



**United States  
Department**

**Agriculture**

Food and  
Nutrition  
Service

3101 Park  
Center Drive  
Alexandria,

22302-1500

**DATE:** July 25, 2014

**MEMO CODE:** SP 21-2014 (v.2)

**SUBJECT:** Community Eligibility Provision: Guidance and Q&As - Revised

**TO:** Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

This memorandum provides guidance and Q&As that address common questions as the Community Eligibility Provision is implemented nationwide.

Section 104(a) of the Healthy, Hunger Free Kids Act of 2010 (HHFKA) amended section 11(a)(1) of the Richard B. Russell National School Lunch Act (NSLA) (42 U.S.C. 1759a(a)(1)) to provide an alternative to household applications for free and reduced price meals in local educational agencies (LEAs) and schools in high poverty areas. This alternative is the Community Eligibility Provision (CEP).

The HHFKA required the CEP be phased in over a period of three years, beginning July 1, 2011. In School Year 2013-2014, the CEP was available in eligible LEAs and schools in Illinois, Kentucky, Michigan, New York, Ohio, District of Columbia, West Virginia, Florida, Georgia, Maryland, and Massachusetts. As of July 1, 2014, the CEP is available nationwide.

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*" was published November 14, 2013, and comments were accepted until January 3, 2014. Comments are being reviewed, and a final rule is under development. Until a final rule is published, this and other guidance from the Food and Nutrition Service are the implementing guidance.

To be eligible, LEAs and/or schools must: meet a minimum level (40%) of identified students for free meals in the year prior to implementing the CEP; agree to serve free lunches **and** breakfasts to all students; not collect free and reduced price applications from households in participating schools; and agree to cover with non-Federal funds any costs of providing free meals to all students above amounts provided in Federal assistance.

Reimbursement is based on claiming percentages derived from the identified student percentages (ISPs).

The *Identified Students* are students certified for free meals through means other than individual household applications; this primarily includes students who are directly certified for free meals on the basis of their participation in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and the Food Distribution Program on Indian Reservations (FDPIR). It also includes homeless, runaway, Head Start, Even Start, and migrant youth. It does not include students who are categorically eligible based on submission of a free and reduced price application.

The claiming percentages established for a school in the first year may be used for a period of four school years and may be increased each year if the ISPs rise for the LEA and/or school. The percentage of identified students is multiplied by a factor of 1.6 to determine the total percentage of meals reimbursed at the Federal free reimbursement rate (The percentage derived from this calculation must not exceed 100 percent). The remaining percentage of meals, up to 100 percent, is reimbursed at the Federal paid reimbursement rate. Schools apply the claiming percentages to the total number of lunch and the total number of breakfast meals served to determine the number of meals claimed at the free and paid rates.

An LEA may participate in the CEP for all schools in the LEA, or only some schools, depending on the eligibility of individual schools and financial considerations based on the anticipated level of Federal reimbursement and other non-Federal support that may be available to cover any meal costs in excess of the Federal reimbursement. Participating schools that continue to meet the minimum direct certification percentage may immediately begin another four-year cycle after the initial cycle concludes. For participating schools falling below the minimum percentage at the end of their four-year cycle, there is the possibility to continue to participate for a “grace year.” A participating LEA or school may stop participating in the CEP during the four-year cycle by notifying the State agency no later than June 30 of the school year prior to when they want to return to normal counting and claiming procedures. This will allow sufficient time for the LEA to prepare for the certification process in the coming school year.

Questions and Answers are attached to this memorandum. New questions are preceded by three asterisks (\*\*\*). As additional Questions and Answers arise during the nationwide implementation, they will be added to this memorandum.

Regional Directors  
State Directors  
Page 3

State agencies are reminded to distribute this memorandum and attachment 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.

A handwritten signature in blue ink that reads "Cynthia Long". The signature is written in a cursive, flowing style.

Cynthia Long  
Deputy Administrator  
Child Nutrition Programs

Attachment

## Frequently Asked Community Eligibility Provision (CEP) Questions

### Notification and Publication Requirements

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

Below is the timeline for the 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 districtwide 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 districtwide and school level lists on website and send the link to FNS.</li> </ul>
June 30 <sup>th</sup> * (*extended to August 31 for SY 2014-15)	<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 (if such data is not already part of the notification and publication process).</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. State agencies must include a note in the notification and publication lists that the numbers provided do not confer eligibility. 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. FNS is developing a mechanism for States to share resources (e.g., letters, press releases) to facilitate CEP implementation.

Per the CEP Annual Notification and Publication Requirements, SP 32-2014 (available at: <http://www.fns.usda.gov/community-eligibility-provision-annual-notification-and-publication-requirements>), no later than May 1, state agencies must post online lists of LEAs and schools with:

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

These lists must be posted to the State agency website and one link that provides both 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).

<b>LEA/School Level Eligibility and Grouping</b>
--

**4. What schools are eligible to participate in the CEP?**

Any school participating in the National School Lunch Program (NSLP) and the School Breakfast Program (SBP) and meeting the eligibility criteria to elect the CEP may participate.

**5. 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 school-by-school, by 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.

**6. 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.

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

**7. Are new schools able to elect the CEP?**

If the number of identified students and total enrollment are available before the counting and claiming of meals begins and the school meets the eligibility requirements, 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.

**8. If an LEA has a LEA-wide ISP of at least 40% but later chooses to drop some schools, does the LEA still qualify?**

The ISP threshold must be met by the LEA or group of participating schools. If the threshold is not met as an entire LEA with the deletion of the schools, the LEA is not eligible to participate on a LEA-wide basis. The LEA could have individual schools or groups of schools within the LEA participate. This would normally be considered a new group so new ISPs would need to be established.

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

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

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

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

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

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

Yes, schools/LEAs participating in the 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.

**13. \*\*\*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.

<b>Direct Certification Data</b>
----------------------------------

**14. \*\*\*What does “direct certification” mean for the purposes of determining the ISP in the 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.

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

LEAs 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.

**16. \*\*\*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.

<b>Identified Student Percentage (ISP) Determination</b>
--

**17. 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.

**18. 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 the 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.

**19. 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.

**20. 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.

**21. \*\*\*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).

**22. \*\*\*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).

**23. \*\*\*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.

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

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

**25. \*\*\*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 school-by-school, by a group of schools within the LEA, or in the aggregate for an entire LEA. This allows for some schools to be below the 40% threshold as long as the aggregate ISP for the group of schools meets the minimum 40% 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.

**26. \*\*\*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).

**27. \*\*\*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.

**28. \*\*\*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.

<b>State Agency Evaluation of LEA's CEP Election</b>
--

**29. \*\*\*What documentation does a LEA need to submit to the State agency to support the ISP and elect CEP?**

Many States have developed their own processes, which require specific documentation to be submitted to support a LEA's decision to elect CEP. At a minimum, a State agency must ensure that the LEA's application shows that a LEA, school, or group of schools:

- Has an ISP of at least 40%. This could be determined by reviewing documentation to support the ISP (e.g., direct certification lists, homeless lists, migrant lists, total enrollment).
- Participates (or plans to participate) in both NSLP and SBP; and
- Has a record of administering the Programs in accordance with the regulations.

**30. \*\*\*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 SP50-2014, as CEP is implemented nationwide in SY 2014-15, 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>
--------------------------------

**31. When is an LEA permitted to drop CEP?**

An LEA may decide not to elect the CEP or to stop utilizing the CEP at any time as long as the State is notified by June 30<sup>th</sup> of the current school year. Since the new percentage of identified students must be established before April 1<sup>st</sup> of the prior year, LEAs will have time to decide if continuing the CEP will be advantageous for the next year. LEAs electing to stop the CEP must be prepared to return to standard application and counting and claiming procedures.

**32. \*\*\*For SY 2014-15, 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, 2014, and are further encouraged to accept applications after that date.

**33. \*\*\*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.

**34. \*\*\*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: schools that are considering stopping CEP should consult with their State agency immediately so the State agency can provide technical assistance on transitioning back to standard counting and claiming.

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

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.

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.

**36. \*\*\*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, during this transition year (SY 2014-15), the applications may be filed in another office and there will be no retroactive reimbursements. 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.

In future years, schools will elect CEP before processing applications and submitting claims for the school year.

<b>Transfer and Visiting Students</b>
---------------------------------------

**37. \*\*\*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.

**38. \*\*\*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).

**39. \*\*\*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.

**40. \*\*\*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>
---------------------------------------

**41. 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 the 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.

**42. \*\*\*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.

**43. \*\*\*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>
------------------------------------

**44. How are breakfast and lunch reimbursed through the 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.

**45. Are schools electing the 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 six cents, they would receive that additional reimbursement.

**46. Will the 1.6 multiplier change?**

The law states that the multiplier is 1.6 through school year (SY) 2013-2014 (July 1, 2013 through June 30, 2014). After that time, FNS is permitted to change the multiplier to a number between 1.3 and 1.6. If the multiplier is changed, schools electing the 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 the CEP is elected again. FNS will not be making a change to the multiplier for SY 2014-2015. Any change to the multiplier factor would be communicated in advance of implementation, through the *Federal Register*.

**47. 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. Schools in LEAs electing the CEP for the entire LEA or as part of a group of schools electing the 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.

**48. \*\*\*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:

- Carry the calculation to a minimum of two decimal places before rounding (e.g., 86.15%).
- Round the percentages to one decimal place using standard rounding; numbers five and above round to the next higher number, numbers four and below round down (e.g., 86.15% = 86.2%). The percentages rounded to one decimal place will be used to calculate the Claims for Reimbursement.
- If the total percentages for free and paid meals do not equal 100, the paid category must be adjusted to make it 100 percent.

<b>Administrative Review</b>
------------------------------

**49. \*\*\*If a State agency finds errors in the ISP that render a LEA ineligible for CEP, must the State agency disallow all meals since CEP was implemented?**

If a State agency finds errors in the ISP, the State agency must determine what the ISP *should* be, then apply the revised claiming percentage retroactively to all claims submitted in the school year during which the administrative review takes place.

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 SA 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.

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

### Verification

#### 50. Do LEAs and schools electing the 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 the CEP must still conduct verification in the schools not electing the CEP.

### Reporting and Recordkeeping

#### 51. 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.

#### 52. 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.**”

#### 53. How is October data reported on the FNS-10 for CEP schools?

The FREE percentage currently used to claim meals under the 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.

**54. 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.

**55. \*\*\*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.

**56. \*\*\*Concerning the October report on enrollment and eligibility as of the October 31st, for those schools electing CEP, is reporting required, and if so, how do they report?**

October data under CEP can be reported on the FNS-10. The free claiming percentage currently used under the 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.

**Residential Child Care Institutions (RCCIs)**
**57. \*\*\*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**
**58. \*\*\*Is a 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**
**59. \*\*\*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.

**60. \*\*\*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.

<b>Paid Lunch Equity</b>
--------------------------

**61. \*\*\*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>.

<b>Summer School</b>
----------------------

**62. \*\*\*Can a CEP school use CEP claiming percentages for meals served during NSLP summer school?**

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 a 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 a 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.

**63. \*\*\*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

- 64. \*\*\*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.

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

### Title I and Other Educational Funding

- 66. Is there information for LEAs participating in CEP on Title I procedures?**

Yes, the Department of Education published guidance, which is part of our SP19-2014 memorandum and is available [here](#).

### Technical Assistance and Resources

- 67. \*\*\*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.