



Income Verification & Collection Report

Child Nutrition Program Administration
New York State Education Department



Regulatory Authority

- 7 CFR
 - Part 210– National School Lunch Program
 - Part 215– Special Milk Program
 - Part 220– School Breakfast Program
 - Part 235– State Administrative Expense
 - **Part 245– Free and Reduced Price Eligibility**
 - Part 3016- Procurement for Public & Charter Schools
 - Part 3019- Procurement for Non-Public Schools
 - Part 3052- Audit Requirements

- Public Law 111-296 (Healthy, Hunger-Free Kids Act of 2010)

- 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule
 - Supersedes and streamlines requirements from OMB CIRCULARS A-87; A-122

Income Verification

- Verification is an **annual** requirement that confirms the eligibility of free and reduced price meals under the NSLP and SBP
- Confirmation of information provided on a free/reduced application:
 - Income eligibility
 - Child or household member is receiving assistance under SNAP, FDPIR, TANF
 - Not required through the Direct Certification Matching Process (DCMP)
- Verification must be **completed** by **November 15th**
 - Includes changes in eligibility
- SED prototype forms
 - Review POS generated letters
- **Keep all supporting documentation on file**
 - Number of applications on file as of **October 1st**
 - Number of applications that must be verified
 - Documentation of confirmation review
 - Summary of the verification process and results



Income Verification

Not required for:

- SFAs claiming paid reimbursement only
 - SFAs only in the Special Milk Program
 - RCCIs with no day students
 - SFAs in Non base year Provision 2
 - SFAs in Community Eligibility Provision (CEP)
-
- These SFAs must however still submit and report information to SED





Income Verification

- SFAs have the option to begin the Verification process prior to October 1st
- If SFA chooses this approach SFA **MUST**:
 - Decide how often to sample applications
 - Include only applications approved since the last sample was selected
 - Select either 3% or 1.5% of approved applications as required by the sampling method each time



Income Verification Example

- Example: SFA conducting standard verification selects 3% of approved applications every two weeks from August 1st until October 1st

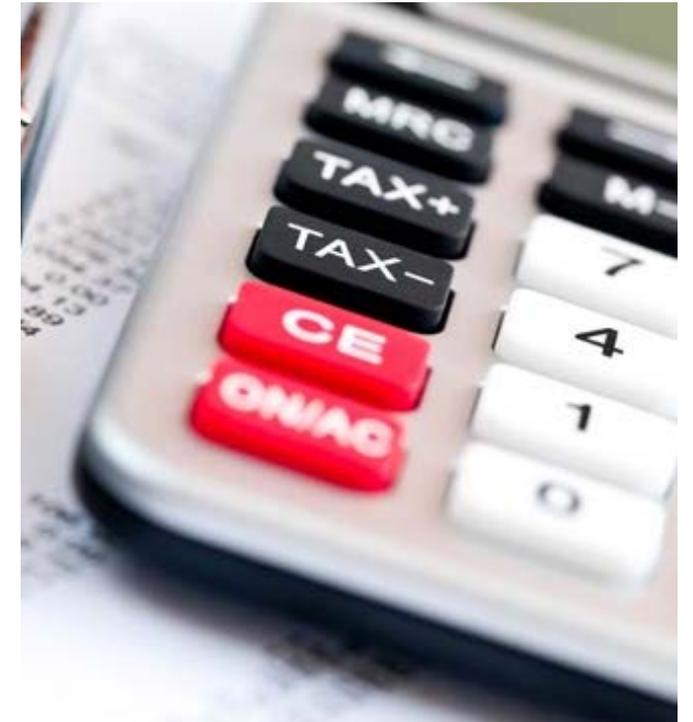
Time Frame	8/1- 8/13	8/14- 8/27	8/28- 9/10	9/11- 9/24	9/25- 10/1	TOTAL
Approved applications in time frame	703	455	296	273	167	1894
Applications selected for verification	21	13	8	8	5	55

On October 1st: 1,894 were approved: 3% of 1, 894 ($0.03 \times 1,894$)=57 Apps to be approved.

55 Applications were already approved so on October 1st LEA will need to randomly select 2 more apps

Step 1: Establish Sample Pool

- Sample Pool: Total number of newly approved applications on file as of October 1
- How to Determine your Verification Sample Pool: (Start October 1)
 - Count # free and reduced applications, district-wide (pieces of paper)
 - Include income applications,
 - Applications listing a case number
 - Applications with the foster child box checked but a letter or documentation from social service/placement agency was not submitted





Establish Sample Pool

The following should not be included in your sample pool:

- Direct Certification Match
- Homeless, migrant, runaways, or Head Start children
- Foster children who are deemed eligible based on a letter from the State or local placement agency
- Carry-over applications from the previous year who have not yet submitted a new application
- Denied Applications

Step 2: Determine the Sampling Method



Your Response Rate from the last completed SY determines how you should conduct income verification for current SY

Error Prone Method

- Must be used if you had less than 80% response rate to verification last SY
- SED generate the list of LEA's that had a greater than 80% response rate
- If your LEA is not listed, you must use this method
- Must be used if you are coming off Provision 2
- Must be used if you are in first year of operation

Alternate Options

- If 80% or more of households responded to income verification last SY, you can use *either* the error prone method OR 1 of 2 alternate options:
 - Random Method
 - Focused Method

Error Prone Method

- Verify the lesser of 3% or 3,000 of applications that fall within **\$24/week**, **\$100/month** or **\$1200/year** of the eligibility limit
- Always round up
- **Do not** verify more applications than required
- When initially approving applications, it may be helpful to flag error prone applications to help facilitate the process.



Error Prone Method

Example:

210 application forms are on file

Take 3% = 6.3 Round up to 7

- Choose 7 error-prone applications to be verified
- Suppose you only have 3 error-prone applications – what would you need to do?
- Choose the remaining 4 using random method





Random Method (Alternate 1)

- Verify the **lesser of 3% or 3,000** of the **total** number of *approved applications* on file as of October 1st selected at **random**
- Random sample must include both:
 - Income applications
 - Categorical applications
 - Applications that families indicated a **SNAP/TANF/FDPIR case number or checked the foster box** on the application but whose names do not appear on the direct certification matching list



Focused Method (Alternate 2)

- Verify the **lesser of 1% or 1,000** of the **total number** of *approved applications* (income and SNAP/TANF/FDPIR or Foster applications) **plus** the **lesser of .5% or 500** *approved applications* which reported a **SNAP/TANF/FDPIR case number**

Example:

- 900 total approved applications
- 600 approved with just a SNAP/TANF/FDPIR case number, 300 income applications
- Separate applications into two piles: income group and case number group
- $.01$ (1%) \times 900 = 9
 - Select 9 error prone *income* applications to verify
- $.005$ (.5%) \times 600 = 3
 - Select 3 applications with case numbers to verify
- **12 total verified applications**

Step 3: Select Applications to Verify

- Select applications in accordance with the type of verification conducted
 - Error Prone
 - Random (Alternate 1)
 - Focused (Alternate 2)
- Always round up
 - 6.1 = 7 applications
- Do not verify any more or any less than required sample size
- Check computerized systems for accuracy
- Refer to the Income Verification Booklet for guidance





Step 4: Confirmation Review

- Take the applications that have been selected for verification and have them reviewed by a second reviewing official to ensure the application was initially approved correctly
- Second reviewing official cannot be:
 - FSMC employee
 - Original reviewing official
 - Original verification official
- Confirmation Review is not required if computer software was used to approve applications

Confirmation Review Outcomes

- **No change in status**
 - application was approved correctly
 - SFA verifies application
- **Changed from Reduced to Free**
 - Immediately change benefits
 - Notify household of change
 - Verify application
- **Changed from Free to Reduced**
 - Do not change status
 - Verify application
- **Changed from Free or Reduced to Paid**
 - Immediately notify household of change in benefits
 - Do **not** verify application
 - Select another free or reduced application to verify
 - Conduct 2nd review of newly selected application



Step 5: Notify Household of Selection

- Must notify households of selection
 - Recommended to use SED prototype letters
- Must inform households:
 - The type of [acceptable verification documentation](#) to confirm current income
 - That the household may provide [proof](#) that the child or any household member is receiving benefits under the [Assistance Programs \(SNAP/TANF/FDPIR\)](#) instead of providing income information
 - The [date the information must be provided by](#) and that [failure to respond by the deadline will result in termination](#) of benefits
 - Name of an [SFA official](#) who can answer questions and provide assistance
 - [A toll free number](#) for parents to obtain assistance. This can be a local number within the district. It cannot be a long distance call



Step 6: Verification of Eligibility

- SFAs must verify all sources of income during verification
- Confirm income at the time of application beginning the month before they applied through the time the application is verified

- Acceptable Documentation:

- Pay stub(s)
- W-2's for self-employed **only**
- TANF or SNAP recertification letter with eligibility dates listed
 - EBT card may not be accepted as documentation
- Collateral Contact (for ex. employer, pastor, etc.)
- Letter/documentation from Foster agency
- Direct Verification

123 - John R. Doe				Pay Period 06/02/06 to 06/16/06		Required Deductions	
Earnings				Federal Income Tax	00.00	00.00	
Hours	Rate	This Period	YTD	RCA - Medicare	06.08	12.16	
50	9.00	450.00	900.00	WI State Income Tax	00.00	00.00	
Gross Pay				RCA - Social Security	25.92	51.84	
				Other Deductions			
				Health Insurance	00.00	00.00	
				401k	00.00	00.00	
				Parking	00.00	00.00	
				NET PAY	\$418.00	\$836.00	

Your Employer
1234 Some Street
Milwaukee, WI ZIPCODE

Check Number: XXXXXX
Pay Date: 06/19/06

PAY ***Four hundred eighteen dollars and 00 cents*****\$418.00

To the Order of
John R. Doe
555 Some Street
Milwaukee, WI ZIP CODE

- SFAs must make at least **1** follow up attempt to contact families who do not respond to initial verification efforts
 - May have third party assist with follow-up

Step 7: Results of Verification

Notify Families of the outcome of verification

- Use NYSED prototype letter

Changes in eligibility –

- **Increase** in benefits
 - Must be made within **3** operating days (e.g. reduced to free)
- **Decrease** in benefits
 - Families must be given **10** calendar days written notice (e.g. free to paid)
 - Notice must include required information on denial letter
- Change Benefits must be made for **ALL** family members

NOTE:

- **No response = benefits must be terminated**



Households who do not respond:

- SFAs must take the following written action:
 - Benefits must be terminated
 - **10-calendar** day advance notice (*the 1st day is the day the notification is sent*)
 - This should be built into the verification timeline to be completed by **November 15**
- The written notice must include:
 - Change in benefits
 - Reason(s) for change
 - Right to appeal
 - Appeal process
 - Non-discrimination statement
 - Reapplication process
- Households that appeals within 10 calendar days:
 - Must continue to receive benefits until decision is made by hearing official





Fragile Households

- Fragile household: is one that may be having major hospitalization and/or health issues or tragic events
 - SFAs may decline up to 5% of their verification sample and replace them with other approved applications when a fragile household is chosen

The SFA may:

- Skip over the “fragile” household’s application
- Document why the SFA passed over the “fragile” application
- **Only in rare and necessary circumstances should this be used**
- Select another application and begin the verification process



Direct Verification

- Direct Verification is the confirmation of eligibility by using records from public agencies to verify assistance program participation.
 - Purpose– Help reduce termination of eligible families who fail to return information when chosen for verification
 - Intent–To validate a household’s eligibility

SFAs will:

Access Business Portal and click on New York State Identification System (NYSSIS)

SFAs will use the search tool to verify students eligibility

- Must match **3 unique identifiers** (i.e. DOB, address, name)
- **Keep a record** of directly verified students on file for review
- **Report data on Income Verification Collection Report** (Attachment G)





Verification for Cause

- SFAs are obligated to verify all questionable applications
- Applications verified for cause are in **addition** to the annually required verification process
 - Restriction on sample size (over-verifying) does not pertain to verification for cause applications
- Follow Income Verification procedures
- Report those applications verified for cause and the results on the Income Verification Collection Report (Attachment G)

Income Verification Collection Report (Attachment G)

Print

OMB APPROVED NO. 0584-0026
Expiration Date: 04/30/2016

Department of Agriculture, Food and Nutrition Service
School Food Authority (SFA) Verification Collection Report

State agencies must report the information on this form ANNUALLY for each SFA with schools operating the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP).
All SFAs, including SFAs with all schools exempt from verification requirements, must complete applicable sections.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number. The valid OMB number for this collection is 0584-0026. The time required to complete this information collection is 45 minutes per response, including the time to review instructions, search existing data resources, gather the data needed and complete and review the information collection.

State Agency Name: _____ SFA ID#: _____ Type of SFA: Public Nonprofit/Private School Year: From: 20 _____ To: 20 _____
SFA Name: _____ SFA City: _____ SFA Zip code: _____

Section 1	Total Schools, Residential Child Care Institutions (RCCIs) and Enrolled Students	**All SFAs must report Section 1**	A. Number of Schools OR Institutions	B. Number of Students
		1-1: Total schools (Do not include RCCIs):		
		1-2: Total RCCIs (Do not include schools counted in 1-1):		
		1-2a: RCCIs with day students (Report ONLY day students in 1-2aB):		
		1-2b: RCCIs with NO day students:		
Section 2	SFAs with schools operating alternate provisions	**ONLY SFAs with alternate provisions must report Section 2**	A. Number of Schools AND Institutions	B. Number of Students
		2-1: Operating Provision 2/3 in a BASE year for NSLP and SBP:		
		2-2: Operating Provision 2/3 in a NON BASE year for NSLP and SBP:		
		2-2a: Provision 2/3 students reported as FREE in a NON BASE year:		
		2-2b: Provision 2/3 students reported as REDUCED PRICE in a NON BASE year:		
		2-3: Operating the Community Eligibility Option:		
		2-4: Operating alternate provision(s) for only SBP or only NSLP:		
Section 3	Students approved as FREE eligible NOT subject to verification	**ALL SFAs must report Section 3 or check box 3-1 if applicable**	B. Number of FREE Students	
		3-1: <input type="checkbox"/> Check the box only if all schools and/or RCCIs in the SFA were not required to perform direct certification with SNAP (i.e. NON BASE year Provision 2/3 for all schools)		
		3-2: Students directly certified through Supplemental Nutrition Assistance Program (SNAP): Do not include students certified with SNAP through the letter method.		
		3-3: Students directly certified through other programs: Include those directly certified through Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), or Medicaid (if applicable); those documented as homeless, migrant, runaway, foster, Head Start, Pre-K Even Start, or non-applicant but approved by local officials. DO NOT include SNAP students already reported in 3-2.		
		3-4: Students certified categorically FREE eligible through SNAP letter method: Include students certified for free meals through the family providing a letter from the SNAP agency.		
Section 4	Students approved as FREE or REDUCED PRICE eligible through a household application	**ALL SFAs collecting applications must report Section 4**	A. Number of Applications	B. Number of Students
		4-1: Approved as categorically FREE Eligible: Based on those providing documentation (e.g. a case number for SNAP, TANF, FDPIR on an application)		
		4-2: Approved as FREE eligible: Based on household size and income information		
		4-3: Approved as REDUCED PRICE eligible: Based on household size and income information		
T-1: Total FREE Eligible Students Reported:			T-2: Total REDUCED PRICE Eligible Students Reported:	

- Must report data on verification using the Income Verification Collection Report

- Start Verification Process by **October 1st**

- Complete Verification Process by **November 15**

- Submit Income Verification Report on CNMS by **December 15.**

- **Even those exempt from verification requirements must still complete the report.**

- CEP and Provision 2 schools only need to complete section 2, 3-1 and 5-1 (if all schools in the SFA are under the Provision)

Verification Collection Report: Section 1 and 2

Section 1	Total Schools, Residential Child Care Institutions (RCCIs) and Enrolled Students	**All SFAs must report Section 1**		A. Number of Schools OR Institutions	B. Number of Students
		1-1: Total schools (<i>Do not include RCCIs</i>):			
		1-2: Total RCCIs (<i>Do not include schools counted in 1-1</i>):			
		1-2a: RCCIs with day students (<i>Report ONLY day students in 1-2aB</i>):			
		1-2b: RCCIs with NO day students:			

Section 1 will prefill once the October claim is submitted using the last operating day in October

Section 2	SFAs with schools operating alternate provisions	**ONLY SFAs with alternate provisions must report Section 2**		A. Number of Schools AND Institutions	B. Number of Students
		2-1: Operating Provision 2/3 in a BASE year for NSLP and SBP:			
		2-2: Operating Provision 2/3 in a NON BASE year for NSLP and SBP:			
		2-2a: Provision 2/3 students reported as FREE in a NON BASE year:			
		2-2b: Provision 2/3 students reported as REDUCED PRICE in a NON BASE year:			
		2-3: Operating the Community Eligibility Option:			
		2-4: Operating other alternatives for NSLP and SBP:			
		2-5: Operating an alternate provision(s) for only SBP or only NSLP:			

Section 2 is only for SFAs or RCCIs who operate alternative provisions, this include Provision 2 and Community Eligibility Provision (CEP).

Verification Collection Report: Section 3

3-1 SFAs that are not required to perform direct certification check box 3-1

3-2 Students directly certified through SNAP ONLY or extension of eligibility
(most SFAs will have largest number here)

Section 3	Students approved as FREE eligible NOT subject to verification	**ALL SFAs must report Section 3 or check box 3-1 if applicable**	B. Number of FREE Students
		3-1: <input type="checkbox"/> Check the box only if all schools and/or RCCIs in the SFA were not required to perform direct certification with SNAP (i.e. <i>NON BASE year Provision 2/3 for all schools</i>)	
		3-2: Students directly certified through Supplemental Nutrition Assistance Program (SNAP): Do <u>not</u> include students certified with SNAP through the letter method.	
		3-3: Students directly certified through other programs: <i>Include those directly certified through Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), or Medicaid (if applicable); those documented as homeless, migrant, runaway, foster, Head Start, Pre-K Even Start, or non-applicant but approved by local officials. DO NOT include SNAP students already reported in 3-2.</i>	
		3-4: Students certified categorically FREE eligible through SNAP letter method: <i>Include students certified for free meals through the family providing a letter from the SNAP agency.</i>	

3-3 Students directly certified through TANF, Medicaid, FDPIR or extension of eligibility for these programs. Also homeless, migrant, runaway, documented foster children, Head Start

- Students are to be reported only once
- Use the last operating day in October when reporting data in section 3

3-4 Include ONLY students certified as Free based on a **letter** submitted by family from SNAP agency or extension of this eligibility



Verification Collection Report: Section 4

A. Number of applications refers to the number of household applications submitted

- A. 4-1: Free eligible based on a case number written on an application or a foster child application where the household did not submit documentation verifying the foster child's status
- B. 4-2: Free eligible based on income information on an application
- C. 4-3: Reduced eligible based on income information on an application

B. Number of students are the total number of students on all applications submitted (there may be more than one student per household application)

Section 4	Students approved as FREE or REDUCED PRICE eligible through a household application	**ALL SFAs collecting applications must report Section 4**	A. Number of Applications	B. Number of Students
		4-1: Approved as categorically FREE Eligible: Based on those providing documentation (e.g. a case number for SNAP, TANF, FDPIR on an application)		
		4-2: Approved as FREE eligible: Based on household size and income information		
		4-3: Approved as REDUCED PRICE eligible: Based on household size and income information		



****ALL SFAs must report Section 5 or check box 5-1 if applicable****

5-1: Check the box if ALL schools and/or RCCIs are exempt from verification (see instructions for list of exemptions).
If 5-1 is checked, no further reporting in Section 5 is required.

5-2: Was verification performed and completed?

- Yes, completed by November 15th
- Yes, completed after November 15th
- No, verification was NOT performed or the process was not completed.

5-3: Type of Verification process used:

- 1. Standard (Lesser of 3% or 3,000 error-prone)
- 2. Alternate one (Lesser of 3% or 3,000 selected randomly)
- 3. Alternate two (Lesser of 1% or 1,000 error prone applications PLUS lesser of one-half of one percent or 500 applications with SNAP/TANF/FDPIR case numbers)

If 1 or 3 is checked in 5-3, report 5-4.
If 2 is checked in 5-3, enter "N/A" in 5-4.

5-4: Total ERROR PRONE applications:
Report all applications as of October 1st considered error prone

5-5: Number of applications selected for verification sample:

****ALL SFAs must report 5-7 or check box 5-6 if applicable****

5-6: Check the box if direct verification was not conducted in the SFA, (i.e. not one of the schools and/or RCCIs in the SFA performed direct verification). If 5-6 is checked, skip 5-7.

A. Number of Applications

B. Number of Students

Report if FREE and/or REDUCED PRICE eligibility is confirmed through direct verification with SNAP/TANF/FDPIR/MEDICAID as of November 15th

5-7: Confirmed through direct verification:

Section 5

5-8: Results of Verification by Original Benefit Type

For each original benefit type (A, B, & C), report the number of applications and students as of November 15th for each result category (1, 2, 3, & 4). Do NOT include students and applications already reported in 5-7A or 5-7B.

A. FREE-Categorically Eligible
Certified as FREE based on SNAP/TANF/FDPIR documentation (e.g. case number) on application

B. FREE-Income
Certified as FREE based on income/household size application

C. REDUCED PRICE-Income
Certified as REDUCED PRICE based on income/household size application

Result Category	A. FREE-Categorically Eligible		B. FREE-Income		C. REDUCED PRICE-Income	
	a. Applications	b. Students	a. Applications	b. Students	a. Applications	b. Students
1. Responded, NO CHANGE:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Responded, Changed to REDUCED PRICE:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Responded, Changed to PAID:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. NOT Responded, Changed to PAID:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

VC-1: Total questionable applications verified for cause (Enter "N/A" if not applicable):
Report the number of applications as of November 15th verified for cause in addition to the verification requirement.

Child Nutrition Program Administration
89 Washington Avenue, Room 375 EBA
Albany, NY 12234
(518) 473-8781

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- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

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