

## C. INITIAL VERIFICATION

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

The LEA may begin verification activity once the application approval process for the current school year is underway and there are approved applications on file. To do so, the LEA may project the number of approved applications (sample pool) that it anticipates will be on file on October 1. The projected number is based on prior years' experience. However, 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 the sample pool and sample size adjusted accordingly. If October 1 falls on a weekend, use the next operating day to establish the sample pool.

### 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. LEAs may choose not to count applications for students in split-session kindergarten programs participating in the SMP when determining the verification sample pool.

The sample pool depends on the number of applications (paper or electronic) and is not based on the number of children eligible for free and reduced priced meals.

### ESTABLISHING THE SAMPLE SIZE

Once the sample pool is determined, the LEA calculates the sample size—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 than or less than the standard sample size or the alternate sample size (when used) and must not verify all (100% of) applications. Verification conducted “for cause” is done in addition to the required verification sample size.

### VERIFICATION COMPLETION DEADLINES

The LEA must complete the verification activities specified in this section no later than November 15 of each school year. However, the LEA may request an extension of the November 15 deadline, in writing, from their 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 the timely completion of verification activities. A request for an extension beyond December 15 must be submitted by the State agency to FNSRO for approval.

## D. VERIFICATION FOR CAUSE

### GENERAL

The LEA has an obligation to verify all questionable applications (verification “for cause”). Such verification efforts cannot delay the approval of applications. If an application is complete and indicates that the child is eligible for free or reduced price meal benefits, the application must be approved. Only after the determination of eligibility has been made can the LEA begin the verification process.

To verify an approved application for cause, the LEA must send the household a letter explaining that it must submit verification of eligibility information with the application for continued eligibility. (See *Section H: Household Notification of Selection.*) The verification letter may be sent at the same time as a notice of eligibility.

The LEA verifies applications for cause following the procedures in Sections H through N, in this part of the manual. Any household that fails to submit requested verification information by the date specified by the LEA or that submits verification information that does not support the initial determination of eligibility must be sent a notice of adverse action. (See Section K: *Notice of Adverse Action.*)

Once households have been requested to provide documentation for cause, the LEA must complete the verification process for these households.

### 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 or reduced price meals. However, from among the list of children approved for free or reduced price meals, an LEA could identify children of school district employees and use LEA salary information available to them to identify questionable applications and then conduct verification for cause on those questionable applications.

LEAs can use verification for cause to review approved applications for free or reduced price meals when known or available information indicates school district employees may have misrepresented their incomes on their applications to receive free or reduced price meals for their children. It is recommended that an LEA consult with legal counsel in establishing the parameters of verification for cause for school district employees.

FNS supports use of verification for cause where appropriate as a method for LEAs to address integrity concerns. LEAs and their legal counsel are strongly encouraged to consult with their State agency prior to undertaking verification for cause where concerns with employee misrepresentation of information on a household income eligibility application have been raised.

State agencies should assist in ensuring that LEAs balance administrative requirements and integrity with access to free and reduced price meals for eligible children.

## E. APPLICATION SELECTION PROCEDURES

### AVAILABLE SAMPLE SIZES

There are three sample sizes established for verification activities. The standard sample size must be used by LEAs unless it qualifies to use one of the alternate sample sizes.

#### STANDARD SAMPLE SIZE

The standard sample size is the lesser of

- Three percent (3%) 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

LEAs that qualify may select one of the following sample sizes.

##### *Alternate One:*

The sample size equals the lesser of

- Three percent (3%) 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:*

The sample size equals the lesser of the sum of

- 1,000 of all applications approved by the LEA as of October 1 of the school year, selected from error prone applications; OR one (1) percent of all applications approved by the LEA as of October 1 of the school year, selected from error prone applications;

PLUS the lesser of:

- 500 applications approved by the LEA as of October 1 of the school year that provide a case number in lieu of income information; or

- One-half ( $\frac{1}{2}$ ) of one percent (1%) of applications approved by the LEA as of October 1 of the school year that provide a case number in lieu of income information.

### COMPLETING THE SAMPLE SIZE

For sample sizes based on error prone applications, there may not be enough applications that meet this criterion. When this happens, the LEA must select, at random, additional approved applications to complete the required sample size.

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

## F. 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

Any LEA may use an alternate sample size for any school year when its non-response rate for the preceding school year is less than twenty percent. For example, for School Year 2012-2013, the LEA may elect to use one of the alternate sample sizes because in School Year 2011-2012, the LEA's non-response rate was 18%.

### IMPROVED NON-RESPONSE RATE

An LEA with more than 20,000 children approved by application as eligible for free or reduced price meals 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 is at least ten percent below the non-response rate for the second preceding school year.

The following is an example of how an LEA may qualify based on an improved non-response rate.

#### *Year 1: School Year 2011-2012*

- The LEA had 21,000 children approved for free or reduced price meal benefits based on a total of 6,000 approved applications
  - Therefore, 180 household applications (3% 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% ( $45 \div 180$  as a percentage)
- The LEA must improve the 25% non-response rate by at least 10%
- The improvement rate is calculated by multiplying the non-response rate by 10%, which is  $25\% \times 10\% = 2.5\%$

#### *Year 2: School Year 2012-2013*

- The LEA had 6,000 approved applications, so the sample size is 180 (3% of 6,000)
- The number of non-respondents was reduced to 40 which is a non-response rate of 22.2% ( $40 \div 180$  as a percentage)
- The next step is to calculate the level of improvement needed between Year 1 and Year 2
  - Subtract Year 1's non-response rate from Year 2's non-response rate (25% minus 2.5% = 22.5%)
- Since 22.2% is less than the minimum non-response rate of 22.5%, there is more than a 10% improvement
- The LEA is qualified to use an alternate sample size for School Year 2012-2013.

The LEA may choose to 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. If the LEA determines it is eligible, it must contact its State agency in accordance with any procedures established by the State agency for approval prior to use of alternate sample sizes.

### STATE AGENCY RESPONSIBILITIES

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.