subsection in this section for additional information on this topic.

## Using Collateral Contact Information

The Verification Official will examine any written information provided by the collateral contact and/or evaluate any oral information before making a verification determination.

## Non-Responsive or Inadequate Response

CEs must use the following guidance to address non-responsive contacts to verification requests:

### Follow-Up

Follow-up contacts are required in the following situations:

1. *No or Inadequate Response from the Household.* If the household does not respond to the request for verification or submits insufficient or obsolete written evidence, the Follow-up Official must make at least one additional contact with the household.
2. *No or Inadequate Response from Collateral Contacts.* If the collateral contact does not respond or does not respond adequately, the CE must make at least one follow-up contact with the collateral contact or follow-up with the household if the collateral contact cannot provide adequate information.

### *Limited English Proficiency (LEP) and the Follow-Up Response*

CEs must ensure the limited English proficient (LEP) households are provided adequate language assistance and understand the need to respond to a follow-up request.

### Adequate Time for Follow-Up Response

The Verification Official must allow sufficient time for the household to respond before the deadline. Allowing extra time does not mean the CE has to wait indefinitely since verification must be completed by November 15, annually, but it does mean that the CE has to allow a reasonable amount of time for the household to provide the needed information. CEs should build an allowance for a reasonable amount of time in their planning for the verification process and assigning deadlines.

### *Appropriate Methods for Follow-Up Notification*

The follow-up contact may be made by mail, telephone, email, or personal contact.

## Adverse Action for Non-Response to a Follow-Up Request

Any household that (1) does not contact the CE when the initial or follow-up request for verification information is made or (2) provides incomplete information or documentation is considered *non-responsive*.

In cases where the CE terminates the household application for failure of the household to respond, verification is considered complete when the advance notice of adverse action is sent to the household.<sup>68</sup>

[Note: For adverse action, the CE must send notice to the household by mail or email.]

## Verification for Cause, Due Process

CEs must follow the confidentiality, notice, and appeal procedures when conducting any type of verification including verification for cause.

## Required Actions, Verification Results

CEs must provide adequate notification to households for changes in benefits. USDA required the following notification timeline:

Timeline for Change in Benefits Chart			
	Notification to Household	Notification Method	Make the Change Within
<b>No Change in Benefits</b>	as soon as possible	Phone Email Letter	n/a
<b>Increase in Benefits</b>	as soon as possible	Phone Email Letter	3 days
<b>Decrease in Benefits</b>	Within 10 days of determination of decreased benefits	In writing by letter sent by regular postal mail or email Notice must give household 10 calendar days—advance notice—to appeal	10 operating days after the 10 calendar days advance notice period ends

<sup>68</sup> See the *Notification* subsection of this document for additional information on this topic.

Verification of a household’s income eligibility for free or reduced-price meals must result in one of the following actions:

<p><b>No Change in Benefit Level.</b> Household’s current documentation supports benefit level for which household has been approved.</p>	<ul style="list-style-type: none"> <li>– No change is made to household eligibility.</li> </ul>
<p><b>Benefit, Reduction.</b> Household’s current documentation identifies income that is too high for benefit level of for which the household has been approved—household’s eligibility has to be changed from free to reduced-price or free to paid or reduced-price to paid.</p>	<ul style="list-style-type: none"> <li>– Change must be extended to all students in the household <i>with exception of a foster child residing in the household.</i></li> <li>– Households must be notified of this change. <i>[NOTE: When a Medicaid match indicates reduced benefits, CEs must notify the household of the decrease. Even though a match was made in Direct Verification in Texas ELMS, the household must be notified before any eligibility change is made. CEs should encourage households to submit a household application, so a new eligibility determination can be made based on income.]</i></li> <li>– Notification of change in benefits must be sent to the household within 10 operating days from the date when a new eligibility determination was made.</li> <li>– Household has an advance notice period of 10 calendar days, starting on the day the notification was sent, to appeal the decision.</li> <li>– Unless the household appeals the decision, a decrease in benefits must occur <i>within 10</i> operating days of the final day of the 10 calendar day advance notice.<sup>69</sup></li> </ul>
<p><b>Benefit, Increase.</b> Household’s current documentation qualifies household for free meals rather than reduced-price meals—household’s eligibility changed from reduced-price to free meals.</p>	<ul style="list-style-type: none"> <li>– Change must be extended to all students in the household <i>with the exception of a foster child residing in the household.</i></li> <li>– Households must be notified of this change.</li> <li>– Changes in eligibility resulting in increased benefit levels are effective immediately and must be made in <u>3 operating days</u>.</li> </ul>
<p><b>Benefits, Termination.</b> For households that do not respond to verification efforts or whose current documentation does not support eligibility for either free or reduced-price meals, the household’s eligibility must be terminated.</p>	<ul style="list-style-type: none"> <li>– Change must be extended to all students in the household with the exception of a foster child residing in the household.</li> <li>– Households must be notified of this change.</li> <li>– Notification of benefit termination must be sent to the household within 10 operating days from the date when a new eligibility determination was made.</li> <li>– Household has advance notice period of 10 calendar days, starting on the day the notification was sent, to appeal the decision.</li> <li>– Unless the household appeals the decision, a decrease in benefits must occur within 10 operating days of the final day of the 10 calendar day advance notice.<sup>70</sup></li> </ul>

<sup>69</sup> See the *Notice of Adverse Action and Appeal and Hearing Procedures* subsections in this section for additional information on these topics.

## Complete Verification

A household's verification is complete when the following conditions are met:

<i>Adequate Documentation</i>	
Household submits either adequate written evidence of income or categorical eligibility.	<i>Verification process is considered complete for this household.</i>
Collateral contact or agency provides corroboration of income or categorical eligibility.	
<i>Documentation, Increase or Decrease Eligibility Status</i>	
Household submits either adequate written evidence of income or categorical eligibility which indicates an increased or decreased level of benefits.	<i>Verification process is considered complete for this household when the household is notified that its benefits will be increased or decreased.*</i>
Collateral contact or agency provides corroboration of income or categorical eligibility which indicates an increased or decreased level of benefits.	
<i>Documentation, Lack of Program Participation</i>	
Household application provides case numbers (EDG#), and it is determined that no household member is receiving benefits from an assistance program.	<i>Verification process is considered complete when the notice of adverse action (termination of benefits) is sent to the household.</i>
<i>Refusal of Services</i>	
Adult in the household indicates, verbally or in writing, that she or he no longer wishes for the students in the household to receive free or reduced price benefits.	<i>Verification process is considered complete when the notice of adverse action (termination of benefits) is sent to the household.</i>
* Notification of a decrease must follow the guidance provided in the <i>Notification of Adverse Action</i> subsection in this section.	

## Allowable Actions After Verification Completion Date

The following actions may occur after the official date to complete the verification process (November 15):

- Review any additional income or other documentation households provided after the November 15 verification completion date.
- Terminate or reduce the meal benefits of affected households within 10 operating days after the last day of 10 calendar days advance notice of the termination/reduction notice.
- Increase meal benefits of households **as appropriate**.

<sup>70</sup> See the *Notice of Adverse Action and Appeal and Hearing Procedures* subsections in this section for additional information on these topics.

## Notification of Adverse Action

When verification results in a reduction or termination of benefits, households must be sent a written notice (advanced notice) prior to the changes in benefits.

Within in 10 days of the new eligibility determination, the CE must send an advanced notice that gives households 10 calendar days of notice before benefits are stopped. This 10 calendar day period is called the advance notice period. The first day of the 10 calendar days of the advance notice period is the day the notice is sent the household.<sup>71</sup>

*For Example: Timeline for Reduction or Termination of Benefits*

*Within 10 days after the new eligibility determination has been made the timeline must be followed:*

*10 Calendar Days of  
Advance Notice  
Period*

*November 1–11, 2012*

*Decrease or  
Termination of  
Benefits Must  
Take Place by*

*10 Operating Days  
After 10 Calendar  
Days of Advance  
Notice Period Ends*

*November 21, 2012*

The notice of adverse action may be sent by postal service or email—the CE cannot notify the household of adverse action by telephone.

The notice must advise the household of the following information:

1. Description of a change in benefits
2. Explanation of the reason for the change
3. Instructions on how to appeal the decision
4. Notification that an appeal must be filed within the 10 calendar days of advance notice period to ensure continued benefits while awaiting a hearing and decision
5. Explanation that the household may reapply for benefits at any time during the school year but will be subject to verification at the time of the second household application, if terminated because of verification
6. Explanation that SNAP, TANF, or FDPIR households may submit a household application containing household names and income information and provide written evidence of current household income

### Information Box 3

#### **Change in Eligibility Timeline Requirements**

*Adverse Action—Decrease in Benefits*

Make the change within 10 operating days after the last day of the advance notice period (10 calendar days during which the household may appeal the determination) unless the household appeals.

*Notice of an Increase in Benefits*

Make the change within 3 operating days of new eligibility determination.

<sup>71</sup> TDA provides sample and template forms for this purpose at [www.squaremeals.org](http://www.squaremeals.org).

## Required Actions, Appeal and Hearing Procedures

A household has the option to appeal a reduction or termination of benefits within the 10 calendar days of the advance notice period. The CE must adhere to the following guidelines in implementing the appeal and hearing procedures:

- The CE must follow the appeal and hearing procedures as described in this section<sup>72</sup>
- The Hearing Official must be an individual who is not involved with the household application approval or verification process. **The Hearing Official cannot be a food service management company employee.**
- The household may request a conference prior to a formal hearing. However, this conference must not prejudice the later hearing.

### Benefits During Appeal of Verification Results

When a household appeals a reduction or termination of benefits within the 10 calendar days of the advance notice period, the CE must continue to provide the benefits for which the household was originally approved until a final determination is made.

### Benefits During the Advance Notice Period

During the 10 calendar days advance notice of adverse action, the students in the household must continue to receive free or reduced-price meal benefits. When a household does not appeal a reduction or termination of benefits within the 10 calendar days of advance notice period, the actual reduction or termination of benefits must take place no later than 10 operating days after the end of the 10 calendar days of advance notice period.<sup>73</sup>

### CE's Reimbursement Claims During 10 Calendar Day Advance Notification Period

The CE must continue to claim reimbursement for free or reduced-price meals served to the student during the **advance notification period**.

### Timeline for Reduction or Termination of Benefits Not Appealed or Reduction or Termination of Benefits After Appeal or Hearing Decision

When a household does not appeal a change or termination of benefits during the 10-calendar-day advance notice period or when the Hearing Official rules that benefits must be reduced, the actual reduction or termination of benefits must take place no later than 10 operating days after the 10 calendar days advance notice period.

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<sup>72</sup> See the *Administrator's Reference Manual, Section 2, Application Agreement/Renewal* for additional information on this topic.

<sup>73</sup> See the *Appeal and Hearing Procedure* subsection in this section for additional information on the reduction or termination of benefits timeline as a result of appeal or hearing decision.



## Household Reapplying for Program Benefits

Households affected by a reduction or termination of benefits may reapply for benefits at any time during the school year. These household applications are not considered new household applications. If a household reapplies for eligibility after termination as a result of verification efforts (including verification for cause) during the same school year, the household must submit income documentation or proof of participation in an assistance program that provides categorical eligibility at the time of reapplication.<sup>74</sup>

## Verification Reporting

The CE must report information about the household verification selection and results in the verification report section of the *Texas Unified Nutrition Programs System (TX-UNPS)* by February 1 of each year. CEs may also obtain a printable version of the *School Food Authority (SFA) Verification Collection Report, FNS-742* at [www.squaremeals.org](http://www.squaremeals.org) to use in preparation for entering information into TX-UNPS.

*[NOTE: CEs are required to maintain records that accurately identify student eligibility based on income, Categorical Assistance Program participation by program, and Other Source Categorical Eligible program participation by program. This information will help CEs in completing the verification form and the CEP report each year.]*

All CEs must submit a verification report in TX-UNPS; however, schools operating one of the special assistance provision programs will complete a limited number of fields. If a CE stops operating a special provision program—CEP or Provision 2—and returns to collecting household applications to determine eligibility for schools meals, the CE must complete the verification and verification reporting processes when it adopts standard counting and claiming. If this is the case, the CE will work with TDA to establish a timeline for completing the verification process.

The CE must provide the following information in the *School Food Authority (SFA) Verification Collection Report, FNS-742* (through TX-UNPS) based on the total number of program participants on October 1 of each year:

- Total number of sites as of October 1 of each year.
- Total number of enrolled NSLP or SBP participants, differentiated by regular and special provision sites as of October 31<sup>st</sup> of each year.
- Total number of SNAP participants directly certified as of October 31<sup>st</sup> of each year.

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<sup>74</sup> See *Information Box 1, Assistance Programs Qualifying Children for NSLP and SBP Free Benefits* of this document for all sources of categorical eligibility.

- Total number of SNAP/TANF participants not directly certified as of October 31<sup>st</sup> of each year.

*[Note: The form requires that CEs submit the total number of students who were certified using the SNAP letter method even though the SNAP letter method is no longer an acceptable method of directly certifying SNAP participants.]*

- Total number of NSLP/SBP participants directly certified as TANF or FDPIR and total number of NSLP/SBP participants directly certified eligible based on NSLP/SBP participation in Other Source Categorical Eligibility<sup>75</sup> programs as of October 31<sup>st</sup> of each year.
- Total number of NSLP/SBP participants verified as eligible for free benefits based on participation in any of the Categorical Assistance Programs or Other Source Categorical Eligible<sup>76</sup> program participation as well as income eligibility as of October 31<sup>st</sup> of each year.

*[Note: CEs are required to validate<sup>77</sup> participation in all of the categorical programs, with the exception of foster, as part of eligibility determination. When a student's participation in designated state<sup>78</sup> or federally funded pre-kindergarten programs, including Early Head Start, Even Start, and Head Start homeless, including runaways and individuals displaced by declared disasters; or migrant is validated, the student is directly certified and not included in the verification pool.<sup>79</sup>)*

- Total number of NSLP/SBP participants verified as eligible for reduced price benefits based on income as of October 31<sup>st</sup> of each year.
- Number of household directly certified before the household submitted verification documentation.
- Number of students directly certified as Medicaid Free
- Results of verification process.
- Timeline for completing the verification process.
- Type of verification process used including the sample method.

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<sup>75</sup> See the *Information Box 1, Assistance Programs Qualifying Children for NSLP and SBP Free Benefits* for additional information on qualifying program.

<sup>76</sup> Other Source Categorical Eligible programs includes foster, homeless, migrant, runaway, and state- or federally funded early literacy programs including Head Start, Early Head Start, and Even Head Start. See *Administrator's Reference Manual, Section 4, Determining Eligibility* for more information on this topic.

<sup>77</sup> See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for addition information on validation.

<sup>78</sup> Eligible state-funded or Indian tribal organization (ITO) pre-kindergarten programs must (1) use income or categorical eligibility criteria which are identical to, or more stringent than, the Head Start Program; (2) be able to differentiate between children receiving state or Indian tribal organization (ITO) funding based on income and children participating according to criteria other than the Head Start Program income limitations; and (3) certify eligibility for no more than a 12 month period of time. See the *Administrator's Reference Manual, Section 4, Determining Eligibility* for additional information on this topic.

<sup>79</sup> See the *Administrator's Reference Manual (ARM), Section 4, Determining Eligibility* for more information on this topic.

## Second Review (Independent Review) of Household Applications

The information reported in the Second Review of Applications, which is also located in TX-UNPS, is related to eligibility determinations. This form has a USDA number of **742A**. It is not the verification report (742).

## Resources

TDA provides forms and document prototypes for CEs to use. While CEs are not required to use all the resources TDA provides, TDA strongly encourages CEs to use them. If CEs choose to use a verification form or letter that is not developed by TDA, they are responsible to ensure that the form or letter contains correct and accurate information.

## Required Reports

CEs **must** use the following forms:

- *Verification Individual Household Report Form* or CE-developed form that captures the same data
  - Completed as verification is conducted
  - Located at [www.squaremeals.gov](http://www.squaremeals.gov)
  - Retained onsite
- *Preliminary Verification Report*
  - Open November 1, Due November 15
  - Located in TX-UNPS, Download Forms page
  - Submitted as directed on the form
- *School Food Authority (SFA) Verification Collection Report, FNS-742 (742)*
  - Due February 1
  - Located and submitted in TX-UNPS

## TDA Templates and Sample Forms

The following template and sample forms are also provided by TDA. These forms are located at [www.squaremeals.gov](http://www.squaremeals.gov).

### Collecting Information

- *Verification Information Request: SNAP/TANF Multiple Applicant Form*
- *Verification Information Request: Statement of Earnings Form*
- *Verification Information Request: Statement of Social Security Income Form*
- *Verification Summary Form*

## Conducting Verification

- *Verification Sample Size Calculator*

## Household Notification, Selection for Verification

- *Letter to Households Selected for Verification of Eligibility (also available in Spanish)*
- *Verification Information for Free and Reduced-Price Meals Sheet (also available in Spanish)*

## Household Notification, Results

- *Notification Verification Continuation of Benefits Letter (also available in Spanish)*
- *Notification Verification Results/Adverse Action Letter —Income (also available in Spanish)*
- *Notification Verification Results/Adverse Action Letter —SNAP/TANF (also available in Spanish)*

## USDA Resource

USDA has developed a *Verification Toolkit* to assist CEs in the verification process. The toolkit is available at <https://www.fns.usda.gov/school-meals/verification-toolkit>.

## Records Retention

CEs are required to maintain records that accurately identify student eligibility based on income, Categorical Assistance Program participation by program, and Other Source Categorical Eligible program participation by program. CEs must maintain a direct certification list which indicates the program which initiates direct certification—Categorical Assistance Eligible program and/or Other Source Categorical Eligible programs. CEs will use this information on the *School Food Authority (SFA) Verification Collection Report (FNS-742)*<sup>80</sup> which is submitted in TX-UNPS each year.

CEs may retain documentation electronically or in paper and must retain records for the period time required as described in *Information Box 4*.

### Information Box 4

#### Records Retention

State Board of Education policies require public and charter schools to maintain records for a period of 5 years.

Private schools, other nonprofit organizations, and RCCIs maintain records for 3 years.

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<sup>80</sup> Applies only to NSLP and SBP

## School Food Authority (SFA) Verification Collection Report, FNS-742

USDA requires that CEs retain a copy of their *School Food Authority (SFA) Verification Collection Report, FNS-742*. However, because CEs submit this form through TX-UNPS in Texas, CEs are not required to keep a paper or electronic copy of the actual form.

## Verification Individual Household Report Form

USDA also requires CEs to retain notes and comments about all verification contacts with the household as well as documentation that prove eligibility and have these records ready for review by TDA or USDA.<sup>81</sup> In Texas, CEs must complete the *Verification Individual Household Report Form* for each household selected for verification or may use a CE-developed form that captures the same data.

*A complete and accurate Verification Individual Household Report Form, an accurate point of service system, and direct verification documentation provide the required information for records retention. Correct use of this report form allows CEs to destroy<sup>82</sup> or return confidential information gathered from the household rather than maintain a long-term method for securing confidential personal household information. This form is available at [www.squaremeals.org](http://www.squaremeals.org).*

CEs must also retain records as described in the following list:

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### *Eligibility Information*

- Documentation indicating categorical eligibility based on direct verification  
*[NOTE: Direct Verification and Direct Certification are two separate processes, but the processes are linked. The purpose of Direct Verification is to verify a student or household's eligibility. However, once the Direct Verification process is completed, the CE is allowed to use Direct Verification information to assign a student's eligibility as directly certified for free or reduced-price meals.]*

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### *Verification Process*

- Description of the CE's method for conducting verification
  - All forms and documentation demonstrating the CEs process for creating the verification sample pool and the verification sample
  - Copies of template verification letters as well as any individualized documentation sent to households or other sources
  - Copies of any forms used to obtain information for agencies or other sources that provided verification information
  - *Verification Individual Household Report Form* for each verification
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<sup>81</sup> If the CE uses a technology-based verification system, the CE must have a process in place for the Verification Reviewer to retain comments or notes for each verified application so that comments or notes are clearly associated with the correct application. In Texas, this includes use of the *Verification Individual Household Report Form*.

<sup>82</sup> These records contain confidential information and should be disposed of safely and securely.

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*Promoting Access to NSLP/SBP*

- Evidence, including descriptions of process, about the method used to provide a no-cost telephone number for households to use to get assistance during the verification process
- Evidence, including descriptions of process, of the efforts the CE has made to ensure that adequate language assistance is provided to households when requesting information from households

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*Reports*

- Evidence, including descriptions of process, about the method used to provide a no-cost telephone number for households to use to get assistance during the verification process
- Evidence, including descriptions of process, of the efforts the CE has made to ensure that adequate language assistance is provided to households when requesting information from households

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*Appeals and Hearings*

- Description of the CE's method for conducting appeals and hearings
- Copies of notification templates, response templates, and individualized communication if used
- Notes and comments concerning any appeals or hearings including the following:
  - Notification, response
  - Direct contact
  - Decisions

## **Compliance**

TDA will review documentation submitted through TX-UNPS and during administrative reviews to determine if the CE is compliant with the regulations related to verification. TDA may require a corrective action plan if the CE does not comply with the verification requirements, including, but not limited to, submitting all required forms by due dates and complete and approvable implementation of verification processes. Noncompliance in these areas may require fiscal action.