



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

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DATE: September 14, 2015

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SUBJECT: Community Eligibility Provision: Guidance and Updated Q&As

TO: Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

The Community Eligibility Provision (CEP) allows Local Educational Agencies (LEAs) in high-poverty areas to offer free school breakfast and lunch to all students at no cost. CEP can provide numerous benefits to LEAs, including substantial administrative savings from the elimination of household applications for free and reduced price meals, streamlined meal service operations, higher student participation, and more opportunities for children to receive nutrition necessary to optimize academic achievement. CEP may be implemented in individual schools, groups of schools, or in entire school districts.

This memorandum provides updated guidance and Questions and Answers (Q&As) (attached) that address common questions that Food and Nutrition Service (FNS) has received in the first year of CEP's nationwide implementation. The attached Q&As supersede the Q&As previously released with SP 16-2015 and SP 21-2014 (v.2).

Highlights include:

- Clarifying direct certification requirements for LEAs participating in CEP, proxy data to fulfill publication/notification requirements for LEAs currently participating in CEP, and when direct certification data not reflective of April 1 may be used to determine the ISP;
- Reiterating that FNS currently has no plans to change the 1.6 multiplier, and that LEAs adopting CEP are guaranteed the multiplier at time of election for their entire 4-year CEP cycle; and
- Establishing steps that State agencies must be taken if an ISP is found to be inaccurate during an administrative review.

For convenience, the new and updated questions and answers are provided in a separate attachment. In the document containing all questions and answers (new and old), new and updated questions are noted with three asterisks (\*\*\*). New questions include: 4, 19, 54, 58, and 82. Updated questions include: 5, 17, 22, 27, 29, 49, 50, 55, and 63.

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On November 14, 2013, the Food and Nutrition Service (FNS) published the proposed rule “*National School Lunch Program and School Breakfast Program: Eliminating Applications Through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010*”, and comments were accepted until January 3, 2014. FNS is currently in the process of reviewing these comments and developing a final rule. Until a final rule is published, this Q&A document and other guidance from FNS are the implementing guidance.

State agencies are reminded to distribute this memorandum and attachments to Program operators immediately. Local educational agencies, school food authorities, and other Program operators should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

**Original Signed**

Angela Kline  
Director  
Policy and Program Development Division  
Child Nutrition Programs

Attachments

## Attachment 1: Frequently Asked Community Eligibility Provision (CEP) Questions

### Notification and Publication Requirements

#### 1. What are the key dates for CEP?

Below is the timeline for CEP notification, publication, and decision process.

Date	Requirement
April 15 <sup>th</sup>	<ul style="list-style-type: none"> <li>• State agencies notify local educational agencies (LEAs) of district-wide eligibility status and provide guidance and information.</li> <li>• LEAs submit school level eligibility information to State agency.               <ul style="list-style-type: none"> <li>○ State agencies may exempt LEAs from this requirement if school level data is already available to the State.</li> </ul> </li> </ul>
May 1 <sup>st</sup>	<ul style="list-style-type: none"> <li>• State agencies post the LEA district-wide and school level lists on website and send the link to FNS.</li> </ul>
June 30 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Interested and eligible LEAs must notify their State agency of their intent to participate under CEP.</li> <li>• Interested and eligible LEAs must submit identified student and total enrollment data that reflects enrollment on April 1<sup>st</sup> to the State agency to participate in CEP in the new school year.</li> <li>• LEAs participating in CEP must notify their State agency if they intend to drop their participation for the following school year and either:               <ol style="list-style-type: none"> <li>1) Enroll in another Provision; or</li> <li>2) Return to normal counting and claiming.</li> </ol> </li> </ul>

#### 2. What data should be used for Notification if data reflective of April 1 is not available?

The data used for the notification and publication requirements does not need to reflect April 1st. However, State agencies and LEAs are encouraged to use the most current data available to prepare both the notification and publication lists. If data collected for October reporting requirements (i.e. FNS-742 data) are the most current data available, this data may be used to fulfill the notification and publication requirements. Interested LEAs must provide State Agencies identified student and enrollment data reflective of April 1st to participate in CEP

in subsequent school years. If proxy data are used for the notification and publication process, a note must be included to explain that the data provided is a proxy for actual eligibility and interested LEAs must provide full school level identified student data as of April 1st to determine eligibility and participate in CEP.

**3. What is the correct protocol for informing the public about CEP?**

LEAs should use their usual channels of communication (i.e., same communications used for NSLP and SBP) with media and households to notify the community that free meals will be available to students.

Per the CEP Annual Notification and Publication Requirements, SP 24-2015 (available at: <http://www.fns.usda.gov/community-eligibility-provision-annual-notification-and-publication-requirements-0>), no later than May 1, State agencies must post online lists of LEAs and schools with:

- (1) an Identified Student Percentage (ISP) of at least 40%,
- (2) an ISP greater than or equal to 30% but less than 40%,
- (3) an ISP greater than or equal to 30% but less than 40% in their 4<sup>th</sup> year of electing; and
- (4) a list of LEAs currently participating district-wide.

These lists must be posted to the State agency website and one link providing both the LEA and school lists must be sent to FNS. FNS has developed a CEP website which links to the lists on the State agency websites. State agencies should submit their link via email to [cepnotification@fns.usda.gov](mailto:cepnotification@fns.usda.gov).

**4. \*\*\*If FNS 742 data is used for notification purposes, CEP districts do not look eligible because they are reported as zero. What data should be used to meet publication/notification requirements for districts currently participating in CEP?**

State agencies and LEAs are encouraged to use the most current data available to prepare Notification lists. If data needed for preparing notification lists is not available via the FNS-742 (because in the previous year all schools in the LEA were participating in CEP and zeros were reported in Section 3), then LEA level data for the combined count of students matched with SNAP for all schools participating in CEP and any Provision 2/3 non-base year schools on the FNS-834 (a component of data element #3) should be used. See question 66 for additional information on how schools participating in CEP should complete the FNS-834.

Note: Districts electing CEP district-wide should still fill out the FNS-742 by completing Sections 1 and 2, and checking Box 3-1 in Section 3. The other boxes in Section 3 should be zeros.

## LEA/School Level Eligibility and Grouping

### 5. \*\*\*What schools are eligible to participate in CEP?

Schools, groups of schools, or school districts that meet the following criteria are eligible to participate in CEP:

- Have an *identified student percentage* (ISP) of at least 40% as of April 1st of the school year prior to implementing CEP;
- Participate in NSLP and SBP; and
- Have a record of administering the Programs in accordance with regulations.

### 6. Does each individual school need to meet the 40% ISP, or may the 40% threshold be based on an aggregate of schools in the LEA?

The 40% threshold may be determined by an individual school, a group of schools within the LEA, or in the aggregate for an entire LEA. This does allow for some schools to be below the 40% threshold as long as the aggregate of the group of schools meets the threshold. The LEA must determine whether they can operate the program given the expected level of Federal reimbursement and other non-Federal resources available to them.

### 7. How is the ISP determined for groups of schools electing CEP?

The ISP for a group of schools is calculated by taking the sum of the identified students for the entire group of schools divided by the sum of the total student enrollment for the entire group of schools.

$$\text{Group ISP} = \frac{\text{Sum of Identified Students (for all schools in group)}}{\text{Sum of Enrolled Students (for all schools in group)}}$$

### 8. Are new schools able to elect CEP?

If the number of identified students and total enrollment are available before the counting and claiming of meals begins and the new school meets the eligibility requirements (either individually or as part of a group), then the LEA may elect to have the school participate or be included in a group of schools. If the number of identified students and enrollment are not available, the LEA may not include the new school in CEP.

### 9. If an LEA participating in CEP district-wide later chooses to drop some schools, can the LEA still participate in CEP?

The LEA may be able to participate for individual schools or groups of schools. The 40 percent ISP threshold must be met by the school or group of participating schools. This would be considered a new group; a new ISP would need to be established.

**10. Can LEAs group schools differently in order to maximize their ISP when refiguring their district claiming percentage?**

Yes, LEAs may establish different groups (within the same LEA) to maximize their ISP.

**11. Can schools be randomly grouped together to become eligible for CEP?**

Yes, as long as the schools are in the same LEA.

**12. Are LEAs with schools currently operating Provision 2/3 in a NON BASE year permitted to elect CEP?**

Provision 2 and Provision 3 schools would be required to obtain ISPs reflective of April 1<sup>st</sup> of the prior school year to participate in CEP. If the LEA determines that the ISP meets eligibility requirements for these schools, they may participate.

**13. Are schools/LEAs participating in CEP allowed to participate in the Demonstration Project to Evaluate Direct Certification with Medicaid?**

Yes, schools/LEAs participating in CEP can participate in the Demonstration Project to Evaluate Direct Certification with Medicaid. The students identified through Medicaid with an income meeting the 133% threshold in the definition of identified students would be considered part of the ISP.

**14. If a LEA groups four schools in Year 1, then adds four more schools in Year 2, may all eight schools be grouped together?**

Anytime there is a change in student population that impacts the identified students or the enrollment, the school or group of schools participating in CEP must recalculate the ISP. In the example above, the four schools adopting CEP in Year 1 would use data from April 1 the preceding year (Year 0) to calculate the ISP. When four additional schools are added in Year 2, the identified student population and enrollment both change and the ISP must be recalculated. The LEA has two options:

- Form two separate groups of four schools. Each group would have its own ISP (calculated using April 1 data from the year *before* CEP implementation) and its own four-year cycle.
- Form a new group of eight schools and calculate a new ISP based on the identified students and enrollment from all eight schools. The new group would start a new four-year CEP cycle. The ISP would be established using April 1 data from the year *before* the new group of eight schools adopts CEP.

**15. What is the definition of “school” for CEP?**

CEP follows parts (a) and (b) of the NSLP definition of “school” at 7 CFR 210.2. By law, “residential child care institutions” are not eligible to elect CEP [42 U.S.C. 1759a(a)(1)(F)(ii)(cc)].

*School* means: (a) An educational unit of high school grade or under, recognized as part of the educational system in the State and operating under public or nonprofit private ownership in a single building or complex of buildings; or (b) any public or nonprofit private classes of preprimary grade when they are conducted in the aforementioned schools.

## Direct Certification Data

**16. What does “direct certification” mean for the purposes of determining the ISP in CEP? How is it different from State “direct certification” performance measures and benchmarks?**

For the purposes of CEP, any student certified without an application and, therefore, not subject to verification, is considered “directly certified” and included in the ISP [42 U.S.C. 1759a(a)(1)(F)(i)]. The annual State direct certification performance measures and benchmarks more narrowly focus on direct certification rates for children in households receiving assistance under SNAP.

**17. \*\*\*Can a LEA request direct certification data from the State agency at any time?**

LEAs operating under standard counting and claiming are required to run direct certification matches at least three times per year. States are also required to notify LEAs of potential district-wide ISP eligibility by April 15 of each year. FNS does not require LEAs to conduct additional direct certification matches to support CEP, but we encourage State agencies and LEAs to work together to ensure that LEAs have the data needed to make sound decisions related to CEP. Over time, FNS expects direct certification systems to improve, which may facilitate more frequent matches.

**18. Can the State SNAP agency provide written documentation to schools for students who are not on the SNAP direct certification list, but are receiving SNAP benefits?**

Yes, LEAs can work with State SNAP agencies to obtain documentation to substantiate including students in the ISP. LEAs may not contact households to obtain SNAP letters so that students can be included in the ISP.

LEAs should work with the State SNAP and NSLP/SBP administering agencies to determine why students receiving SNAP benefits are not on SNAP direct certification lists to ensure there is not a systemic direct certification problem.

**19. \*\*\*How often are CEP LEAs required to run direct certification?**

CEP LEAs are not required to run direct certification at a specific frequency. However, States that have special provision schools operating Community Eligibility may include these schools in the special provision match (FNS-834, data element #3) or, alternatively, may choose to include for these schools:

- the count of the number of identified students directly matched with SNAP used in determining the Community Eligibility claiming percentage for that school year; or
- the count from the SNAP match conducted by April 1 of the same calendar year, whether or not it was used in the Community Eligibility claiming percentages.

Though not required, it is beneficial for the LEA, the students, and the State if all LEAs, including CEP sites, conduct direct certification annually as of April 1. This allows LEAs to understand if they should change their ISP to increase financial benefit. It could also allow LEAs to determine individual eligibility for students transferring to non-CEP sites between school years and allow for directly certified students to receive free meals for a 30-day carryover period at non-CEP sites.

Additionally, running direct certification helps LEAs observe demographic trends. For example, if direct certification rates are trending toward a decrease that makes CEP fiscally unfeasible, running direct certification could help LEAs plan in advance to return to standard counting and claiming.

<b>Identified Student Percentage (ISP) Determination</b>
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**20. Who are the identified students?**

The identified students are the number of students approved as eligible for free meals and are not subject to verification. This definition includes students directly certified through SNAP, TANF, and FDPIR participation as well as homeless students on the liaison list, Head Start, pre-K Even Start, migrant youth, runaways, and non-applicants approved by local officials identified through means other than an application. Foster children certified through means other than an application are also included as well as students certified for free meals based on a letter provided by the household from the SNAP agency. Students who are categorically eligible based on information, such as a case number, submitted through a free and reduced price application are NOT included.

**21. What number should be used as the total enrollment for determining the percentage of identified students?**

For purposes of calculating the ISP, *Enrolled students* means students who are enrolled in and attending schools participating in CEP and who have access to at least one meal service (SBP or NSLP) daily. The ISP must be representative of the number of identified students and the student enrollment as of April 1 of the prior year. Please note that the number of students enrolled should reflect all those students with access to the NSLP or SBP and not just those students participating in the programs.



**22. \*\*\*When does the ISP have to be drawn in relation to April 1<sup>st</sup>?**

The law states that the ISP must be established using the number of identified students and total students enrolled with access to the NSLP or SBP as of April 1<sup>st</sup> of the prior year. The ISP must therefore be representative of the identified students and the student enrollment on April 1. Due to variations in the point in time for monthly updates in State and local systems, updates could be done before or after April 1 to account for differences in operational procedures, but the data would have to be representative of this date. Since regulations regarding direct certification at 245.6(b)(3)(ii) require direct certification matches with SNAP to be run three times each year the timing of one of these matches can easily be planned to represent April 1. If more recent data better reflects the number of identified students and/or enrollment in an LEA/school, FNS may grant authorization to use direct certification data from a different date (i.e., not as of April 1) to determine an ISP.

**23. How should we round when determining the ISP?**

When determining the percentage of identified students you should NOT round. The percentage must be at least 40% to be eligible. A percentage of 39.98% does NOT meet the threshold.

**24. A school's student population includes a subset of pre-K children that attend school half-day and only eat one meal. Are they included in the ISP?**

Yes, students who have access to at least one meal during their school day must be included in the ISP. The pre-K children must be included in both the numerator (identified students), as applicable, and the denominator (enrollment).

**25. A school's student population includes a subset of pre-K children who attend school only 3 days a week, are they included in the ISP?**

Yes, students who have access to at least one meal service during their school day are included in the ISP. The pre-K children must be included in both the numerator (identified students), as applicable, and the denominator (enrollment).

**26. If we use the October report for other programs, such as area eligibility and the Fresh Fruit and Vegetable Program, would the October data then be the "as of April 1st" data for CEP participants?**

No, data to establish CEP eligibility and the ISP for the following school year must reflect the student population on April 1 of the preceding year, or April 1 of the year before the first year of the 4-year CEP cycle.

**27. \*\*\*Can LEAs use direct certification information available from months after April to determine the ISP, especially for new schools?**

For existing schools, the direct certification data used to establish CEP eligibility must be as

of April 1. New schools will not have direct certification data, and are allowed to use direct certification numbers from a later month to establish CEP eligibility. If more recent data better reflects the number of identified students and/or enrollment in an LEA/school, FNS may grant authorization to use direct certification data from a different date (i.e., not as of April 1) to determine an ISP.

**28. A group of students from a non-CEP school attend classes all day (and eat lunch) at a CEP school in our school district. Should these students be included in the CEP school's ISP?**

The students attend classes and have access to meal service daily at the CEP school, so they should be included in the CEP school's ISP, both in the numerator (identified students), as applicable, and the denominator (enrollment).

**29. \*\*\*If a school is participating in CEP and there is a change to the student population (e.g., grades removed/added, CEP and non-CEP schools merge), is the school required to re-calculate the ISP and re-start the four-year cycle? Or can they continue with the existing four-year cycle and adjust the ISP each year as needed?**

When a school district, group of schools, or school population changes (e.g., grades are removed/added, CEP and non-CEP schools merge), the LEA must re-calculate the ISP. If eligible with the new ISP, the LEA starts a new four-year cycle with the new ISP. However, if students are simply reorganized among schools within a CEP group (e.g., a grade moves from one CEP school to another and both schools are in the same CEP grouping), the ISP does not need to be recalculated. In this example, the group's total identified student and total enrollment numbers are unchanged.

**30. Is the ISP locked in for a four-year cycle, even if it goes down?**

The original ISP (from April 1 data from the year before CEP implementation) is valid for four years, and the LEA is protected against ISP decreases. If the ISP increases over the four-year cycle, the LEA may choose to be reimbursed at the higher claiming percentage. During the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> years, the LEA/school may select the higher of: ISP (reflective of April 1) from the immediately preceding school year for their claiming percentage, or they can select the ISP from the year prior to the first year of CEP implementation (the original ISP). In order to renew participation after the fourth year, the LEA must demonstrate (via identified student data) that they still meet the ISP requirement for the participating school(s).

If the ISP increases during the four-year cycle, the LEA may also choose to restart their cycle to guarantee the higher ISP for four years. LEAs should work with their State agencies to follow procedures for restarting a four-year CEP cycle with a higher ISP.

**31. If an LEA has an agreement to provide food service to school districts or schools outside of the LEA, can they include those students in the ISP?**

Schools grouped together for the purposes of CEP must be participating in the school meal programs under a single State agency agreement. School districts that provide food service to outside schools (e.g., private schools, charter schools) through a vending contract, or similar agreement, may not include the outside schools in the district's ISP, unless the schools are listed as serving sites on the district's State agency agreement. Sites incorporated in this manner are subject to all NSLP/SBP requirements and could be selected for review when the State agency conducts an administrative review of the school district. CEP LEAs may not include meals vended to outside LEAs/schools in their total meal counts used for claiming. Vended meals must be counted and claimed separately.

**32. If a student is enrolled in a CEP school and has access to breakfast there, but also attends a CEP school (e.g., Career Center) in a separate LEA and has access to lunch there. Can each LEA include the student in their ISP?**

Yes, a student may be included in the ISP of the school(s) in which:

- s/he has access to at least one meal,
- s/he is legally enrolled, and
- the student's meals are claimed.

<b>State Agency Evaluation of LEA's CEP Election</b>
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**33. Do State agencies need FNS approval before accepting elections that are on, or even after, August 31? If so, should they still notify FNS of late elections and the reasons for it?**

Per SP25-2015, as CEP is implemented nationwide, State agencies are encouraged to accept CEP elections received after August 31 where appropriate and feasible to do so. States do not need FNS approval to accept late elections, but should maintain records of late elections and the reasons in case the information is needed during an Administrative Review or a Management Evaluation

<b>Changes in CEP Election</b>
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**34. When is an LEA permitted to drop CEP?**

An LEA may decide not to elect CEP or to stop utilizing CEP at any time. Since the new percentage of identified students must be established before April 1<sup>st</sup> of the prior year, LEAs

will have time prior to the next school year to decide if continuing CEP will be advantageous. LEAs electing to stop CEP must notify their State agencies and return to standard application and counting and claiming procedures.

**35. For SY 2015-16, the CEP election deadline has been extended to August 31. Since many schools have school years that begin before August 31st, should the cutoff date be earlier to reflect the variability in school start times?**

No, State agencies may not impose earlier deadlines to accommodate varied school start dates. Even though some schools do start earlier, State agencies are required to accept applications from LEAs interested in electing CEP until August 31, 2015, and are further encouraged to accept applications after that date.

**36. Can a school elect to stop CEP in the middle of the school year?**

Yes, although not recommended mid-year, schools may decide to stop CEP and return to standard counting and claiming procedures at any time. Schools that are considering stopping CEP in the middle of the school year should consult with their State agency immediately so the State agency can provide technical assistance to prevent the disruption of benefits to students. State agencies have discretion to establish a reasonable timeline (at least 30 days) for the LEA to resume standard counting and claiming procedures. Resumption of standard counting and claiming procedures mid-year would include notifying households of a change in benefits and disseminating/processing household applications.

**37. Must a school stay with CEP for four years, or can they stop earlier?**

Schools may elect to stop CEP, and resume standard counting and claiming, at any time during the four-year cycle. LEAs that decide to stop CEP must work with their State agency to establish a reasonable time frame for transitioning to another counting and claiming procedure. Schools that are *considering* stopping CEP should consult with their State agency immediately so the State agency can proactively provide technical assistance.

**38. When a school elects to stop CEP, do students have “free” eligibility status for 30 days?**

When a CEP school decides to stop CEP and resume standard counting and claiming procedures **between** school years, schools have time over the summer to notify families and prepare for the application process. Because these activities take place when school is not in session, the resumption of standard counting and claiming does not impact student benefits/meal service. At the start of the next school year, the school would disseminate and process applications per usual certification procedures. Individual students do not have eligibility status to carry over into the new school year. Directly certified students, identifiable from the April notification/publication requirements, are eligible for free meals

during the 30 day carry over period at the start of the new school year if the school can determine their individual eligibility status from the preceding year.

A reasonable timeline (at least 30 days) is required when a CEP school resumes standard counting and claiming **mid-year** to give the school time to notify families and print/disseminate/collect/process/certify household applications. During the established timeframe to resume standard procedures, students should continue to receive free meals so their meal service routine is not disrupted.

**39. What if a school decides to start CEP after already taking household applications? Will the school receive retroactive reimbursements?**

If a LEA decides to elect CEP after taking household income applications, the applications may be filed in another office and there will be no retroactive reimbursements for claims already submitted. The LEA will use CEP claiming percentages starting the month they elect CEP. For example, a school that elects CEP in December may start claiming CEP percentages on December 1.

<b>Transfer and Visiting Students</b>
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**40. When a student at a CEP school transfers to a non-CEP school, is the student “free” all year?**

No, under CEP, individual students do not have an individual eligibility status. The school, or group of schools, has a “free” eligibility status based on the make-up of their student population. If a student transfers from a CEP to a non-CEP school within the same LEA, and the student is not otherwise eligible for free meals (e.g., SNAP direct certification, homeless, migrant), the new school must process a household income application within 10 days and provide free meals to the student until an eligibility determination is made. If the student transfers to a non-CEP school in a different LEA, the new school must process a household application within 10 days and FNS encourages the new school to provide free meals to the student until an eligibility determination is made.

**41. A student is at a CEP school that chose to collect socioeconomic survey data to allocate State education funding. Income data reported by the household show that the student is eligible for free meals. If the student transfers to a non-CEP school, can the new school make an eligibility determination based on the socioeconomic survey data?**

No, a socioeconomic survey is not tied to the NSLP/SBP and may not be used to determine individual student eligibility. If a student transfers from a CEP to a non-CEP school, the new school must process a household application or otherwise determine the student eligible for free meals (e.g., SNAP direct certification, homeless, migrant lists).

**42. If a student at a non-CEP school visits a CEP school and eats lunch, does the student receive a free lunch because s/he's at a CEP school?**

Similar to procedures under Provision 2, the CEP school would not take payment from the visiting students and meals served to the visiting students would be included as part of the total count of meals served in the CEP school. This is operationally easier on the CEP school, prevents overt identification, and the CEP school will be reimbursed for meals served.

**43. If a CEP student visits a non-CEP school and eats lunch, must s/he be offered a free meal? If so, how is the meal claimed for reimbursement?**

FNS strongly encourages non-CEP schools that host visiting students from CEP schools to provide a meal at no cost to the visiting CEP students to avoid any disruption to the students' meal service routine. Such meals should be claimed according to the claiming percentages of the CEP school. For example, 20 students from a CEP school visit a non-CEP school and all eat lunch at no charge. If the CEP school's claiming percentages are 85% free and 15% paid, these percentages are applied to the visiting student meals. The non-CEP school in this example would claim 17 meals free and 3 meals paid. If only one CEP student is visiting a non-CEP school, the meal should be claimed free. The school food authority food service account can be used to cover the value of any paid meals of visiting students.

CEP students visiting a non-CEP NSLP school outside of their LEA may be provided meals at no charge. In such cases when meals are offered at no charge to the CEP students, the CEP school should pay the non-CEP school for the value of any student meals claimed at the paid rate.

In either case, the non-CEP school must claim the reimbursable meals for visiting students in its claim for reimbursement according to the appropriate claiming percentages.

<b>Non-Federal Sources of Funding</b>
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**44. What may be counted as "funding from non-Federal sources"?**

Any funds other than Federal reimbursement available to the nonprofit school food service account may be used. Please note that, similar to Provision 2 and 3, the use of non-Federal funds is only necessary if the total amount of Federal reimbursement through CEP does not cover the costs of serving free meals to all students.

Examples of non-Federal sources include, but are not limited to: any portion of State revenue matching funds that exceeds the minimum requirement established in 7 CFR Part 210.17, profits from a la carte sales, cash donations, and in-kind contribution funds from outside sources such as volunteer services.

**45. When operating CEP, can schools use a la carte sales to cover costs in excess of the Federal reimbursement?**

Yes. Similar to procedures with other Provisions, CEP schools may use a la carte sales to covers costs in excess of the Federal reimbursement.

**46. When are non-Federal sources necessary when operating CEP?**

When the level of Federal reimbursement received under CEP is less than the cost of providing all students free meals. As with standard operating procedures, any time the level of Federal reimbursement is less than the cost of providing meals.

<b>Reimbursements and Claiming</b>
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**47. How are breakfast and lunch reimbursed through CEP?**

The ISP is used to determine reimbursements for both breakfast and lunch. This percentage multiplied by 1.6 is the free claiming percentage. The free claiming percentage is applied to the total number of breakfasts and the total number of lunches served to determine how many breakfasts and lunches are claimed at the free rate. The remaining meals are reimbursed at the paid rate.

**48. Are schools electing CEP able to receive the extra 2 cents lunch reimbursement and severe need breakfast reimbursements?**

Yes. CEP schools will be reimbursed at their usual reimbursement rates, including the 2 cent lunch differential and severe need breakfast rates, if applicable. Also, if the schools have been certified for the additional 6 cents, they would receive that additional reimbursement.

**49. \*\*\*Will the 1.6 multiplier change?**

The 1.6 multiplier will be in effect for SY 2015-2016. The Healthy, Hunger-Free Kids Act provides discretion for FNS to change the multiplier to a number between 1.3 and 1.6; however, there are currently no plans to change the multiplier. If the multiplier is changed in the future, schools electing CEP will keep the same multiplier for their entire four-year cycle and do not have to implement changes to the multiplier until their next cycle if CEP is elected again. Any future change to the multiplier would also be communicated well in advance of implementation, through the *Federal Register*.

**50. \*\*\*How will area eligibility percentages be determined for CEP schools?**

Since the 1.6 multiplier is intended to provide an estimate of the total number of students eligible for free and reduced price meals in eligible schools, the product of the ISP multiplied by 1.6 will be used for area eligibility purposes. If the result is equal to or greater than 50 percent, meal sites located in the attendance area of the school are area eligible. Schools in LEAs electing CEP for the entire LEA or as part of a group of schools electing CEP with a shared ISP must still use the individual school CEP percentage. These percentages can be used for determining area eligibility in the Summer Food Service Program, Seamless Summer, Child and Adult Care Food Program (CACFP) at-risk afterschool snacks, CACFP tiering, and afterschool snacks through the NSLP.

**51. What are the rounding rules for calculating free and paid claiming percentages under CEP?**

The rounding rules for calculating free and paid claiming percentages under CEP are as follows:

**Free Claiming Percentage**

Multiply the ISP by 1.6 to get the percentage of meals reimbursed at the free rate. Carry the calculation to a minimum of two decimal places before rounding (e.g., 86.15%).

**Reimbursement Claiming Percentage**

Round the percentages to one decimal place using standard rounding; numbers five and above round up to the next higher number, numbers four and below round down (e.g., 86.15% = 86.2%, 86.13% = 86.1%). The percentages rounded to one decimal place will be used to calculate the Claims for Reimbursement.

**Number of Meals Reimbursed at the Free Rate**

Multiply the percentage of meals reimbursed at the free rate by the total number of reimbursable meals in the claiming period to get the number of meals reimbursed at the free rate. Remaining meals are reimbursed at the paid rate.

**Meal Claims**

Meal claims must be made in whole numbers. When the free or paid meal calculations result in partial meals, use standard rounding procedures (five and above round up, four and below round down) to get whole numbers of meals.

If the total percentages for free and paid meals do not equal 100, the paid category must be adjusted to make it 100 percent. For example, if 800 reimbursable meals were served and the



free claiming percentage is 86.2%, the number of meals reimbursed at the free rate is 689.6 [800 x 0.862 = 689.6], which is adjusted to 690 meals. The number of meals reimbursed at the paid rate is 110 [800-690 = 110].

**52. If a school starts CEP after the election deadline, could the School Food Authority (SFA) retroactively receive free reimbursement for students who were not previously eligible for free meals?**

No. This flexibility is only extended in situations in which a child's categorical eligibility was established individually at sites employing standard counting and claiming procedures, and would not apply to the universal eligibility for free meals conferred to all students attending CEP schools. As such, a school would not be able to claim eligibility for non-directly certified students retroactively when starting CEP mid-year.

**53. Are CEP schools required to conduct an edit check? If so, and the edit check is exceeded, what type of documentation is required under CEP?**

Participation in CEP does not change the requirement to conduct edit checks. Similar to non-CEP schools, when an edit check is exceeded, schools must maintain documentation to demonstrate why (e.g., visiting students) or corrective action may be required. Edit check procedures are outlined in Federal regulations, and may be referenced at 7 CFR 210.8(a)(3).

**54. \*\*\*Are there specific requirements around the type of point of service or point of sale (POS) system employed by CEP schools during meal service?**

Consistent with standing regulatory requirements, any institution participating in the Federal school meal programs is required to take an accurate count of reimbursable meals served to students at each meal service. Serving lines must be adequately supervised to ensure that all meals claimed for reimbursement meet meal pattern requirements, and that reimbursement is only claimed for one meal per student per meal service (excepting second breakfasts permitted to be claimed as specified in 7 CFR 220.9(a)).

An accurate meal count may be achieved through a variety of methods and USDA does not require the use of any specific POS system. However, in recent years, many school districts have chosen to implement POS systems which incorporate technologies such as personal identification numbers (PIN), biometrics, and other individual student identifiers. When implementing CEP, USDA encourages school systems to maintain an accurate POS system that has a proven track record of reliability and security.

## Administrative Review

### **55. \*\*\*If a State agency finds errors in the ISP, what procedures must be followed?**

If a State agency finds errors in the ISP, the State agency must determine what the ISP *should* be (based on identified student data from April 1 of the year prior to the start of the current CEP cycle), then apply the revised claiming percentage retroactively to all claims submitted in the school year during which the administrative review takes place. The corrected ISP would be used for the remainder of the 4 year cycle.

At the discretion of the State agency, upward adjustments to claims from the current and prior fiscal years may be made as a result of identifying an error in the calculation of the ISP during an Administrative Review (7 CFR 210.8(4)).

State agencies have discretion to expand fiscal action back beyond the school year in which the erroneous ISP was found (if applicable).

If the LEA is determined to be ineligible for CEP, the State agency should:

- Work with the LEA to return to standard counting and claiming (if not eligible for grace year). If there is insufficient time in the current school year to resume standard counting/claiming, the State agency should use the revised claiming percentage for the remainder of the school year;
- Provide technical assistance to the LEA to ensure the LEA knows how to calculate their ISP; and
- Examine its CEP process to determine why the erroneous ISP was not discovered and corrected when the LEA elected CEP.

### **56. Does the State agency need to review all ISPs in the LEA, and what is the scope of any such reviews?**

The Administrative Review guidance instructs State agencies to review at least one CEP school. When reviewing the ISP this could be for an LEA, site, or group depending on the makeup of the ISP. If during normal site selection procedures multiple CEP schools area selected the corresponding ISP would be reviewed. If no CEP schools were selected, then the State agency would conduct an abbreviated review in at least one CEP school/site.

The State agency must review:

- a minimum of 10 percent of student names for the ISP that is reviewed;
- that appropriate documentation was used to establish each ISP; and

- the accuracy of the free/paid claiming percentages used to claim meals for each CEP site reviewed.

Please refer to the August 2015 USDA *Administrative Review Manual* for detailed information on the administrative review process and procedures as they pertain to CEP schools.

**57. If an LEA elects or drops CEP in the middle of a school year, what administrative review activities must the State agency complete to assess compliance?**

State agencies should conduct administrative review activities specific to the LEA's status during the review month and on the day of review. For example, if the review month is December, and the LEA was operating under CEP in December, the State agency must complete certification and benefit issuance review activities required to assess compliance under CEP. However, if the day of review is in February, and the LEA has resumed standard counting and claiming, the State agency will assess standard meal counting and claiming procedures on the day of review. For additional information, see SP 43-2015, *Administrative Review – Revised Manual, Tools, and Forms*.

**58. \*\*\*If the administrative review is during a year in which an LEA also submitted data to increase its ISP, should the SA retroactively adjust claims for that school year? When can the LEA submit claims using the increased ISP?**

To increase its ISP, an LEA would review April 1 data as of the most current school year. For example, to begin a new CEP cycle for SY 15-16 using an increased ISP, the ISP would be based on identified student data from April 1, 2015 (SP16-2015, Q 28).

If the site/LEA submits a higher ISP based on data from April 1<sup>st</sup> of the previous SY for the upcoming SY, a new 4 year cycle is started using the higher ISP. This guarantees the higher ISP for a new full 4 year CEP cycle. For example, an LEA demonstrating an increased ISP (using April 1, 2015 data) would submit claims using the new, increased ISP for a 4 year CEP cycle that would run from SY 15-16 through SY 18-19. Claims are not adjusted retroactively.

<b>Verification</b>
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**59. Do LEAs and schools electing CEP conduct verification?**

No, since applications are not collected, LEAs are exempt from verification for the schools electing CEP. LEAs with some, but not all schools electing CEP must still conduct verification in the schools not electing CEP.

**60. If an LEA elects CEP after the school year begins, are they required to conduct verification for the household applications collected prior to the CEP election?**

If all students at CEP schools in an LEA are being offered free meals prior to the last operating day of October, verification requirements may be waived. In this situation, the LEA must comply with reporting requirements for CEP schools. See the *Reporting and Recordkeeping* section for additional information.

**61. If an LEA drops out of CEP and resumes standard counting and claiming, must verification be conducted on the applications processed after the LEA resumed standard counting and claiming?**

Yes, if applications were collected to determine eligibility for school meals, the LEA must comply with verification requirements. The State agency will work with the LEA to establish a reasonable timeframe for the LEA to complete verification and reporting activities. The LEA would also be required to comply with other household application-related requirements, such as the independent review of applications.

<b>Reporting and Recordkeeping</b>
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**62. How is CEP data reported on the FNS-742?**

CEP schools and Provision 2/3 non-base year FNS-742 procedures for SFAs and States:

- Report in Sections 1 and 2 of the FNS-742 for all schools as applicable.
- If all schools in the LEA are participating in CEP, check box 3-1 and report “0’s” for the remaining Sections of the FNS-742.
- If only some schools in the LEA are participating in CEP report as follows:
  - Report SNAP-only direct certification data for the schools NOT participating in CEP in **Section 3-2: “Students directly certified through SNAP** on the FNS-742.
  - Report the remaining fields of Section 3 and all other Sections of the FNS-742 for schools NOT participating in CEP or provision 2/3 in non-base as applicable.

**63. \*\*\*How is CEP data reported on the FNS-834?**

CEP schools and Provision 2/3 non-base year FNS-834 procedures for States:

- Report a statewide count of students matched with SNAP for all schools participating in CEP and any provision 2/3 non-base year schools combined on the

FNS-834 in the **Data Element #3** box for “**The number of SNAP Children in Special Provision Schools Operating in a Non-Base Year.**”

To obtain the number of students matched against SNAP records that are enrolled in CEP schools to report on the FNS-834, one of the following options may be used:

1. Perform a “special provision match” similar to other provision schools operating in a non-base year. The special provision match is a match run between the SNAP database and school enrollment database(s) from special provision schools operating in a non-base year for the given school year. This includes Provision 1 schools, Provision 2 schools, Provision 3 schools, and schools using CEP, and any other schools that may operate under the special provisions outlined in the legislation and regulations cited in Section V of SP 50-2013. In those States with special provision schools, the special provision match must be run in or close to October each year, but no later than the last operating day in October. For example, in SY 2015-2016 the count for Data Element #3 would come from the special provision match conducted in or near Oct 2015, but not later than the last operating day of Oct 2015;
2. Use the count of identified students matched with SNAP in determining the CEP claiming percentage for that school year. For example, if the current school year is SY 2015-2016, and the first year of the 4-year cycle was SY 2012-2013, then the count used would be the count of identified students matched with SNAP by April 1, 2012; or
3. Use the count of identified students matched with SNAP conducted by April 1 of the same calendar year the FNS-834 is due, whether or not it was used in the claiming percentages. For example, in SY 2015-2016, the FNS-834 will be due Dec 1, 2015, and the count used would be the count of identified students matched with SNAP by April 1, 2015, whether or not the school elected to update the claiming percentage that year.

**64. How is October data reported on the FNS-10 for CEP schools?**

The FREE percentage currently used to claim meals under CEP (ISP times 1.6) in the LEA/school should be applied to the current October enrollment number to estimate the number of children approved for FREE lunches to report in 15a. CEP LEAs will not report REDUCED PRICE data in 15b.

**65. How are CEP data accounted for in the FNS-828?**

All SFAs must report. SFAs that do not charge for paid student lunches must enter "\$0.00" in any or all categories, as applicable. SFAs that have some schools that do not charge for lunches (i.e., CEP schools), would report the most frequently charged lunch price(s) in those schools or categories of schools that **do** charge for paid lunches.

**66. What documentation is required to be kept by LEAs that participate in CEP?**

LEAs/schools must retain records used in the development of the ISP (e.g., records for the initial approval year and all records from the year any updates are made to the ISP) during the entire period CEP is in effect. In addition, this documentation must be retained for three years after submission of the final Claim for Reimbursement for the last fiscal year of CEP.

**67. What are the reporting requirements for LEAs that add CEP in the middle of the school year?**

LEAs seeking to elect CEP in the middle of a school year should consult with their State agencies for technical assistance. The table below details reporting requirements.

Reporting Requirements for Mid-Year Changes in CEP Election			
If the LEA elects CEP:	Must the State agency/LEA complete?		
	Verification	FNS-742	FNS-834
On or before the last operating day of October	Not Required	Yes, complete as CEP LEA (Do not report direct certifications in Section 3 for CEP schools. Instead use FNS-834 to report SNAP matches for special provision schools.)	Yes, complete as CEP LEA (Report the students in CEP schools matched with SNAP on FNS-834, Data Element #3.)
After last operating day of October	Yes	Yes, complete as standard counting & claiming LEA	Yes, complete as standard counting & claiming LEA

**68. How should CEP LEAs report information on the FNS-10?**

October data under CEP can be reported on the FNS-10. The free claiming percentage currently used under CEP (ISP times 1.6) in the LEA/school should be applied to the current October enrollment number to estimate the number of children approved for FREE lunches to report in 15a. CEP LEAs will not report REDUCED PRICE data in 15b.

If CEP is elected after October 31, the LEA should follow standard reporting procedures using data from household applications.

## Residential Child Care Institutions (RCCIs)

**69. Are Residential Child Care Institutions (RCCIs) with day students eligible to elect CEP?**

No, by law, RCCIs are not eligible to elect CEP [42 U.S.C. 1759a(a)(1)(F)(ii)(cc)].

## Independent Review of Applications

**70. Is an LEA that elects CEP subject to the independent review of applications even though only direct certification will be conducted in the relevant school year?**

No, only those districts that collect applications can be required to conduct a second review of applications. If an SFA elects CEP and does not collect applications, they would not be required to conduct an independent review of applications.

## Student Charges

**71. At a CEP site, may a student be charged for a non-reimbursable meal (i.e. the student refuses to select the components required for a reimbursable meal)?**

Yes, similar to a non-CEP school, a student could select a non-reimbursable meal. Non-reimbursable meals may not be claimed for Federal reimbursement; however, the school could charge the student for a la carte foods or allow the student to take food for free and not claim it for reimbursement.

**72. What if a parent insists on paying for a student's meal?**

FNS encourages schools electing CEP to communicate with parents/caregivers so they understand how CEP benefits students, schools, and households. Children may opt out of receiving free meals by bringing food from home or purchasing a la carte foods, if available.

Parents that insist on paying should be encouraged to make a monetary donation to the nonprofit school food service account.

## Paid Lunch Equity

**73. In LEAs that have some CEP and some non-CEP schools, how are CEP schools taken into account for the purposes of Paid Lunch Equity (PLE)?**

In districts that have some CEP schools and some pricing schools, CEP schools would not be factored into the calculation for the average weighted price for the PLE requirement. See Policy memo SP 39-2011 (Revised), Child Nutrition Reauthorization 2010: Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods, available at: <http://www.fns.usda.gov/sites/default/files/SP39-2011r.pdf>.

## Summer School

**74. Can a CEP school use CEP claiming percentages for meals served during NSLP summer school (i.e., Seamless Summer Option)?**

If a CEP school offers summer school to students, all of whom are enrolled in that CEP school, the school may use CEP in the summer school. The school may:

- Apply the CEP claiming percentages for the NSLP to summer school; or
- Establish an ISP and CEP claiming percentage for summer school operations and use “summer school” claiming percentages in subsequent years.

If a CEP school offers summer school to students who, during the regular school year, are enrolled in a non-CEP school or in another CEP school, the school may:

- Offer standard program operations to summer school students (i.e., standard application and meal counting and claiming procedures); or
- Establish an ISP and CEP claiming percentage for summer school operations and use “summer school” claiming percentages in subsequent years for the summer school session’s meal counting and claiming process.

**75. Do children enrolled in a CEP school during the school year receive free meals if they attend a non-CEP school for summer school?**

The non-CEP school must process household applications for children from the CEP school and charge them accordingly, if applicable (standard application and meal counting and claiming procedures apply).

## Other Federal Programs

**76. A CEP school also operates the Special Milk Program (SMP) for half-day kindergarten students who do not have access to NSLP or SBP. How should the school certify students for the SMP without household applications?**

The SMP operates independently from NSLP and SBP. CEP schools that also operate the SMP must process household applications to certify students for SMP benefits.

**77. How are Fresh Fruit and Vegetable Program (FFVP) award determinations made for CEP schools?**

Since the 1.6 multiplier is intended to provide an estimate of the total number of students eligible for free and reduced price meals in eligible schools, the product of the ISP multiplied by 1.6 will be used for the purposes of awarding FFVP funds. Schools in LEAs electing CEP



for the entire LEA or as part of a group of schools electing CEP with a shared ISP must still use the individual school CEP percentage for purposes of awarding FFVP funds.

**78. For Afterschool Snacks, data from the previous October is typically used to establish area eligibility. Should LEAs/schools in the first year of the CEP cycle use data from the previous October or the CEP claiming percentage (ISP times 1.6) to establish area eligibility?**

In the first year of a CEP cycle, participating LEAs/schools must use data from the previous October to determine area eligibility for individual schools. After the first year, CEP LEAs/schools must use the CEP claiming percentage (ISP times 1.6) to establish area eligibility. If the LEA participates in CEP district-wide or schools are grouped, a school's area eligibility must be determined using the individual school's ISP (not the district-wide or group ISP).

**79. How are Afterschool Snacks claimed at CEP schools that are not area eligible to serve all snacks free?**

CEP schools that are area eligible claim all snacks at the free reimbursement rate. A CEP school is area eligible if (1) at least 50 percent of students are free or reduced-price eligible (school's individual ISP is at least 32.5%), or (2) the school is located in the attendance area of another school that is area eligible.

CEP schools that are not area eligible claim snacks using the same group claiming percentage they use to claim meals under NSLP/SBP.

<b>Title I and Other Educational Funding</b>
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**80. Is there information for LEAs participating in CEP on Title I procedures?**

Yes, the Department of Education published guidance, which is part of our SP35-2015 memorandum and is available at <http://www.fns.usda.gov/updated-title-I-guidance-schools-electing-community-eligibility>.

**81. A school district contains both CEP and non-CEP schools. To alleviate confusion among households and administrative staff, the district would like to use a single form to collect household income information to (1) determine eligibility for school meals in non-CEP schools, and (2) distribute other education funding in CEP schools. The district would cost-allocate expenses for form processing based on the proportionate number of students surveyed in non-CEP vs. CEP schools. Costs for surveys of CEP households would not be paid from the nonprofit school food service account. Is this allowable?**

USDA encourages school districts to identify means of allocating education funding that does not mitigate CEP's paperwork reduction benefit. However, some school districts electing to partially implement CEP have determined that individual income information is still necessary for carrying out various education funding allocations. A single form that collects household income information from students in CEP and non-CEP schools is a reasonable way to streamline information collection. Single forms developed for this purpose must:

- Contain all information required on the school meals application;
- Include a clear, concise, and prominent disclaimer to indicate that, in CEP schools, receipt of school meals does not depend on households returning the form; and
- Clearly specify to households which fields must be completed if students are in CEP vs. non-CEP schools.

LEAs opting to use a single form must be able to:

- Distinguish between forms from students in CEP vs. non-CEP households so the LEA can comply with Program requirements related to household applications (e.g., only non-CEP applications are used for selecting the verification sample, conducting an independent review of applications, and the Certification and Benefit Issuance portion of the Administrative Review); and
- Cost-allocate expenses for form processing; costs for form processing for students in CEP schools may not be paid from the nonprofit school food service account.

**82. \*\*\*Can school food service staff process alternate income forms if an LEA decides it is necessary to collect forms to allocate education funding?**

Yes. School food service staff has expertise collecting household income forms. If an LEA decides it is necessary to collect alternate income forms to allocate education funding, school food service staff may process the forms, but the cost of alternate income form processing may not be paid from the non-profit school food service account and the forms may not be associated with school meals. The LEA must pay for, or reimburse the non-profit school food service account for, the cost of processing forms.

<b>Technical Assistance and Resources</b>
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**83. What tools does USDA have to help LEAs decide if CEP is economically viable?**

LEAs are encouraged to use the CEP Estimator Tool (available at: <http://www.fns.usda.gov/school-meals/community-eligibility-provision>), which uses the LEA's monthly reimbursement to help determine if CEP is a beneficial option.

## Data Sharing

**84. An LEA, in which all schools participate in NSLP or SBP, partially implements CEP. Students within a single household attend both CEP and non-CEP schools. Can information from household school meals applications in non-CEP schools be shared with CEP schools to determine a sibling's eligibility for other types of funding (e.g., athletic fee waivers, summer employment programs)?**

Yes, however, this approach will likely not provide comprehensive information for the entire student population at the CEP school because it is not likely that all CEP students will have a sibling that submits a schools meals application a non-CEP school. Also, students may not be added to a school's ISP based on information gathered via a household application submitted to determine a sibling's eligibility at a non-CEP school.

## Attachment 2: New and Updated Community Eligibility Provision (CEP) Questions

New
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**4. If FNS 742 data is used for notification purposes, CEP districts do not look eligible because they are reported as zero. What data should be used to meet publication/notification requirements for districts currently participating in CEP?**

State agencies and LEAs are encouraged to use the most current data available to prepare Notification lists. If data needed for preparing notification lists is not available via the FNS-742 (because in the previous year all schools in the LEA were participating in CEP and zeros were reported in Section 3), then LEA level data for the combined count of students matched with SNAP for all schools participating in CEP and any Provision 2/3 non-base year schools on the FNS-834 (a component of data element #3) should be used. See question 66 for additional information on how schools participating in CEP should complete the FNS-834.

Note: Districts electing CEP district-wide should still fill out the FNS-742 by completing Sections 1 and 2, and checking Box 3-1 in Section 3. The other boxes in Section 3 should be zeros.

**19. How often are CEP LEAs required to run direct certification?**

CEP LEAs are not required to run direct certification at a specific frequency. However, States that have special provision schools operating Community Eligibility may include these schools in the special provision match (FNS-834, data element #3) or, alternatively, may choose to include for these schools:

- the count of the number of identified students directly matched with SNAP used in determining the Community Eligibility claiming percentage for that school year; or
- the count from the SNAP match conducted by April 1 of the same calendar year, whether or not it was used in the Community Eligibility claiming percentages.

Though not required, it is beneficial for the LEA, the students, and the State if all LEAs, including CEP sites, conduct direct certification annually as of April 1. This allows LEAs to understand if they should change their ISP to increase financial benefit. It could also allow LEAs to determine individual eligibility for students transferring to non-CEP sites between school years and allow for directly certified students to receive free meals for a 30-day carryover period at non-CEP sites.

Additionally, running direct certification helps LEAs observe demographic trends. For example, if direct certification rates are trending toward a decrease that makes CEP fiscally

unfeasible, running direct certification could help LEAs plan in advance to return to standard counting and claiming.

**54. Are there specific requirements around the type of point of service or point of sale (POS) system employed by CEP schools during meal service?**

Consistent with standing regulatory requirements, any institution participating in the Federal school meal programs is required to take an accurate count of reimbursable meals served to students at each meal service. Serving lines must be adequately supervised to ensure that all meals claimed for reimbursement meet meal pattern requirements, and that reimbursement is only claimed for one meal per student per meal service (except as second breakfasts are allowed to be claimed as specified in 7 CFR 220.9(a)).

An accurate meal count may be achieved through a variety of methods and USDA does not require the use of any specific POS system. However, in recent years, many school districts have chosen to implement POS systems which incorporate technologies such as personal identification numbers (PIN), biometrics, and other individual student identifiers. When implementing CEP, USDA encourages school systems to maintain an accurate POS system that has a proven track record of reliability and security.

**56. Does the State agency need to review all ISPs in the LEA, and what is the scope of any such reviews?**

The Administrative Review guidance instructs State agencies to review at least one CEP school. When reviewing the ISP this could be for an LEA, site, or group depending on the makeup of the ISP. If during normal site selection procedures multiple CEP schools area selected the corresponding ISP would be reviewed. If no CEP schools were selected, then the State agency would conduct an abbreviated review in at least one CEP school/site.

The State agency must review:

- a minimum of 10 percent of student names for the ISP that is reviewed;
- that appropriate documentation was used to establish each ISP; and
- the accuracy of the free/paid claiming percentages used to claim meals for each CEP site reviewed.

Please refer to the August 2015 USDA *Administrative Review Manual* for detailed information on the administrative review process and procedures as they pertain to CEP schools.

**58. If the administrative review is during a year in which an LEA also submitted data to increase its ISP, should the SA retroactively adjust claims for that school year? When can the LEA submit claims using the increased ISP?**

To increase its ISP, an LEA would review April 1 data as of the most current school year. For example, to begin a new CEP cycle for SY 15-16 using an increased ISP, the ISP would be based on identified student data from April 1, 2015 (SP16-2015, Q 28).

If the site/LEA submits a higher ISP based on data from April 1<sup>st</sup> of the previous SY for the upcoming SY, a new 4 year cycle is started using the higher ISP. This guarantees the higher ISP for a new full 4 year CEP cycle. For example, an LEA demonstrating an increased ISP (using April 1, 2015 data) would submit claims using the new, increased ISP for a 4 year CEP cycle that would run from SY 15-16 through SY 18-19. Claims are not adjusted retroactively.

**82. Can school food service staff process alternate income forms if an LEA decides it is necessary to collect forms to allocate education funding?**

Yes. School food service staff has expertise collecting household income forms. If an LEA decides it is necessary to collect alternate income forms to allocate education funding, school food service staff may process the forms, but the cost of alternate income form processing may not be paid from the non-profit school food service account and the forms may not be associated with school meals. The LEA must pay for, or reimburse the non-profit school food service account for, the cost of processing forms.

Updated (changes highlighted)

**5. What schools are eligible to participate in CEP?**

Schools, groups of schools, or school districts that meet the following criteria are eligible to participate in CEP:

- Have an *identified student percentage* (ISP) of at least 40% as of April 1st of the school year prior to implementing CEP;
- Participate in NSLP and SBP; and
- Have a record of administering the Programs in accordance with regulations.

**17. Can a LEA request direct certification data from the State agency at any time?**

LEAs operating under standard counting and claiming are required to run direct certification matches at least three times per year. States are also required to notify LEAs of potential district-wide ISP eligibility by April 15 of each year. FNS does not require LEAs to conduct additional direct certification matches to support CEP, but we encourage State agencies and

LEAs to work together to ensure that LEAs have the data needed to make sound decisions related to CEP. Over time, FNS expects direct certification systems to improve, which may facilitate more frequent matches.

**22. When does the ISP have to be drawn in relation to April 1<sup>st</sup>?**

The law states that the ISP must be established using the number of identified students and total students enrolled with access to the NSLP or SBP as of April 1<sup>st</sup> of the prior year. The ISP must therefore be representative of the identified students and the student enrollment on April 1. Due to variations in the point in time for monthly updates in State and local systems, updates could be done before or after April 1 to account for differences in operational procedures, but the data would have to be representative of this date. Since regulations regarding direct certification at 245.6(b)(3)(ii) require direct certification matches with SNAP to be run three times each year the timing of one of these matches can easily be planned to represent April 1. **If more recent data better reflects the number of identified students and/or enrollment in an LEA/school, FNS may grant authorization to use direct certification data from a different date (i.e., not as of April 1) to determine an ISP.**

**27. Can LEAs use direct certification information available from months after April to determine the ISP, especially for new schools?**

For existing schools, the direct certification data used to establish CEP eligibility must be as of April 1. New schools will not have direct certification data, and are allowed to use direct certification numbers from a later month to establish CEP eligibility. **If more recent data better reflects the number of identified students and/or enrollment in an LEA/school, FNS may grant authorization to use direct certification data from a different date (i.e., not as of April 1) to determine an ISP.**

**29. If a school is participating in CEP and there is a change to the student population (e.g., grades removed/added, CEP and non-CEP schools merge), is the school required to re-calculate the ISP and re-start the four-year cycle? Or can they continue with the existing four-year cycle and adjust the ISP each year as needed?**

When a school district, group of schools, or school population changes (e.g., grades are removed/added, CEP and non-CEP schools merge), the LEA must re-calculate the ISP. If eligible with the new ISP, the LEA starts a new four-year cycle with the new ISP. **However, if students are simply reorganized among schools within a CEP group (e.g., a grade moves from one CEP school to another and both schools are in the same CEP grouping), the ISP does not need to be recalculated. In this example, the group's total identified student and total enrollment numbers are unchanged.**

**49. \*\*\*Will the 1.6 multiplier change?**

**The 1.6 multiplier will be in effect for SY 2015-2016.** The Healthy, Hunger-Free Kids Act provides discretion for FNS to change the multiplier to a number between 1.3 and 1.6;

however, there are currently no plans to change the multiplier. If the multiplier is changed in the future, schools electing CEP will keep the same multiplier for their entire four-year cycle and do not have to implement changes to the multiplier until their next cycle if CEP is elected again. Any future change to the multiplier would also be communicated well in advance of implementation, through the *Federal Register*.

**50. \*\*\*How will area eligibility percentages be determined for CEP schools?**

Since the 1.6 multiplier is intended to provide an estimate of the total number of students eligible for free and reduced price meals in eligible schools, the product of the ISP multiplied by 1.6 will be used for area eligibility purposes. **If the result is equal to or greater than 50 percent, meal sites located in the attendance area of the school are area eligible.** Schools in LEAs electing CEP for the entire LEA or as part of a group of schools electing CEP with a shared ISP must still use the individual school CEP percentage. These percentages can be used for determining area eligibility in the Summer Food Service Program, Seamless Summer, Child and Adult Care Food Program (CACFP) at-risk afterschool snacks, CACFP tiering, and afterschool snacks through the NSLP.

**55. \*\*\*If a State agency finds errors in the ISP, what procedures must be followed?**

If a State agency finds errors in the ISP, the State agency must determine what the ISP *should be* (based on identified student data from April 1 of the year prior to the start of the current CEP cycle), then apply the revised claiming percentage retroactively to all claims submitted in the school year during which the administrative review takes place. **The corrected ISP would be used for the remainder of the 4 year cycle.**

**At the discretion of the State agency, upward adjustments to claims from the current and prior fiscal years may be made as a result of identifying an error in the calculation of the ISP during an Administrative Review (7 CFR 210.8(4)).**

State agencies have discretion to expand fiscal action back beyond the school year in which the erroneous ISP was found (if applicable).

If the LEA is determined to be ineligible for CEP, the State agency should:

- Work with the LEA to return to standard counting and claiming (if not eligible for grace year). If there is insufficient time in the current school year to resume standard counting/claiming, the State agency should use the revised claiming percentage for the remainder of the school year;
- Provide technical assistance to the LEA to ensure the LEA knows how to calculate their ISP; and
- Examine its CEP process to determine why the erroneous ISP was not discovered and corrected when the LEA elected CEP.



**63. \*\*\*How is CEP data reported on the FNS 834?**

CEP schools and Provision 2/3 non-base year FNS-834 procedures for States:

- Report a statewide count of students matched with SNAP for all schools participating in CEP and any provision 2/3 non-base year schools combined on the FNS-834 in the **Data Element #3** box for **“The number of SNAP Children in Special Provision Schools Operating in a Non-Base Year.”**

To obtain the number of students matched against SNAP records that are enrolled in CEP schools to report on the FNS-834, one of the following options may be used:

1. Perform a “special provision match” similar to other provision schools operating in a non-base year. The special provision match is a match run between the SNAP database and school enrollment database(s) from special provision schools operating in a non-base year for the given school year. This includes Provision 1 schools, Provision 2 schools, Provision 3 schools, and schools using CEP, and any other schools that may operate under the special provisions outlined in the legislation and regulations cited in Section V of SP 50-2013. In those States with special provision schools, the special provision match must be run in or close to October each year, but no later than the last operating day in October. For example, in SY 2015-2016 the count for Data Element #3 would come from the special provision match conducted in or near Oct 2015, but not later than the last operating day of Oct 2015;
2. Use the count of identified students matched with SNAP in determining the CEP claiming percentage for that school year. For example, if the current school year is SY 2015-2016, and the first year of the 4-year cycle was SY 2012-2013, then the count used would be the count of identified students matched with SNAP by April 1, 2012; or
3. Use the count of identified students matched with SNAP conducted by April 1 of the same calendar year the FNS-834 is due, whether or not it was used in the claiming percentages. For example, in SY 2015-2016, the FNS-834 will be due Dec 1, 2015, and the count used would be the count of identified students matched with SNAP by April 1, 2015, whether or not the school elected to update the claiming percentage that year.