

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION
Community Nutrition Programs
Child and Adult Care Food Program

Guidance Memorandum 1A: For Child and Adult Care Food Program Sponsoring Organizations and Independent Centers (Adult Care Component)

Topic: Instructions for Completing the Application Statement of Household Size-Income 2010-2011 for Nonpricing Programs

Date: March 2012

Household Size-Income Statements must be distributed annually with an accompanying letter to all enrolled eligible adult participants (functionally impaired adults and/or persons 60 years or older) who **do not** reside in an institution (nursing homes, Community Based Residential Facilities, and Adult Family Homes). Agencies must designate a “determining official” who is responsible for reviewing and approving all Household Size-Income Statements. To determine the eligibility category and approve the Household Size-Income Statement, the determining official must fully complete all three sections of the bottom portion of the Household Size-Income Statement (*For Center Use Only*), the *Basis for Determining Eligibility*, *Eligibility Determination*, and the *Determining Official’s Initials and Date*.

The date written in the *Determining Official’s Initials and Date* section of the *For Center Use Only* box is the date that the Household Size-Income Statement is approved as the determined eligibility category. Household Size-Income Statements are valid until the last day of the month in which the form was dated within the *For Center Use Only* box one year earlier by the determining official who approved the statement. For example, if a statement was approved on September 15, 2011, it is valid through September 30, 2012.

Agencies are required to have on file completed and signed statements from the household of each eligible participant counted in the “free” and the “reduced” categories. If an adult household member refuses to complete a form or fails to return a form to the sponsor, the participant must be counted as “non-need” regardless of the household’s income. All income statements, which includes those determined as “non-need” as well as those that are “free” or “reduced,” are to be retained for three years after the end of the Child and Adult Care Food Program fiscal year (October 1 to September 30).

The Household Size-Income Statement included in this memorandum is to be used for collection of all necessary information. Household Size-Income Statements that lack any required information, as specified below, must be determined as “non-need” and marked as such on the Household Size-Income Record until the forms have been completed and the eligibility determined as specified above. A participant that does not have a valid Household Size-Income Statement must be marked as “non-need” on the Household Size-Income Record.

DETERMINING ELIGIBILITY BY HOUSEHOLD SIZE AND INCOME

When eligibility is established by household size and income, a complete application must include the:

- a. Names of all household members including the name of the eligible adult applicant [7 CFR Part 226.23(e)(1)(iii)(A)&(B)];
- b. The last four digits of the social security number of adult household member signing the application or an indication that he/she does not possess a social security number [7 CFR Part 226.23(e)(1)(iii)(C)];
- c. Household income received by each household member identified by source [7 CFR Part 226.23(e)(1)(iii)(D)];
- d. Signature of an adult member of the household [7 CFR Part 226.23(e)(1)(iii)(F)].

To comply with the federal requirement that eligibility information shall be no more than twelve months old [7 CFR Part 226.23(f)] a valid income statement must also contain:

- a. The date that the adult member of the household signs the application [to comply with 7 CFR Part 226.23 (f)];
and
- b. The date that the “determining official” approves the eligibility category for the applicant.

If income has been reported from more than one source and for different time periods, such as a weekly unemployment payment and a monthly social security payment, the weekly figure should be converted to a yearly figure by multiplying by 52(52weeks in a year) to arrive at a total income amount. To convert biweekly to yearly, 26 is the multiplier. To convert twice per month to yearly the multiplier is 24. To convert monthly income to yearly the

multiplier is 12. Do not round the values resulting from each conversion. Add all of the un-rounded converted values and compare the un-rounded total to the appropriate Income Eligibility Guideline for annual income for the household size. Agencies *cannot* use conversion factors such as 4.33 to convert weekly income or 2.15 to convert bi-weekly income to monthly amounts. Definitions of income are included in this guidance memorandum. The determining official must review the income statement to ensure that this information is reported and then use the current Household Size-Income Scale, included in this memorandum, to determine the eligibility category (free, reduced or non-needy) of the adult applicant. All reported income payments must be totaled to determine the eligibility category.

Completion of the Household Size-Income Statement on behalf of the eligible adult participant:

In most cases, eligible adult participants are able to complete their own Household Size-Income Statements. An earnest effort must be made to have the participant, or an adult member within his/her household, complete an income statement with his/her signature, even if the signature consists of the participant's own simplified "mark" in order to certify the furnishing of true information. However, if the eligible adult participant's guardian or power of attorney signs the Household Size-Income Statement on behalf of the participant, the guardian or power of attorney must provide the last four digits of his/her social security number in place of the adult participant's social security number in the space provided on the income statement.

CATEGORICAL ELIGIBILITY

When eligibility is established by Food Stamp (Wisconsin FoodShare) case number, Food Distribution Program on Indian Reservation (FDPIR) case number, or Supplemental Security Income (SSI) or Medicaid assistance number, an adult is categorically eligible for "Free." A complete application must include:

- a. The name of the adult applicant [7 CFR Part 226.23(e)(1)(v)(A)];
- b. The appropriate Food Stamp (FoodShare Wisconsin), FDPIR, SSI, or Medicaid assistance number for the adult participant [7 CFR Part 226.23(e)(1)(v)(A)];

For Food Stamp case numbers (FoodShare Wisconsin) the 10 digit case number or the 16 digit Quest card number can be accepted. A Food Distribution Program on Indian Reservations (FDPIR) case number is the applicant's Social Security Number. The determining official needs to be familiar with the format of valid case numbers. If there is any doubt concerning the validity of a case number, the determining official may contact local Food Stamp, SSI, Medicaid, or FDPIR officials.

- c. The signature of an adult member of the household [7 CFR Part 226.23(e)(1)(v)(B)].

Completion of the Household Size-Income Statement on behalf of the eligible adult participant:

Should an eligible adult participant be unable to complete his/her income statement and no family member or guardian is available to complete it for him/her, the center may complete the income statement on the eligible adult participant's behalf if the eligible adult participant is categorically eligible for meals. The participant's file must contain documentation of this categorical eligibility.

To comply with the federal requirement that eligibility information shall be no more than twelve months old [7 CFR Part 226.23(f)], a valid Household Size-Income Statement must also contain:

- a. The date that the adult member of the household signs the application [to comply with 7CFR Part 226.23 (f)]; and
- b. The date that the determining official approves the eligibility category for the applicant.

Extended Categorical Eligibility: If an eligible participant receives FoodShare Wisconsin or FDPIR, he/she would be claimed as free regardless of where he/she is residing (i.e. if the participant moves to another household). That categorical eligibility extends to other eligible participants residing in the household as well; meaning all eligible participants in that household would also be free. Eligible participants with extended categorical eligibility retain their free status when moving to a different household for the duration of the approval period on the application.

DEFINITIONS

1. The terms **family** and **household** are used interchangeably. Program regulations define these as the adult participant (functionally impaired and/or 60 years or older), and if residing with the adult participant, the spouse and dependent(s) of the adult participant.
2. **Economic Unit** generally means a group of related or unrelated people who share all significant income and expenses of its members. Economic units are characterized by the sharing of expenses such as food, housing,

medical, and household insurance expenses. More than one economic unit may live in the same house. Separate economic units living in the same house are characterized by prorating of expenses and economic independence from each other.

3. **Types of Income to be reported** on the household's application form are a **gross** figure and generally are considered any funds received on a regular basis. Specifically, gross income means money earned **before** deductions for income taxes, insurance premiums, bonds, etc. Income includes the following:
 - a. Monetary compensation for services, including wages, salary, commission or fees;
 - b. Net income from nonfarm self-employment;
 - c. Net income from farm self-employment;
 - d. Social security;
 - e. Dividends or interest on savings or bonds, or income from estates or trusts;
 - f. Net rental income;
 - g. Public assistance or welfare payments;
 - h. Unemployment compensation;
 - i. Government, civilian employee or military retirement or pensions or Veterans' payments;
 - j. Private pensions or annuities;
 - k. Alimony or child support payments;
 - l. Regular contributions from persons not living in the household;
 - m. Net royalties; and
 - n. Other cash income such as amounts received or withdrawn from savings, investments, trust accounts, or other resources that would be available to pay the price of a participant's meal.

Self-employed individuals should report net income.

3. **Current Income** means income received during the month prior to completing the application. If such income does not accurately reflect the household's annual income, income shall be based on the projected annual household income. If the prior year's income provides an accurate reflection of the household's current annual income, the prior year may be used as a base for the projected annual income.
4. **Income not to be reported** includes any cash income or value of benefits a household may receive from any federal program that excludes such income by any legislative prohibition. An example would be any funds received by volunteers for services performed under programs authorized by the Domestic Volunteer Services Act of 1973 such as the Foster Grandparents Program, Volunteer Management Support Program, Senior Companions Program, VISTA, etc. Other examples would be benefits received under the National School Lunch Program and Child Nutrition Acts. In addition, the value of in-kind compensation allowances, such as military base housing or other subsidized housing, medical, and dental services, are not considered income. Student financial assistance, such as grants and scholarships, are not considered income.
5. **"Zero" Income vs. no listed Income:** Zero income occurs when a household specifically reports only zero ("0") income on the household size-income form. In contrast, if no income is listed on the application form it is considered incomplete. In this later case, the agency must contact the household for additional information. If the agency is unable to contact the household and/or cannot obtain sufficient clarification, the application form must be determined as "non-needy" because it is incomplete.

Households reporting a total of zero (\$0) income on the household size-income statement must now be determined as "free" for one year from the date of the determining official's approval. *Households that report a total of zero ("0") income could previously only receive temporary approval for 45 calendar days from the adult household member's signature date.* Now, households that were in temporary approval status on November 28, 2011, or have been temporarily approved since that date must be approved for one year from the date of the determining official's approval. If the household's temporary approval expired prior to November 28, 2011, the household must complete and submit a new household size-income statement.

If the agency is concerned with the authenticity of the information provided on the household size-income statement reporting ("0") income, the agency may, on a case by case basis, request the adult household member for verification.

HOUSEHOLD LETTER

Each Household must be given a letter with the Household Size-Income Statement. The letter is included in this memorandum and with the on-line CACFP Application renewal announcement letter.

HOUSEHOLD SIZE-INCOME RECORD

Agencies are required to use the form entitled the "Household Size-Income Record," included in this guidance memorandum, to document the monthly enrollment by need category recorded on the Child and Adult Care Food Program Reimbursement Claim [PI-1489-A]. An agency which **does not** use the Household Size-Income Record as detailed in this guidance memorandum must submit the agency form being used to record monthly enrollment data by need category (non-needy, reduced and free) to DPI for prior approval.

All agencies are required to provide a description of each center's enrollment policy within their current on-line CACFP Application. All enrolled eligible adults must be listed on the Household Size-Income Record each month in accordance with the enrollment policy described within the agency's current on-line CACFP Application. See *Guidance Memorandum 6A* for examples of reasonable and measurable enrollment criteria that can be uniformly applied when determining which eligible adults to list on the Household Size-Income Record.

A center is required to maintain its definition of enrollment, or its center's enrollment policy, for the entire fiscal year or receive written permission from the DPI to change the enrollment definition if it is not consistent throughout the year.

A spreadsheet version of the Household Size-Income Record is available to download from the DPI website (address at the bottom of this page). Directions to use the spreadsheet are:

Indicate the need category of each enrolled eligible adult participant by marking the need classification using either the appropriate "n", "r", or "f" or an "x". If additional rows are needed, press on the row number (on the left hand side) and select **Insert** and then **Rows** from the top menu. A printed copy of the Household Size-Income Record must be retained as documentation with each month's claim along with the other information that supports data on the claim.