*Date:* February 20, 2014

*To:* Authorized Representatives of School Food Authorities Participating in the USDA Child Nutrition Programs

*From:* Jessica Sharkus, RDN, CD Director-School Nutrition Team

*Subject:* Effective Date of Free or Reduced Price Meal Eligibility Determinations

This memo clarifies the flexibility available to local educational agency (LEA) officials for establishing the effective date of eligibility for children certified for free or reduced price meals in the National School Lunch Program (NSLP), School Breakfast Program (SBP), and free milk in the Special Milk Program (SMP) based on household application.

Section 9(b)(9)(A) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1758(b)(9)(A), states that a child in a household meeting the income limits “at the time the application is submitted…shall be served a free lunch.” The *Eligibility Manual for School Meals* provides that the determination, notification, and implementation of free or reduced price meal status be made within ten operating days from the date the application is received by the LEA. **Therefore, if the LEA chooses, it could establish the date of submission of an application as the effective date of eligibility, rather than the date the official approves it.** This flexibility applies to eligibility determinations made through the application process only, and only to complete applications containing all required information at the time of submission (see part 3C of the *Eligibility Manual for School Meals*).

This flexibility may be used when processing household income applications, as well as when waiting for documentation of other source categorical eligibility (e.g., for homeless or migrant children) indicated on a household application. Ultimately, this flexibility would assist low income children by allowing them to access free or reduced price school meals during the eligibility determination period. It could also assist LEAs that are experiencing challenges with unpaid debt.

If the LEA chooses to exercise this flexibility, it must do so for all students in all schools and Child Nutrition Programs, including the Child and Adult Care Food Program and Summer Food Service Program, if applicable. In addition, LEAs must have a method to document the date the application was submitted, such as a date stamp, and must refund any money paid by or on behalf of the child for a reimbursable meal or milk prior to the eligibility determination, including forgiving accrued debt.

For example, if a child had paid for full price meals and was subsequently determined eligible for reduced price meals, the LEA could adjust the claim to have the previously-served meals reimbursed as reduced price, rather than paid. In turn, the LEA must refund the difference between the total amount paid for the full price meals and the total amount that would have been paid for reduced price meals from the date the application was submitted to the LEA to the date the eligibility determination was made. Similarly, the same amount must be removed from any debt accrued by the child for meals served without payment. For example, the school has a policy that allows a child to receive a meal even if s/he does not have money to pay for a reduced price or paid meal. Under this policy, a child received five lunches after submitting an application, but prior to being determined to be eligible to receive reduced price meals. If this child was in debt for the full price ($3.00) for each of the five lunches ($15.00) and the LEA charges $0.40 for a reduced price lunch, the LEA may claim the five lunches as reduced price if it adjusts the debt to reflect only the cost of five reduced price lunches ($2.00). If this child had spent $15.00 instead of accruing a debt, the LEA must refund the difference between the cost of five paid lunches and five reduced price lunches or $13.00. **The LEA can only claim those meals at the higher reimbursement rate if the child is given a refund or their debt is discharged.**

Use of this flexibility is at the LEA’s discretion; however, an LEA implementing this flexibility must notify the School Nutrition Team (SNT) at the Department of Public Instruction (DPI). The LEAs that choose to use this flexibility should submit their current month claims normally and follow the DPI procedures for adjusting claims after initial submission. In turn, the SNT will be working with these LEAs to ensure the proper implementation of the flexibility and the accuracy of the LEAs adjusted claims. This flexibility would primarily be used at the beginning of a school year for newly eligible students and would have a limited application insofar as the majority of eligible children would be either directly certified at the beginning of a school year or would continue to receive free or reduced price meals under the eligibility carryover provision.

If you plan to use this flexibility for the upcoming school year, please contact Karrie Isaacson at karrie.isaacson@dpi.wi.gov or (608) 266-2416.