

# Verification Process

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# SSO and School Year 2021-2022

Per question 30 of [SP 15-2021, CACFP 13-2021, SFSP 08-2021 Questions and Answers for Child Nutrition Program Operations in School Year 2021-2022](#), if SFAs collect and process free and reduced applications, they are required to conduct verification, even if you operate SSO and meals are provided at no cost to all. As you are collecting applications for P-EBT and other purposes, you must conduct verification.

# Purpose and Overview

# Purpose

Verification is a part of the eligibility certification process, where a sample of approved applications are selected and back-up documentation provided by households to confirm the information/income reported on their applications, which is taken at face value, aside from this process.

# Eligibility Certification vs. Verification

- **Eligibility Certification Process**
  - approving application as submitted based on face value
- **Verification Process**
  - verifying income reported on the application with back-up documentation

# Centralizing Eligibility Certification

- It is not required, but recommended that the eligibility certification process take place at the central office.
- This allows for a more coordinated eligibility certification process and verification process.

# Verification Process is SFA-Wide

- The verification process is performed School Food Authority (SFA)-wide.
- Even if the eligibility certification process is not done at the central office level, verification is based off of all the applications from all eligible schools.



# A Note on the Reduced-Price Category

- In Vermont, in School Breakfast Program and National School Lunch Program, the state pays the reduced-price status household contribution of 30 cents for breakfast and 40 cents for lunch, so those households can receive meals at no cost to them.
- However, meals are still federally-reimbursed based on the category for which they qualify, so this is still a meaningful and important distinction.

# Verification is not required for:

- Students who are directly certified
- Students in a Residential Child Care Institution (RCCI) – except for the day students
- Schools operating Community Eligibility Provision (CEP)
- Schools with Provision 2 Breakfast and Lunch, except in the base year
- Schools with non-pricing programs that claim only paid meal reimbursement
- Schools that only operate the Special Milk Program (SMP)

# Verification Report is Required Even When the Verification Process is Not

- Even when the Verification Process is not required, the report is still required. This is a federal requirement.
- \*The only exception is for School Food Authorities/schools that only operate the Special Milk Program (SMP). They do not need to complete the Verification Report.

# Resources

- [VTAOE CNP Free and Reduced Meals Webpage](#)
  - [Eligibility Determination and Verification Process Timeline](#)
  - [Free and Reduced-Price Meal Application](#) & accompanying documents
  - [Income Eligibility Guidelines 2021-2022](#)
  - [Error Prone Income Eligibility Guidelines for School Year 2021-2022](#)
  - [Verification Process Documents](#) which includes Verification Notice Letter and Verification Results Letter
- [Eligibility Manual for School Meals: Determining and Verifying Eligibility](#)

# Verification Process Documents

In the [Verification Process Documents](#):

- The Verification Notice Letter is customizable depending on whether you are operating SBP/NSLP standard meal counting and claiming or SBP/NSLP in a Provision 2 Base Year and SSO in SY2021-2022.
- There are two separate Verification Results Letters depending on whether you are operating SBP/NSLP standard meal counting and claiming or SBP/NSLP in a Provision 2 Base Year and SSO in SY2021-2022.

# Income Eligibility Guidelines 2021-2022

- The free category is based on 130% of the federal poverty level and the reduced-price category is based on 185% of the federal poverty level.
- Do not use the guidelines on the back of the Free and Reduced-Price Meal Application, this only contains the reduced-price guidelines, which act as a framework for households.

# Eligibility Manual for School Meals: Determining and Verifying Eligibility

The [Eligibility Manual for School Meals: Determining and Verifying Eligibility](#) contains information on the Eligibility Certification Process and Verification Process, including the definitions of key terms, helpful sample scenarios of common situations and special situations, and a thorough rundown of acceptable sources of documentation for verification.

# Confidentiality

- In all aspects of the Eligibility Certification Process and Verification Process confidentiality is critical.
- Maintain confidentiality and anonymity and prevent overt identification of benefit status in all aspects of program operation.



# Document, Document, Document

- Document all communication with households and all steps of the Verification Process.
- In the [Verification Process Documents](#), there is a Verification Roster or Log that you can choose to help track your progress.
- Keep copies of the letters sent to households.

# Timeline

# Verification Timeline

\*Track which applications are Error Prone throughout the Eligibility Certification process

- Approved applications on file as of October 1<sup>st</sup>
- Complete Verification Process by November 15<sup>th</sup>
- Complete Verification Report in CNP online system by December 15<sup>th</sup>

# Change in Timeline

- The SFA may request an extension of the November 15<sup>th</sup> deadline, in writing, from the State agency. To request this, please email State Director of Child Nutrition Programs, Rosie Krueger, at [mary.krueger@vermont.gov](mailto:mary.krueger@vermont.gov).
- The State agency may approve, in writing, an extension up to December 15<sup>th</sup> of the current school year, due to natural disaster, civil disorder, strike, or other circumstances.
- A request for an extension beyond December 15<sup>th</sup> must be submitted by the State agency to NERO for approval.

# Key Personnel

# Verification Process Personnel

- Determining Official
- Confirming Official
- Verifying Official
- Hearing Official
- All of these positions, except for the Confirming Official, are reported in the Determining and Hearing Official tab of the Organization Application in the School Meals Application Packet.

# Determining Official

- Ensures applications are complete
- Approves household meal applications for free, reduced-price, or paid status
- Notifies households of eligibility status
- Ensures historical data of student status is tracked through data system or master list
- Ensures student status is communicated to food service and on the Benefit Issuance List

# Confirming Official

- This person must be different than the Determining Official, but can be the same as the Verifying Official.
- They are responsible for conducting the confirmation review to ensure the application was correctly approved by the Determining Official.



# Verifying Official

- Establishes the Sample Pool
- Determines the Sample Size; number of applications to verify
- Selects the necessary applications
- Notifies and communicates with households
- Makes any necessary changes to benefit statuses
- Completes the Verification Report in the CNP system

# Assigning Roles

- The Determining Official and the Verifying Official can be the same person.
- The Determining Official and the Confirming Official cannot be the same person.
- The Confirming Official and the Verifying Official can be the same person.

# Hearing Official

- The Hearing Official is the person who presides over households' appeal of the verification decision and is typically the superintendent or head of school for independent schools.

# Standard Method of Verification Error Prone

# Standard/Error Prone Method

- As of School Year 2018-2019, every SFA in Vermont is required to use the Standard Method of Verification, also known as the Error Prone method of Verification.

# Error Prone Income Eligibility Guidelines

- Error prone applications are approved applications that fall within:
  - \$23.07 of the weekly income guidelines
  - \$46.15 of the bi-weekly income guidelines
  - \$50 of the twice per month income guidelines
  - \$100 of the monthly income guidelines
  - \$1,200 of the annual income guidelines
- [Error Prone Income Eligibility Guidelines for School Year 2021-2022](#)

# Tracking Error Prone

- It is critical to mark or tab or notate in some way which applications are error prone during the Eligibility Certification Process, so that you do not have to go back and do this step later on.

# Sample Pool and Sample Size

- **Sample Pool:** The total number of approved applications on file as of October 1<sup>st</sup>.
- **Sample Size:** The number of applications subject to verification. It is 3% of the Sample Pool. They are selected from the error prone applications.



# Sample Pool

- Actual number of approved, not incomplete or denied, household applications on file for the current year as of October 1<sup>st</sup>.
- This is based on number of applications, not number of students on the applications.

# Removing the applications that qualify via Direct Certification

- Applications that have a case number that you find on the DC List from the State or are Directly Certified some other way are removed when creating the Sample Pool.

# Direct Certification List from the State

- Provides the information that are eligible to receive free meals based on their participation in the Supplemental Nutrition Assistance Program (SNAP), known as 3SquaresVT in Vermont or Temporary Assistance for Needy Families (TANF), known as Reach Up in Vermont
- Every month, we send notification on the Food Service Managers ListServ when the report is available

# Other Source Categorically Eligible Direct Certification

- Information from Homeless Coordinator that student is Homeless or Runaway
- Letter from Migrant Coordinator at VTAOE
- Information from the state that the student is Foster
- List of Head Start students from Head Start teacher

# Administrative Approval

- Applications completed by school officials, on behalf of the household, often referred to as “Administrative Approval”, are excluded from verification.
- Do not include these applications in your Sample Pool.
- This is addressed on page 42 of the Eligibility Manual.

# Sample Size

- The number of applications subject to verification is 3% of the Sample Pool. They are selected from the error prone applications.
- All decimals must be rounded up to the nearest whole number.
- Must verify a minimum of one application.
- Do not verify more or less applications than the required amount, the only exception is Verification for Cause.
- Do not verify all applications.
- If there are not enough error prone, randomly pull the additional applications, as necessary.

# Replacing Applications when pulling Sample Size

- Applications may be replaced when the SFA believes the household would be unable to satisfactorily respond to the verification request.
- After completing the confirmation reviews, the SFA may replace up to 5% of applications selected. The confirmation review will be addressed later in this training.

# Replacing Applications Continued

- If five percent of total applications results in less than one application, one application may still be replaced. All results of the 5% are rounded up to the next whole number.



# Sample Size Example 1

- 96 approved applications on file
  - $96 \times .03 = 2.88$
  - 2.88 rounds up to 3
- Select the 3 from the error prone applications
  - If there are not enough error prone, randomly pull the additional applications as necessary from the rest of your Sample Pool.

# Sample Size Example 2

- 151 approved applications on file
- $151 \times .03 = 4.53$
- 4.53 rounds up to 5
- Select the 5 from the error prone applications
  - If there are not enough error prone, randomly pull the additional applications as necessary from the rest of your Sample Pool.

# Sample Size Example 3

- 376 approved applications on file
  - $376 \times .03 = 11.28$
  - 11.28 rounds up to 12
- Select the 12 from the error prone applications
  - If there are not enough error prone, randomly pull the additional applications as necessary from the rest of your Sample Pool.

# Confirmation Review

# Confirmation Review Step

- Prior to any other Verification activity, this is the first step after an application has been selected for verification to determine if it was correctly approved in the first place.
- Indicate on the application with signature and date to indicate they conducted the review.
- If the SFA conducts a confirmation review of all applications at the time of certification, such as if they are on the Independent Review List, it is not required again as part of the Verification Process.
- Confirmation Reviews are addressed on page 103 of the Eligibility Manual.

# Changes in Status Due to Confirmation Review

- No change in status; continue with verification
- Changes from reduced to free; change status immediately; continue with verification
- Changes from free to reduced; do not change; continue with verification
- Changes from free or reduced to paid; notify household of adverse action; select another application for verification
- This is addressed on page 104 of the Eligibility Manual.

# Direct Verification

# Attempt to Directly Verify

- DC List from the state noting 3SquareVT or Reach Up status
- Documentation from personnel such as the Homeless Liaison, Migrant Coordinator, Head Start teacher, or state-placed foster official
- To check an individual student's 3SquaresVT or Reach Up status, folks can email Denise Blankenship, [denise.blankenship@vermont.gov](mailto:denise.blankenship@vermont.gov), to initiate a secure email chain to request the information that way, but it may only be requested via secure email. Please use the [Direct Certification Status Form](#). Due to COVID-19, we are no longer accepting faxed forms.



# Household Notification

# Notify Household

- Using the Verification Notice Letter in the [Verification Process Documents](#).
- Must provide a toll-free number households can use to call.
- Allow households to designate a Collateral Contact.
- This is addressed on pages 105 and 106 of the Eligibility Manual.

# Collateral Contact

- 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.
- This is addressed page 108 of the Eligibility Manual.

# One Follow-Up Attempt to Household

- If households do not respond to your first notice, you are required to conduct one follow-up attempt. This can be a letter, email, or phone call.
- If it is a phone call, it must be documented in some way.

# Sources of Verification

# Acceptable Sources of Documentation

- Acceptable Sources of Documentation for Verification are addressed on page 107 of the Eligibility Manual.

# Acceptable Sources 1

- For income eligible applications:  
Acceptable written documents contains:
  - The name of the household member
  - The amount of income received
  - The frequency received
  - The date the income was received
- Must submit documentation for all income reported on the application.

# Acceptable Sources 2

- For categorically eligible assistance program applications:

Acceptable written documents include:

- An official letter or notice that the child or any household member is receiving benefits from the program



# Acceptable Sources 3

- For other source categorically eligible programs:

Acceptable written documentation includes:

- An official letter or notice or list from the appropriate State agency, program office or coordinator, or court

# Self-Employed

- Self-employed persons may use their previous year's income, unless their current net income provides a more accurate picture.
- Self-employed persons should submit Schedule C (Form 1040 or 1040-SR) Profit or Loss From Business and SFAs should use line 31 "Net profit or (loss)".
- Income for the Self-Employed is addressed on pages 27 and 28 of the Eligibility Manual.

# Schedule C (Form 1040), Profit or Loss From Business

*When conducting verification for self-employed persons, this is the form for them to submit and line 31 is the one to go by.*

**SCHEDULE C (Form 1040) Profit or Loss From Business (Sole Proprietorship)** OMB No. 1545-0074  
**2020**  
 Department of the Treasury Internal Revenue Service (IRS) Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065. Attachment Sequence No. 09

Name of proprietor \_\_\_\_\_ Social security number (SSN) \_\_\_\_\_

**A** Principal business or profession, including product or service (see instructions) \_\_\_\_\_ **B** Enter code from Instructions \_\_\_\_\_

**C** Business name, if no separate business name, leave blank. \_\_\_\_\_ **D** Employer ID number (EIN) (see instructions) \_\_\_\_\_

**E** Business address (including suite or room no.) \_\_\_\_\_  
 City, town or post office, state, and ZIP code \_\_\_\_\_

**F** Accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) \_\_\_\_\_

**G** Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses  Yes  No

**H** If you started or acquired this business during 2020, check here  Yes  No

**I** Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions  Yes  No

**J** If "Yes," did you or will you file required Form(s) 1099?  Yes  No

**Part I Income**

**1** Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked  **1**

**2** Returns and allowances **2**

**3** Subtract line 2 from line 1 **3**

**4** Cost of goods sold (from line 42) **4**

**5** Gross profit. Subtract line 4 from line 3 **5**

**6** Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) **6**

**7** Gross income. Add lines 5 and 6 **7**

**Part II Expenses. Enter expenses for business use of your home only on line 30.**

**8** Advertising **8**

**9** Car and truck expenses (see instructions) **9**

**10** Commissions and fees **10**

**11** Contract labor (see instructions) **11**

**12** Depreciation **12**

**13** Depreciation and section 179 expense deduction (not included in Part III) (see instructions) **13**

**14** Employee benefit programs (other than on line 18) **14**

**15** Insurance (other than health) **15**

**16** Interest (see instructions):  
 a Mortgage (paid to banks, etc.) **16a**  
 b Other **16b**

**17** Legal and professional services **17**

**18** Office expense (see instructions) **18**

**19** Pension and profit-sharing plans **19**

**20** Rent or lease (see instructions):  
 a Vehicles, machinery, and equipment **20a**  
 b Other business property **20b**

**21** Repairs and maintenance **21**

**22** Supplies (not included in Part III) **22**

**23** Taxes and licenses **23**

**24** Travel and meals:  
 a Travel **24a**  
 b Deductible meals (see instructions) **24b**

**25** Utilities **25**

**26** Wages (less employment credits) **26**

**27a** Other expenses (from line 48) **27a**  
 b Reserved for future use **27b**

**28** Total expenses before expenses for business use of home. Add lines 8 through 27a **28**

**29** Tentative profit or (loss). Subtract line 28 from line 7 **29**

**30** Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.  
**Simplified method filers only:** Enter the total square footage of (a) your home: \_\_\_\_\_ and (b) the part of your home used for business: \_\_\_\_\_. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30 \_\_\_\_\_

**31** Net profit or (loss). Subtract line 30 from line 29 **31**

**32** If you have a loss, check the box that describes your investment in this activity. See instructions.  
 • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3.  
 • If a loss, you must go to line 32.  
 • If you checked 32b, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.  
 • If you checked 32b, you must attach Form 6198. Your loss may be limited.

**32a**  All investment is at risk.  
**32b**  Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11334P Schedule C (Form 1040) 2020

# Non-Income Based Documentation

Although you are initially selecting error prone, income-based applications, you might have to randomly select additional applications if you do not have enough error prone or 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.

# Non-Income Based Documentation Continued

- Letter from 3SquaresVT or Reach Up must have a benefit amount.
- “Zero benefit” households are not eligible for free meals.
- This is addressed on page 67 of the Eligibility Manual.

# Indication of “No Income”

- If the household’s application indicates zero income, the SFA must request an explanation of how living expenses are met.
- The SFA 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.
- This is addressed on page 109 of the Eligibility Manual.

# Verification Completion

# Verification Process Completion

The Verification Process is complete when the household:

- Submits adequate information to support free or reduced-price meal status or;
- Submits documentation to support changing student(s) to paid status
- Does not respond after two attempts and student(s) status change to paid



# Status Stays the Same

- If after the back-up documentation has been assessed and the household's eligibility status has determined to be the same, send out the Verification Results Letter and check off that "Your child(ren)'s eligibility has not changed."

# Status Changes for the worse

- If, as a result of verification, there is a reduction in benefits (free to reduced, free to paid, or reduced to paid) a notice of adverse action, in the form of the Verification Results Letter, must be sent.
- Households must be provided notice 10 calendar days prior to the actual reduction or termination.

# Change to paid status due to failure to complete the verification or Verification for Cause process

- If a household changes to paid status due to failure to complete the verification or Verification for Cause process and the household reapplies in the same school year, they are still subject to verification throughout the school year and must provide back-up documentation with the new application.
- This is addressed on page 59 of the Eligibility Manual.

# Verification for Cause

# Verification for Cause

- Select a questionable application or application with discrepancies.
- Once the application is selected, **the same process is followed.**
- More information on how to handle this is addressed on page 99 of the Eligibility Manual.
- See [SP 13-2012 Verification for Cause in the School Meals Programs Memo](#)
- Verification for Cause may be conducted at any time during the school year.

# Verification for Cause for School District Employees

- The SFA could use available salary information for school district employees to identify questionable applications, and then conduct Verification for Cause on those questionable applications.
- SFAs are strongly encouraged to consult their legal counsel prior to undertaking Verification for Cause for school employees.
- This is addressed on page 100 of the Eligibility Manual.

# Verification Report

# Completing the Verification Report

- The Verification Report is in the online Child Nutrition application and claiming system:  
<https://harvest.education.vermont.gov/>
- Go to Data Collections then Verification Report and then select the current year.
- Make sure the information is accurate.



# Verification Report SNAP Information

- Question 3-2 asks for “Students directly certified through Supplemental Nutrition Assistance Program (SNAP):  
Do not include students certified with SNAP through the letter method.”
- All of the students listed in the SNAP column on the Direct Certification (DC) List
- This is important because states have a goal of ensuring at least 95% of the children that are in SNAP households qualify for free breakfast and lunch

# FPRS Report FNS-742

- The data that each SFA submits in the verification report is pulled out of the system and submitted to the USDA Food Program Reporting System (FPRS) which analyzes it for errors.
- We then contact SFAs to correct these errors before the report can be fully submitted.

# Verification Errors

# Assessing Verification Process during the Administrative Review

In a typical year, the State agency will check to see the SFA:

- Selected the correct sample size
- Did a confirmation review
- Made follow-up attempts
- Kept all letters and communication documentation
- Followed the required timeline
- Completed the Verification Report correctly and on time
- For SSO operators in SY 2021-2022, the Verification Process will not be reviewed as part of the Administrative Review. The report will still be assessed for correctness and completion.

# Common Verification Errors

- Lack of confirmation review and/or documentation
- Lack of attempt to directly verify
- Not all income verified
- Verification Report not correct
- Copies of letters to household(s) not kept on file

# Ameliorative Action List

- Errors in the SY2020-2021 Verification Report require the SFA participate in Verification Training prior to School Year 2021-2022, as corrective action.
- These errors include:
  - greater than 50% of applications verified resulted in students losing meal benefits;
  - the SFA verified the incorrect number of applications;
  - the SFA did not complete verification, or did not complete verification on time.
- Ailynne Adams has notified applicable SFAs that they are on this list.

# Record Retention

- All records must be kept confidential and maintained on file for 3 years, plus the current year.
- Local rules may require records be maintained longer.

# Independent Review

- SFAs that are on the Independent Review List, due to errors found during their Administrative Review, are required to conduct a Confirmation Review of all free and reduced-price applications, prior to notifying the household. These SFAs have been notified by Ailynne Adams.
- This is different than the Verification Process.



# Vermont Agency of Education

## Child Nutrition Programs

### Contact Information

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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](mailto:program.intake@usda.gov).

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