



North Carolina Department of Health and Human Services
Division of Public Health Women's & Children's Health Section

1914 Mail Service Center • Raleigh, North Carolina 27699-1914

Tel 919-733-2973 • Fax 919-733-1384

Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

April 5, 2002

CACFP 02-17

MEMORANDUM

TO: Institutions Participating in the Child and Adult Food Program

FROM: Arnette Cowan, MS, RD, LDN
Head, Special Nutrition Programs

SUBJECT: Changes to Free and Reduced Price Applications in the Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP), 226.23-01

Free and reduced-price applications taken after July 1, 1990, must contain the Social Security number of either the parent or guardian who is the primary wage earner or the adult household member who signs the application. No other Social Security number needs to be submitted. As provided in existing regulations, if neither the primary wage earner nor the adult household member who signs the application has a social security number, the household may so indicate in lieu of providing a number. In addition to the above, the new application need only collect the appropriate household income information by source. Such information is to be totaled by the institution. Finally, elimination of the required reporting of all adult household members' Social Security numbers will result in certain changes to the Privacy Act statement found on the free and reduced-price application.

Other Policy Changes:

Free and Reduced-Price Applications in the CACFP, 226.23-02

Applications for free and reduced price meals under the CACFP are valid for a 12-month period, regardless of when they were approved.

Some agencies have required new free and reduced price applications to be completed each July 1, concurrent with the effective date for Income Eligibility Guidelines (IEG). In one example, a child who enters a child care center and submits an application in May is being required to submit another in July, and a third several months later when the center's application/agreement is renewed.

Unless there are significant changes in the participant's household size or income as described in program regulations, free and reduced price applications are valid for a 12-month period. The issuance of new IEGs or the renewal of agreements does not invalidate these applications.



Although Federal Program policy allows applications to be valid for a 12-month period, State agencies may require institutions to reevaluate applications on file or take new applications more frequently. Similarly, institutions may do either independent of any State requirement.

The best way to assure that applications are current is to have them dated by the institution. Since this is not specifically required by the regulations, applications need not be reclassified if the institution has some other way to demonstrate that an application is current. Those methods could include dating by the parent, dating receipt of the application, or any other appropriate method.

Use of School Year Household Data and Income Information from Other State or Federal Document CACFP Free and Reduced-Price Meal Eligibility, 226.23-03

School Food Authorities (SFAs) may use free and reduced price meal applications and eligibility information collected by the school for their National School Lunch, School Breakfast and Special Milk Programs for CACFP meal eligibility documentation when the SFA which collected the data itself administers the child care facility. This includes both "regular" free and reduced price meal application information, and free meal eligibility information collected by schools via the "direct certification" method authorized by Public Law 101-147, the Child Nutrition and the Supplemental Nutrition Program for Women, Infants and Children (WIC) Reauthorization Act of 1989.

Whenever the SFA uses its school programs information to document eligibility for CACFP benefits, it should, of course, take every precaution to ensure that this information is controlled by limiting access to those who are normally involved in the eligibility determination process.

When using direct certification information, it is recommended that SFAs and State agencies inform the public assistance offices from which the direct certification information was obtained that they plan to use this information to document eligibility of children for CACFP benefits in centers administered by the SFA.

Multi-Use Applications

State agencies are authorized to use a "multi-use free and reduced price application form. This form shows information collected by an SFA to be used, among other things, to document CACFP eligibility of children in centers not administered by the SFA.

Direct Certification

Information obtained by SFAs through the direct certification method authorized by Public Law 101-147 may be used in SFA-administered child care centers for CACFP purposes. However, the law did not authorize food service authorities other than SFAs to obtain information by direct certification. Therefore, CACFP centers and sponsors who are not SFAs are not authorized to obtain direct certification information. CACFP centers and sponsors may use direct certification information, however, when a child's household itself has been given the direct certification by the local Food Stamp or the Temporary Assistance for Needy Families (TANF) office, or when the SFA has provided the household with a "notice of eligibility" based on direct certification procedures. In these instances, the household could submit the direct certification information to a center or sponsor just as it would otherwise submit a free and reduced price meal application. A center or sponsor other than an SFA could use this information since the household would be submitting the information voluntarily and no issue of confidentiality would arise. Since information can also be used by an adult day care center when an adult participant's household has been given participation information by Food Stamp, Supplemental Security Income (SSI) or Medicaid offices and, in turn, has submitted it to the center.

Direct certification information must always be dated in order for a determination to be made on whether or not it is current.

Governmental Sponsors Using Available Income Information

Food and Nutrition Service does not consider the use of information already available to governmental sponsors as "direct certification" since the sponsor is not initiating contact with another governmental agency to obtain lists of free and reduced price eligible.

We also believe it is appropriate to broaden our previous position on this issue, and to permit and even encourage the use of current income information, which is already available to a government sponsor of CACFP to establish children's eligibility in the CACFP.

It is believed that this policy does not pose any risk of compromising a household's confidentiality, since it is limited to situations where government agencies already have direct access to current data concerning the income eligibility of children for other public assistance programs. Such data should only be used in this manner when the government agency either administers both programs (i.e., both the CACFP and the other public assistance program on which the eligibility determination is based) or has access to the non-CACFP income eligibility information as a result of its administration of another public assistance program. Additionally, these government entities must take every precaution to ensure that there is controlled access to the income eligibility information in both programs.

This position reflects only a slight extension of the July 21, 1992; guidance that restricted the sharing of such information across programs to schools only. We continue to believe that school data should not be shared with non-school entities involved in the administration of the Child Nutrition Programs, except with the express permission of the student's parents or guardians on their school programs income eligibility form. Similarly, we do not believe that government sponsors of CACFP should share the income eligibility information they possess with other CACFP sponsors. Finally, we continue to believe that the law authorizes the use of direct certification (that is, soliciting the agency charged with administering the Food Stamp and TANF program for lists of children and household eligible for free or reduced price meals) by schools only. However, there is no compelling reason to prohibit public entities from using information to which they have legal access in their capacity as administrators of public programs, to establish the free or reduced price eligibility of children participating in the CACFP.

Missing Free and Reduced Price Application Information, 226.23-05

A State agency need not disallow payment or collect an overpayment when a review or audit reveals that a school food authority is approving applications that are missing the required Social Security number or signature, provided that the school food authority corrects the problem to the satisfaction of the State agency, per the final rule on the Coordinated Review Effort for the School Nutrition Programs. To maintain consistency within the Child Nutrition Program wherever practical, this provision is extended to the Child and Adult Food Care Program (CACFP).

If during an audit or review, the Social Security number or a signature is missing on an otherwise complete application, the State agency may allow the child care center, adult day care center or sponsoring organization

April 5, 2002

Page 4

226.23-01, 02, 03 & 05

to take corrective action and to obtain the missing information. The State agency need not disallow payments or collect an overpayment if the center or sponsor corrects the problem to the satisfaction of the State.

If you have questions, please contact your regional consultant.

AC/ERB/clg

cc: SNP Staff
Auditors