

Date: September 18, 2017

To: Authorized Representatives of School Food Authorities (SFAs) Participating in the U.S. Department of Agriculture (USDA) Child Nutrition Programs

From: Jessica Sharkus, RDN, CD
Director – School Nutrition Team

Subject: Verification of Eligibility for the National School Lunch Program

**Please forward this time sensitive material to the designated
Verifying Official for the SFA**

To maintain the integrity of the USDA Child Nutrition Programs, each SFA must annually verify eligibility of children from a sample of household applications approved for free and reduced price meal benefits for that school year. Verification is only required to confirm eligibility determined through the application process, not through direct certification. Verification must include either confirmation of income eligibility or confirmation that the child is a member of a household receiving assistance under FoodShare, W-2 Cash Benefits, or Food Distribution Program on Indian Reservations (FDPIR) when a case number is provided on an application.

To determine which applications are selected for verification, there are three methods established by USDA. All SFAs must use the Standard Sampling Method unless it qualifies to use an alternative sample size method. To utilize an alternative sample size method, a SFA must have less than a 20% non-response rate from the prior year's verification process. Based on the results of the Verification Collection Report (VCR) submitted to the Wisconsin Department of Public Instruction (DPI) in school year (SY) 2016-17, your SFA is approved to choose any of the three (3) sampling methods including: Standard Sampling Method, Alternate One, or Alternate Two.

- **Standard:** Verify three percent (3%) of all applications approved by the SFA for the SY, as of October 1, selected from error prone applications. If there are not enough error prone applications, SFAs must randomly select additional applications to complete sample size.
- **Alternate One:** Verify three percent (3%) of all applications approved by the SFA for the SY, as of October 1, selected at random.
- **Alternate Two:** Verify one percent (1%) of all applications approved by the SFA, as of October 1 of the SY, selected from error prone applications PLUS one-half of one percent (0.5%) of applications approved by the SFA, as of October 1 of the SY, that provide case numbers in lieu of income information.

How to determine if an application is error prone:

Error prone means applications within \$100 per month or \$1,200 per year of [SY 2017-18 Income Eligibility Guidelines](#).

Example: A household of four persons earns monthly between \$2,565 and \$2,765 (\$100 above or below the free and reduced dividing line); or \$3,693 to \$3,793 (\$100/month below the reduced maximum income number and up to the cut-off amount) would be considered an error prone income application during SY 2017-18.

Table 1 Maximum Monthly Income for Household of Four

FREE	REDUCED
-\$100 \$2665 +\$100	-\$100 \$3793 N/A
\$2565 ↔ \$2765	\$3693 ↔ \$3793

Error prone = Income within this range

Table 2 Maximum Annual Income for Household of Four

FREE	REDUCED
-\$1200 \$31,980 +1200	-\$1200 \$45,510 N/A
\$ 30,780 ↔ \$ 33,180	\$ 44,310 ↔ \$45,510

Error prone = Income within this range

Please refer to page 101 in the 2017 *Eligibility Manual for School Meals (EM)* for more information on these application selection methods.

New!

The [USDA issued Policy Memorandum SP 42-2017](#) *Beginning Verification before October 1: Guidance to Local Educational Agencies* on September 8, 2017. This guidance allows an SFA to begin the verification process prior to October 1. See the memo linked above which includes detailed sampling guidelines and examples. There are three requirements listed within the memo to begin verification prior to October 1.

1. Decide how often to sample applications;
2. Include in each sample pool, only applications approved since the last sample was selected; and
3. Select 3% of approved applications by the required sampling method.

The minimum verification requirements still apply regardless of when verification begins, including: notifying the household of selection, at least one follow up attempt to contact non-responding households, and a 10-day advance notification of a reduction or termination of benefits.

The verification process must be completed by November 15, 2017. The outcome and results of verification are reported annually to DPI utilizing the online VCR and are due by February 1, 2018.

There are many resources and training materials to assist you with verification:

1. The [2017 Eligibility Manual](#) reviews the verification process in detail on pages 96-114.
2. The [Verification webpage](#) on the School Nutrition Team (SNT) website includes:
 - Verification forms and notification letters.
 - Verification training webcasts.
 - Instructions for completing the VCR.
 - Sample of the VCR to print and fill out manually prior to completing online.

It is important to review the verification resources each year as there are often updates and clarifications.

If your SFA is not able to complete the verification process by November 15, you may request an extension by logging into the VCR site in Online Services, click on the "Request Waiver" tab and complete the requested information. DPI may approve an extension up to December 15 of the current school year. An extension request after December 15 must be approved by the USDA Food and Nutrition Service, Midwest Regional Office. Extensions will be granted **only for valid reasons** such as a natural disaster, civil disorder, strike, or other circumstances that prevent the SFA from timely completion of verification activities.

SFAs participating in a Special Provision (Community Eligibility Provision or Provision 2):

If your entire SFA participates in the Community Eligibility Provision (CEP) or is in a Provision 2 non-base year, you do not need to complete the verification process; however, the VCR is still required to be completed and submitted by February 1, 2018. Please refer to the VCR instructions to complete for CEP only.

If only some schools within your SFA participate in CEP, only the non-CEP schools are included in the verification process. Please remember, verification is not required if you are using the Alternate Household Income Form or the USDA Free and Reduced Price School Meal Application and **only students in a CEP school are included on the application**. A USDA Free and Reduced Price School Meal Application that includes students from both CEP and non-CEP schools, would be part of the verification process since non-CEP students are listed. The outcome of verification is to be reported as usual for non-CEP schools, and CEP schools will be reported in Section 2 on the VCR. Please refer to the VCR instructions linked above.

Please [contact any consultant](#) if you have questions.

Important Dates to Remember for Verification

Consider a Direct Certification (DC) run at the **end of September**. All DC students are excluded from verification.

The sample size determined for verification is based on the number of current applications on file as of **October 1, 2017**. Carryover applications from SY 2016-17 are excluded.

The verification process must be completed by **November 15, 2017**.

SFAs may begin to report the outcome of verification in the VCR portal beginning **November 1, 2017**. The [VCR portal](#) to complete the report is located on the SNT website.

When completing the VCR, the total number of enrolled students is as of **October 31, 2017**.

The VCR must be submitted online no later than **February 1, 2018**.