



July 30, 2019

The Verification Process Manual

DESE Office for Food and Nutrition Programs

*Reference: Eligibility Manual for School Meals
2017*

2019 Nuts and Bolts of School Nutrition Programs

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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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The Verification Process

In this section, you will find information on:

- The initial steps for verification;
- Application selection procedures, including available sample sizes;
- When to review questionable applications;
- Required procedures for notifications and follow-up;
- Allowable sources for verification; and
- How to determine if verification is complete.

Verification Overview

Section 9(b)(3) of the NSLA and regulations at 7 CFR 245.6a(c)(1) establish requirements for LEAs in conducting verification of eligibility for free and reduced price meals based on applications in participating schools. Verification is only required when eligibility is determined through the *application process*, and is not required for eligibility determinations made through the direct certification process.

Verification must include confirmation of either:

- Income eligibility;
- Receipt of assistance under SNAP, FDPIR, or TANF, by the child or any member of the household; or
- Other Source Categorical Eligibility.

Verification may also include confirmation of any other information required on the application, such as household size.

Verification Exemptions: 7 CFR 245.6a(c)(2)

- For children who have been certified under direct certification procedures, including children documented as migrant, runaway, or homeless; foster children; and children enrolled in Head Start;
- For children in RCCIs, *except for applications for non-residential students attending the institution;*
- In schools where FNS has approved special cash assistance claims based on economic statistics regarding per capita income, such as in Puerto Rico and the Virgin Islands;
- In schools participating only in the SMP;
- In schools with non-pricing programs, which claim only the paid rate of reimbursement, where all children are served with no separate charge for food service and no special cash assistance is claimed;
- In LEAs where all schools participate in CEP or in Provisions 1, 2, 3, except in the base years in Provision 1, 2, or 3 schools in which applications are taken for all children in attendance; and
- For other FNS exemptions determined on a case-by-case basis.

IMPROVING THE VERIFICATION PROCESS

Nationally, on average, around 40 percent of contacted households do not respond to the verification notice, which results in the loss of meal benefits for potentially eligible children (source: FNS-742 data from SY 2014-2015.) In order to minimize the risk of eligible children losing access to meal benefits due to non-response, FNS released a memorandum highlighting best practices to improve the verification process. To review the strategies outlined in the memorandum, see SP 43-2016 (v. 2): *Ensuring Access to Free and Reduced Price School Meals for Low-Income Students - Revised*, <http://www.fns.usda.gov/ensuring-access-free-and-reduced-price-school-meals-low-income-students>.

Key Verification Terms

- **Direct Verification:** Use of records from public agencies such as the MA Executive Office of Health and Human Services (EOHHS) uses the Virtual Gateway (VG) to verify children's eligibility for free and reduced price benefits.
- **Error Prone:** Applications within \$100 per month of the applicable IEGs. Refer to the Verification Checklist for other error prone interval incomes (*USDA Memo: September 6, 2005 Clarification of Verification Reporting Requirements*).
- **Random Sampling:** A sampling process where each application has an equal chance of being selected. A statistically valid random sample is not required. The LEA must determine a selection interval by dividing the number of applications by the required sample size.
- **Sampling Pool:** The total number of applications (determined and confirmed) approved as of October 1.
- **Sample Size:** The number of applications subject to verification. The minimum and maximum sample size is three percent of the total or 3,000 applications, whichever is less.

Initial Steps for Verification – Verification Checklist

Each LEA must annually verify eligibility of children from a sample of household applications approved for free and reduced price benefits for that school year, unless the State agency assumes responsibility for verification on behalf of its LEAs.

LEAs may begin verification once the application approval process for the current school year is underway and approved applications are on file. To begin verification, the LEA may project the number of approved applications (the "sample pool," see below) it anticipates will be on file on October 1. This projection is based on prior years' experience, **i.e., the number of approved applications in previous years.** The final sample pool is the actual number of approved applications on file as of October 1. The sample size must be based on the October 1 sample pool. Any estimates must be compared with the actual number of applications on file on October 1, and LEAs must adjust the sample pool and sample size accordingly. If October 1 falls on a weekend, LEAs use the next operating day to establish the sample pool. For more information, see [*Application Selection Procedures*](#).

ESTABLISHING THE SAMPLE POOL

The sample pool uses the total number of approved applications on file as of October 1 of the current school year. The sample pool depends on the number of approved applications, including paper and electronic applications. The sample pool is not based on the number of children eligible for free and reduced priced benefits, as some eligible students will have established eligibility through the direct certification process and will not have an application on file. In addition, the sample pool does not include applications where all children in the household are determined eligible based on documentation provided by the State or local agency responsible for the administration of the SNAP, FDPIR or TANF or applications where all children in the household are determined to be foster, homeless, migrant, or runaway children

[7 CFR 245.6a(c)(2)].

Applications for “mixed households,” which include children who are eligible based on income and other children who are eligible based on Other Source Categorical Eligibility, are subject to verification and are included in the sample pool. Applications with case numbers for participating children (who were not determined eligible through direct certification) are also subject to verification. LEAs may choose not to count applications for students in split-session kindergarten programs participating in the SMP when determining the verification sample pool.

ESTABLISHING THE SAMPLE SIZE

Once the sample pool is determined, the LEA calculates the sample size, or the number of applications that must be verified. When calculating the sample size, all fractions or decimals are rounded upward to the nearest whole number. At least one application must always be verified.

With the exception of verification for cause, LEAs must not verify more or less than the standard sample size or the alternate sample size (when the alternate sample size is used). LEAs must not verify all (100 percent) of the applications. Verification conducted “for cause,” as described in the following section, is completed in addition to the required verification sample size.

Verification for Cause 7 CFR 245.6a(c)(7)

Apart from the required verification of a specified number of approved applications, regulations at 7 CFR 245.6a(c)(7) require LEAs to verify any questionable application including, on a case-by-case basis, verifying any application for cause when the LEA is aware of additional income or persons in the household. This is known as “verification for cause.”

Determining officials are strongly encouraged to contact the household to clarify any information that is unclear or questionable before certifying the application and proceeding with verification for cause. Once households have been requested to provide documentation for cause, the LEA must complete the verification process for these households.

Verification for cause cannot delay the approval of applications, and LEAs can begin the verification process only after the determination of eligibility has been made. If an application is complete and indicates the child is eligible for free or reduced price benefits, the application must be approved while the LEA begins verification for cause.

Where appropriate, FNS supports use of verification for cause as a method for LEAs to address integrity concerns. State agencies should ensure LEAs balance administrative requirements and integrity with access to free and reduced price meals for eligible children. When conducting verification for cause, the LEA verifies applications for cause following the standard verification procedures described in this section.

The LEA must send the household a Notification of Selection. The notification letter may be sent with the Notice of Eligibility. If the household fails to submit requested verification information by the date specified by the LEA, or submits verification information that does not support the initial determination of eligibility, the LEA must send a notice of adverse action to terminate the child's free or reduced meal benefits.

Any verification for cause conducted by an LEA is separate from the verification sample required by the NSLA and Program regulations. Verification for cause may be conducted at any time during the school year. For more information, see: SP 13-2012: *Verification for Cause in the School Meal Programs*, <http://www.fns.usda.gov/verification-cause-school-meals-programs>.

QUESTIONABLE APPLICATIONS AND INFORMATION

While the verification sample may not exceed statutory limits, LEAs have an obligation to follow-up when households submit applications with questionable and incomplete information. It is important to note the restriction on the sample size does not apply to a State's ability to conduct application verification activities connected to general oversight responsibilities, which may include verifying additional applications for cause. Prior to certifying children for benefits, the determining official should review the application for any discrepancies in the information provided.

If a discrepancy is found, the determining official should:

- Seek clarification about the information provided in order to make a determination in a timely manner;
- Deny the application with an explanation that incomplete information was provided; or
- Approve the application and verify for cause.

VERIFICATION FOR CAUSE FOR SCHOOL DISTRICT EMPLOYEES

Verification for cause must not be used to automatically verify the households of all school district employees whose children are certified for free and reduced price benefits. However, LEAs can use verification for cause to review approved applications when known or available information indicates school district employees may have misrepresented their income on the application. For example, the LEA could identify children of school district employees and use available salary information to identify questionable applications, and then conduct verification for cause on those questionable applications. It is recommended that an LEA consult with legal counsel in establishing the parameters of verification for cause for school district employees.

Application Selection Procedures

Available Sample Sizes

Section 9(b)(3) of the NSLA specifies verification sample sizes for LEAs. There are three sample sizes established for verification activities, as described in the table below. The standard sample size must be used by an LEA unless the LEA qualifies to use an alternate sample size. As stated in Section 9(b)(3)(D)(iii) of the NSLA, the standard sample size is the lesser of three percent or 3,000 of the approved applications on file as of October 1. For more information, see: SP 27-2006: *Verification Sample Size*, <http://www.fns.usda.gov/sp27-2006-verification-sample-size>.

Please contact the LEA's DESE Consultant to discuss a change in the Sample Size option

Available Sample Sizes	
Standard Sample Size [7 CFR 245.6a(c)(3)]	
Standard	<p><i>Sample size equals the lesser of:</i></p> <ul style="list-style-type: none"> • Three percent of all applications approved by the LEA for the school year, as of October 1 of the school year, selected from error prone applications; or • 3,000 error prone applications approved by the LEA for the school year, as of October 1 of the school year.
Alternate Sample Sizes Available to Qualified LEAs [7 CFR 245.6a(c)(4)]	
Alternate One	<p><i>Sample size equals the lesser of:</i></p> <ul style="list-style-type: none"> • Three percent of all applications approved by the LEA for the school year, as of October 1 of the school year, selected at random; or • 3,000 applications approved by the LEA for the school year, as of October 1 of the school year, selected at random.
Alternate Two	<p><i>Sample size equals the lesser of the sum of either:</i></p> <ul style="list-style-type: none"> • 1,000 of all applications approved by the LEA, as of October 1 of the school year, selected from error prone applications; or • One percent of all applications approved by the LEA, as of October 1 of the school year, selected from error prone applications. <p><i>PLUS the lesser of:</i></p> <ul style="list-style-type: none"> • 500 applications approved by the LEA, as of October 1 of the school year, which provide case numbers in lieu of income information; or • One-half of one percent (.05 percent) of applications approved by the LEA, as of October 1, of the school year that provide case numbers in lieu of income information.

COMPLETING THE SAMPLE SIZE

The LEA may not have enough applications that meet the criterion for sample sizes based on error prone applications. When this happens, the LEA must select, using random sampling, additional approved applications to complete the required sample size [7 CFR 245.6a(c)(5)].

In other situations, the number of error prone applications may exceed the required sample size. When this happens, the LEA must randomly select, using random sampling, the required number of applications from all error prone applications.

Qualifying to Use an Alternate Sample Size

There are two ways an LEA may annually qualify to use an alternate sample size based on lowered non-response rates.

- **Lowered Non-Response Rate [7 CFR 245.6a(d)(2)]:** Any LEA may use an alternate sample size for any school year when its non-response rate for the preceding school year was less than 20 percent. For example, for SY 2016-2017, an LEA could have used an alternate sample size if in SY 2015-2016 the LEA's non-response rate was 18 percent.
- **Improved Non-Response Rate [7 CFR 245.6a(d)(3)]:** An LEA with more than 20,000 children approved by application as eligible, as of October 1 of the school year, may use an alternate sample size for any school year when its non-response rate for the preceding school year was at least 10 percent below the non-response rate for the second preceding school year.

The following table, *Qualifying to Use an Alternate Sample Size*, provides an example of how an LEA may qualify based on an improved non-response rate.

Qualifying to Use an Alternate Sample Size
Year 1: SY 2014-
<ul style="list-style-type: none">• The LEA had 21,000 children approved for free and reduced price meal benefits based on a total of 6,000 approved applications<ul style="list-style-type: none">○ Therefore, 180 household applications (3 percent of 6,000) must be verified• Of those 180 households, 45 households failed to respond to verification requests, which results in a non-response rate of 25 percent ($45 \div 180$ as a percentage)• The LEA must improve the 25 percent non-response rate by at least 10 percent• The improvement rate is calculated by multiplying the non-response rate by 10 percent, which is 25 percent x 10 percent = 2.5 percent

Qualifying to Use an Alternate Sample Size
Year 2: SY 2016-2017
<ul style="list-style-type: none"> • The LEA had 6,000 approved applications, so the sample size is 180 (3 percent of 6,000) • The number of non-respondents was reduced to 40 which is a non-response rate of 22.2 percent ($40 \div 180$ as a percentage) • The next step is to calculate the level of improvement needed between Year 1 and Year 2, by subtracting Year 1's non-response improvement rate from Year 2's non-response rate (25 percent minus 2.5 percent = 22.5 percent) • Since 22.2 percent is less than the minimum non-response rate of 22.5 percent, the improvement is greater than 10 percent • The LEA qualified to use an alternate sample size for SY 2016-2017
Year 3: SY 2017-2018
<ul style="list-style-type: none"> • The LEA could use one of the alternate sample sizes for its verification activities

CONTINUING ELIGIBILITY FOR USE OF AN ALTERNATE SAMPLE SIZE

The LEA must annually determine if it is eligible to use one of the alternate sample sizes and each State agency must establish a procedure for LEAs to designate use of an alternate sample size. The State agency may also establish criteria for reviewing and approving the use of an alternate sample size, including deadlines for submissions. If the LEA determines it is eligible, the LEA must contact the State agency in accordance with any procedures established by the State agency for approval prior to use an alternate sample size [7 CFR 245.6a(d)(4)].

Post-Selection Procedures

There are two procedures the LEA completes prior to contacting the household to obtain documentation of eligibility: the required confirmation reviews and the optional replacement of certain applications.

Confirmation Reviews - MA DESE confirms all applications after the determination process

Prior to any other verification activity, a determining official must review each approved application selected for verification to ensure the initial determination was accurate. Any LEA that conducts a confirmation review of all applications at the time of certification is not required to conduct confirmation reviews prior to verification. **The confirmation review must be done by an individual other than the individual who made the initial eligibility determination [7 CFR 245.6a(e)(1)].**

This requirement is waived if the LEA uses a technology-based system with a high level of accuracy in processing an initial eligibility determination. The LEA must contact the State agency to determine if its system qualifies them for this waiver. **The State agency may request documentation to support the accuracy of the LEA's system. If the State agency determines**

the technology-based system is inadequate, it may require the LEA to conduct a confirmation review of each application selected for verification.

Once any required confirmation reviews are completed, the LEA will proceed with verification if the initial determination was correct or incorrect, as follows:

LEA Responsibilities Following a Status Change [7 CFR 245.6a(e)(1)(i)(A-C)]	
No Change in Status	The LEA verifies the application.
Status Change from Reduced Price to Free	The LEA: <ul style="list-style-type: none"> • Makes the increased benefits available immediately; • Notifies the household of the change in benefits; and • Verifies the application.
Status Change from Free to Reduced Price	The LEA: <ul style="list-style-type: none"> • Does not change the child’s status; • Verifies the application; • Notifies the household of the correct eligibility status after verification is completed and, if required, sends the household a notice of adverse action.
Status Change from Free or Reduced Price to Paid	The LEA: <ul style="list-style-type: none"> • Immediately sends the household a notice of adverse action; • Does not verify the application; • Selects a similar application, such as another error prone application, for verification; and • Follows the confirmation review procedures for the selected application.

REPLACING APPLICATIONS

After completing the confirmation reviews, the LEA may, on a case-by-case basis, replace up to five percent of applications selected [7 CFR 245.6a(e)(2)]. Applications may be replaced when the LEA believes the household would be unable to satisfactorily respond to the verification request.

If five percent of total applications in the LEA results in less than one application total, one application may still be replaced. All results of the five percent calculation are rounded up to

the next whole number. Any application removed must be replaced with another approved application selected on the same basis. For example, an error prone application must be substituted for a withdrawn error prone application. The newly selected application must then have confirmation review.

When an application is selected for verification and, prior to hearing back from the household in question, that household is found on a direct certification list, the application does not have to be replaced in the verification sample pool. The application would be marked as a direct certification in the appropriate box in Section 3 of the FNS-742. LEAs should include these applications in Field 5-5 (Number of applications selected for verification) of the FNS-742 and indicate the number of these applications that are being converted to direct certification in the remarks portion of the FNS-742.

Household Notification of Selection

Once post-selection procedures are complete, the LEA proceeds with household notification. Requirements for household notification of selection for verification are included at

7 CFR 245.6a(f). When a household is selected for verification, the LEA must inform the household, in writing, of its selection and must provide a list of the documents or other forms of evidence the household must submit to the LEA. When the LEA uses agency records or direct verification to confirm eligibility, a letter or email informing the household of its selection for verification is not required, as verification is completed.

Any communications with households concerning verification must be in an understandable and uniform format and, to the maximum extent practicable, in a language that parents and guardians can understand [7 CFR 245.6a(f)]. State agencies and LEAs are expected to have a system in place to provide written verification notices in the parent or guardian's primary language, and to provide oral assistance if the parent or guardian has difficulty understanding the written request. Translations of FNS prototype verification materials are available at: <http://www.fns.usda.gov/school-meals/translated-applications>.

The household notification letter must include the following:

- An indication that the household was selected for verification.
- A modified Use of Information Statement as follows:

The Richard B. Russell National School Lunch Act requires the information requested in order to verify your children's eligibility for free or reduced price meals. If you do not provide the information or provide incomplete information, your children may no longer receive free or reduced price meals.

- **The full USDA Nondiscrimination Statement.**

- If a child is receiving benefits based on income, a list of the types of acceptable information that may be provided to confirm current income:
 - Pay stubs;
 - Award letters from assistance agencies for benefits such as Social Security or SSI; or
 - Support payment decrees from courts.
- If a child is receiving benefits based on categorical eligibility, an indication the household may provide proof that a child or any household member is receiving benefits under an Assistance Programs or that a child is Other Source Categorically Eligible instead of providing income information.
- A warning that information must be provided by a date specified by the LEA and that failure to do so will result in termination of benefits.
- A notice that documentation of income or receipt of assistance may be provided from any point in time between the month prior to application and the time the household is required to provide income documentation.
- The name of a determining official who can answer questions and provide assistance.

The household must be able to contact a LEA or school official who can either assist them directly or who can refer the caller to a specific person for help.

- **If the household is unable to obtain assistance during their initial call, the LEA or school official must attempt to initiate further assistance.**
- A telephone number the household can call at no cost for assistance.
 - The LEA may establish a toll-free number or allow the household to reverse the charges if any households in that LEA are outside the local calling area.
 - The LEA may also provide different telephone numbers for each local calling area within the LEA.

Sources for Verification

When a household is selected for verification, it must provide “sources of information” to the LEA to confirm current income or participation in a categorically eligible program. According to 7 CFR 245.6a(a)(7), sources of information may include written evidence, collateral contacts, and systems of records. Households which dispute the validity of information acquired through collateral contacts or a system of records must be given the opportunity to provide other documentation [7 CFR 245.6a(a)(7)(iv)].

Acceptable documentation of income or receipt of assistance from any of the following sources may be provided for any point in time between the month prior to application and the time the household is required to provide income documentation.

WRITTEN EVIDENCE

Written evidence is the primary source of eligibility confirmation for all households

[7 CFR 245. 6a(a)(7(i)]. Written evidence most often includes pay stubs from employers or award letters from assistance agencies or other government agencies.

- For **income eligible applications**, acceptable written evidence contains: the name of the household member; the amount of income received; the frequency received; and the date the income was received. A pay stub with no dates would be insufficient written evidence for an income eligible application.
- For **categorically eligible Assistance Program applications**, an official letter or notice indicating the child or any household member is receiving benefits from the program, such as a notice of eligibility, would be acceptable written evidence. A document from an Assistance Program that does not specify the certification period does not meet the documentation for verification. **For example, an identification card from an Assistance Program (SNAP or TANF) is not acceptable as verification unless it contains an expiration date [7 CFR 245.6a(f)(3)].**
- For **Other Source Categorically Eligible applications**, an official letter, notice, or list from the appropriate State agency, social service agency, program office or coordinator, or court would be acceptable written evidence.

The verifying official should examine the documentation provided to ensure the child for whom the application was made is part of a household currently participating in an eligible program or is a foster child. EBT cards cannot be used to confirm eligibility in SNAP and therefore cannot be used for categorical eligibility purposes.

If a household does not have satisfactory documentation, the household may request a signed, dated letter from the appropriate office to verify the child is part of a household currently receiving benefits. **If written evidence is insufficient to confirm the income information on the application, the LEA may require use of collateral contacts.**

COLLATERAL CONTACTS

A collateral contact is a person outside of the household who is knowledgeable about the household's circumstances and can confirm a household's income level or participation in Assistance Programs or Other Source Categorical Eligibility Programs [7 CFR 245.6a(a)(7(ii)]. Collateral contacts include employers, social service agencies, migrant workers' agencies, and religious or civic organizations. The verifying official should request a collateral contact only in cases when the household has not been able to provide adequate written evidence.

The verifying official must give the household the opportunity to designate the collateral contact. However, the verifying official may select a collateral contact if the household fails to designate a collateral contact or designates a contact that is unacceptable to the verifying official. In either case, no contact may be made without first notifying the household and obtaining its consent.

At the time of the notice, the household may consent to the contact or provide acceptable documentation in another form. If the household refuses to choose one of these options, the household's eligibility will be terminated in accordance with normal verification procedures.

All information provided by collateral contacts (written or oral) must be documented, dated, and initialed. The LEA will examine any written information provided by the collateral contact or evaluate any oral information. If the collateral contact is unwilling or unable to provide the requested information, the LEA must contact the household to complete the verification process.

Verification of eligibility for Assistance Program households that provided a case number on the application may be accomplished by submitting a list of names and case numbers to the local Assistance Program office for confirmation of certification of receipt of benefits from agency records. More information can be found in [Direct Verification](#).

AGENCY RECORDS

A household's eligibility may be confirmed through the use of information maintained by other government agencies to which the State agency, LEA, or school has legal access

[7 CFR 245.6a(a)(7)(iii)]. These records are not considered collateral contacts. Although Program regulations do not require LEAs to notify households of selection when verification is made through agency records, such agencies may have their own notification requirements.

If available to the verifying official, wage and benefit information maintained by the State employment agency may be used to verify households. Such records are State records, and the release of information maintained by State employment offices is governed by State law.

Other examples of agency records include information concerning SNAP, FDPIR, or TANF eligibility, or information from agencies serving foster, homeless, migrant, or runaway children. If the LEA contacts the other agency to obtain agency records well in advance of the November 15 deadline and the other agency does not respond, the LEA has a valid reason to ask the State agency to extend the deadline. More information can be found in [Direct Verification](#).

When a Household Provides Pay Stubs

Households may provide pay stubs with income from employment. If a weekly pay stub is representative of what the household normally receives each week, one pay stub is sufficient.

If the household submits a pay stub including overtime, the determining official should work with the household to determine whether the overtime for the month being verified is representative of overtime received in other months. If overtime is a one-time or sporadic source of income, income should be calculated based on the regular monthly income without overtime.

Indication of "No Income"

If a household is selected for verification, and the household's application indicates zero income, the LEA must request an explanation of how living expenses are met and may request additional written documentation or collateral contacts. The collateral contact may be asked to document the duration and type of assistance that is provided to the household.

Sample Paper (Regular)

Verification Timeline

October 1	October 2	October 9	October 11	October 21	November 1	November 15	January
Select Sample Size and enter student's names in the Virtual Gateway under Direct Verification	First Request Letters: mailed to households	First Request Letters: Household deadline for response	Second Request Letter (if needed): Sent to Household	Deadline for household to respond to second request letter	New eligibility status takes effect if adverse action is needed Effective on the 11th day from the date of the letter to the household	All Verification activity is completed.	Verification Collection Report (FNS 742) Submitted in the Security Portal on or before the annual designated deadline

VERIFICATION COMPLETION DEADLINES

The LEA must complete the verification activities specified in this section no later than November 15 of each school year

[7 CFR 245.6a(b)(1)]. However, the LEA may request an extension of the November 15 deadline, in writing, from the State agency. The State agency may approve, in writing, an extension up to December 15 of the current school year, due to natural disaster, civil disorder, strike, or other circumstances that prevent the LEA from timely completion of verification activities. A request for an extension beyond December 15 must be submitted by the State agency to the FNSRO for approval [7 CFR 245.6a (b)(2)(i)].

Direct Verification

Section 9(b)(3)(F) of the NSLA and Program regulations at 7 CFR 245.6a(g) permit LEAs to “directly” verify approved applications selected for verification. Direct verification involves using records from public agencies to verify household income or household participation in an eligible program, helping relieve families of additional paperwork and reducing the gap in meal benefits for eligible children resulting from non-response. Direct verification may be completed at the State or local level, or through a joint effort at both levels.

LEAs are not required to conduct direct verification. However, State agencies and LEAs are encouraged to expand use of direct verification. Any LEA that intends to conduct direct verification must contact the State agency for assistance with establishing a direct verification method. Direct verification may be used when the household application, certified based on case number, is subject to verification under the LEA’s use of alternative sample size.

LEAs may conduct direct verification activities with Assistance Programs and with the agency that administers Medicaid and CHIP at the State level. Direct verification must be conducted prior to contacting the household for documentation. The public agency’s records may document income for any point in time between the month prior to application and the time the household is required to provide income documentation.

If verification results in an increase in benefits (for example a child who is moved from the reduced price to free category) the change is effective immediately and must be implemented no later than three operating days from the date verification was completed. Households should be promptly notified through the method the LEA uses to notify the household of approval for benefits. For more information, see: SP 32-2006: *Clarification of Direct Verification*, <http://www.fns.usda.gov/sp32-2006-clarification-direct-verification>.

NAMES SUBMITTED FOR DIRECT VERIFICATION

The LEA must only submit the names of children certified for meal benefits and listed on the application when submitting names to the agency administering an eligible program [7 CFR 245.6a(g)(1)]. The names of other household members (all adults, children who are not attending school, or children not approved for free and reduced price benefits) cannot be submitted for direct verification purposes. For purposes of direct verification, when the data indicates one child is participating in an eligible Assistance Program, all eligible children in the household are verified. If none of the children in the household are confirmed through direct verification, regular verification procedures must be followed.

Types of Direct Verification

DIRECT VERIFICATION WITH ASSISTANCE PROGRAMS

If information obtained through direct verification of an application for meal benefits indicates a child is participating in an eligible Assistance Program, no additional verification is required.

The eligibility status of the child (or children) listed on the application is considered verified [7 CFR 245. 6a(g)(2)].

Direct Verification with Medicaid or CHIP	
States with Medicaid or CHIP Income Limits of 133 Percent or Less [7 CFR 245.6a(g)(3)]:	If the income limit for Medicaid or CHIP is at or below 133 percent of the Federal poverty line, or if households with income at or below 133 percent of the Federal poverty line can be identified through Medicaid or CHIP participation, records from these agencies may be used to verify eligibility.
States with Medicaid or CHIP Income Limits Between 133 and 185 Percent [7 CFR 245.6a(g)(4)]:	<p>If the income limit used for Medicaid or CHIP is between 133 and 185 percent of the Federal poverty line, direct verification information must include:</p> <ul style="list-style-type: none"> • The percentage of the Federal poverty line upon which the applicant’s participation is based; or • The income and household size used by Medicaid or CHIP to determine that the applicant is either at or below 133 percent or between 133 and 185 percent of the Federal poverty line.

DIRECT VERIFICATION WITH MEDICAID AND CHIP

If information obtained through direct verification with Medicaid or CHIP confirms a child’s eligibility status, no additional verification is required. Medicaid and CHIP records that may be used to verify eligibility will depend upon State income limits for these programs.

- If the State income limit for participation is at or below 133 percent of the Federal poverty line, verification for children approved for **FREE MEALS** is complete.
- If the State income limit for participation is at or below 185 percent of the Federal poverty line, verification for children approved for **REDUCED PRICE MEALS** is complete.

Please see the following table, Direct Verification with Medicaid or CHIP, for more information about direct verification with Medicaid and CHIP.

The NSLA requires information used for direct verification to be the most recent information available. This information may not be dated more than 180 days prior to the date of the application. To be consistent with policy established for “regular” verification, direct verification efforts may use information from any point in time between the month prior to application and the time the LEA conducts direct verification.

For direct verification, LEAs and State agencies may use:

- The latest available information for one month, within the 180-day requirement; or
- Information for all months from the month prior to application through the month direct verification is conducted.

For example, a State agency or LEA could use data for the month of September or (if available) data for all months August through October.

If information provided by the public agency does not verify eligibility (i.e. the public agency provides incomplete or inconsistent information) the LEA must proceed with regular verification activities. Households may dispute the validity of income information acquired through direct verification and shall be given the opportunity to provide other documentation. [7 CFR 245.6a(g)(6)].

Verification Follow-Up

The NSLA requires LEAs to conduct verification follow-up activities. To continue the verification process after household notification, the LEA must either determine:

- If the household has submitted adequate information to complete its individual verification activity; or
- If follow-up with the household is needed.

Following Up with Households

The LEA must make at least one attempt to contact the household when the household does not adequately respond to the request for verification [7 CFR 245.6a(f)(6)]. “Non-response” includes no response and incomplete or ambiguous responses that do not permit the LEA to resolve children’s eligibility for free and reduced price meals. The required follow-up attempt may be in writing (mail or e-mail) or by telephone or text message. The LEA must document contact was attempted. Additionally, the LEA must ensure LEP households are provided adequate language assistance and understand the need to respond to the verification request, as outlined in Section 9(b)(8) of the NSLA and USDA LEP guidance.

The LEA must make a follow-up attempt when:

- The household does not respond to the initial request for verification;
- The household submits insufficient or obsolete written evidence;
- The household does not designate collateral contacts; or
- The collateral contacts are unable or unwilling to provide the requested evidence.

When following up with households, the LEA:

- Must inform the household that failure to provide adequate written evidence or failure to designate an adequate collateral contact will result in termination of benefits;

- Must attempt to obtain the missing written evidence or collateral contact information; and
- Must contact the household to complete the verification process, if the collateral contact is unwilling or unable to provide the requested information.

If, after at least one follow-up attempt, the household responds and provides all needed evidence, verification is considered complete for the household. As appropriate, the LEA would complete verification by:

- Informing the household there is no change in benefits;
- Notifying the household its benefits will be increased; or
- Sending notice of adverse action.

LEAs are encouraged but not required to conduct additional follow-up if a household fails to provide adequate documentation after the first required follow-up. LEAs are permitted to contract with a third party to assist with the required follow-up activity. Any third party is subject to the confidentiality requirements outlined in Program regulations. For more information, see: SP 13-2005: *Verification Activities- Reauthorization 2004 Implementation Memo*, <http://www.fns.usda.gov/verification-activities-%E2%80%93-reauthorization-2004-implementation-memo-sp-13>.

If the household does not respond or fails to provide adequate documentation after the required follow-up (and, if applicable, additional follow-ups), verification is considered complete for the household when notice of adverse action is sent. A household's refusal to cooperate with efforts to verify will result in the termination of household benefits. Households refusing to complete the verification process are counted toward meeting the LEA's required sample of verified applications [7 CFR 245.6a(f)4].

When Verification is Considered Complete

The following examples demonstrate how the LEA determines whether or not a household response is adequate and whether follow-up is required.

- Household Action: The household submits either adequate written evidence or collateral contact corroboration of income or categorical eligibility.
 - Verification Status and Action: Verification is considered complete for this household.

- Household Action: The household submits either adequate written evidence or collateral contact corroboration of income indicating that the children should receive either a greater or lesser level of benefits.
 - Verification Status and Action: Verification is considered complete for this household when the household is notified that its benefits will be increased or decreased. **If benefits are decreased, a notice of adverse action must be sent before verification is considered complete.**
- Household Action: The household indicates, verbally or in writing, that it no longer wishes to receive free or reduced price benefits.
 - Verification Status and Action: Verification is considered complete when the notice of adverse action is sent.
- Household Action: The application provided case numbers. It is determined that no household member is receiving benefits from an Assistance Program.
 - Verification Status and Action: Verification is considered complete when the notice of adverse action is sent.

Households must be notified of any reduction in benefits, and must be informed of their right to reapply for benefits at any time [7 CFR 245.6a(f)(7)]. If benefits are decreased, a notice of adverse action must be sent. LEAs must provide 10 days advance notification to households that are to receive a reduction or termination of benefits, prior to the actual reduction or termination [7 CFR 245.6a(j)].

Record Retention – Verification Tracker

All verified applications must be readily retrievable on an individual school basis. All documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official indicating which documents were submitted by the household and the date of submission also must be retained, along with all relevant correspondence between the households selected for verification and the school or LEA [7 CFR 245.6a(h)]. This documentation, including documentation concerning any appeals, must be kept by the LEA to demonstrate compliance with the verification requirements when LEAs are reviewed by State or Federal officials. The documentation must be kept for a minimum of three years, after the date of the fiscal year to which they pertain.

LEAs must also maintain a description of their verification efforts. The description must include:

- A summary of the verification efforts including the selection process;
- The total number of applications on file on October 1; and

- The percentage or number of applications that are/will be verified by November 15.

The LEA must also be able to demonstrate compliance with the confirmation review requirement and provision of a no-cost telephone number for assistance in the verification process.

INDIVIDUAL APPLICATIONS

For each application verified, the LEA must keep records of the source of information used to verify the application, such as wage stubs or names and titles of collateral contacts. When verification information is needed for Administrative Review purposes, the LEA must be able to provide the following information for each school selected for review:

- Copies of all relevant correspondence between the households selected for verification and the LEA, including notices of adverse action and records of follow-up attempts, information obtained from collateral contacts, etc.
- One of the following for all documentation used to verify eligibility:
 - All documents submitted by the household or reproductions of those documents;
 - Direct verification results; or
 - Documentation from Assistance Program or Other Categorically Eligible Program officials, with dates of receipt of benefits and date of the information provided.
- Documentation for any change in eligibility as a result of verification, including:
 - The reason for the change;
 - The date the household was notified;
 - The date it became effective, if necessary; and
 - If applicable, records of follow-up attempts and results for termination for non-response.
- The title and signature of the verifying official.
- Criteria for replacing applications for verification.

In cases where the actual documents or photocopies submitted by the household cannot be kept, the verifying official must make a written record of the documents submitted by the household including the type of document (e.g., wage stubs or a letter from an employer, income shown on the document, time period of the income, and the date of the document).

Questions and Answers

1. Is the LEA required to provide a no-cost telephone option, even if no households live outside the local calling area?

Yes. The LEA is not required to have a toll-free number, but parents and guardians must be able to call collect [7 CFR 245.6a(f)(5)]. This helps to ensure parents and guardians can contact the LEA during the LEA's operating hours if they work outside the local calling area.

2. What if the LEA is using other agency records to verify applications, and the agency does not respond before the November 15 deadline?

The LEA should document its attempt to contact the appropriate agency in advance of the November 15 deadline. This would demonstrate good faith, and would be a valid reason for the State agency to extend the deadline.

3. A household voluntarily provides pay stubs that conflict with the income information on the household's application. According to the application, the household is eligible for free meals, but according to the pay stubs, it appears the household is not eligible. What should the determining official do?

Under these circumstances, the LEA official must take appropriate action by either:

- Sending the household a notice of approval and a notice of adverse action at the same time, giving the household an opportunity to resolve the discrepancy during the advance notice of adverse action.
- Sending the household a notice of approval and a verification letter, based on verification for cause, at the same time.

LEA officials are in the best position to determine which action is appropriate. Regardless of the action taken, the inconsistency must be resolved expeditiously.

4. How is overtime income counted for the purposes of verification?

The LEA official should work with the household to determine whether overtime during the verification month is representative of overtime worked in other months. If the overtime is a rare or sporadic source of income, the household's income should be calculated on the regular monthly income without the overtime.

5. If a household is paid weekly, and submits a pay stub for a week, must the LEA request pay stubs for a whole month?

If the weekly pay stub is representative of the household's regular weekly income, one pay stub is sufficient.

6. What if an application is selected for verification, but the household transfers out of the school district before the information can be verified?

If a household selected for verification transfers out of a school district before the information can be verified, verification cannot be completed. To meet minimum verification requirements, a new application must be selected.