United States Department of Agriculture
Food and Nutrition Service
Mountain Plains Region
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Denver, CO 80204-3585

Reply to Attn. of: SP 95-04
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Subject: Free and Reduced Price Eligibility Determination for Children Living in Hutterian Colonies or Communities

To: STATE AGENCY DIRECTORS (Child Nutrition Programs) - Colorado ED, Colorado DH, Colorado SS, Iowa, Kansas, Missouri ED, Missouri DH, Montana OPI, Montana DHES, Nebraska ED, Nebraska SS, North Dakota, South Dakota, Utah, Wyoming ED, Wyoming DHSS

This memorandum provides guidance on the determination of free and reduced price eligibility of children who live in religious communities of the Hutterian Brethren.

A typical colony of the Hutterian Brethren is one in which members live together in a farming community, without individual ownership of personal or real property, in order to practice and observe their Hutterian Church faith. All the economic activities of the community are controlled on its behalf by the Board of Directors (its legal name), which uses the net proceeds of the farming business to purchase all those items deemed necessary for the community life. These communal purchases include the food which is prepared and served in community-wide or multi-family settings.

Within the Hutterian Brethren community, the household arrangements and income considerations that bear on children's eligibility for free and reduced price meals typically conform to the following:

1. Children live with their parents and siblings in housing which may be separate from the housing for other families, or which may include the parents and children of several families.

2. All community members (primarily adults) must contribute their labor to the work of the community, and they are not paid money in any direct form. No member of the community is supposed to receive income from any source outside the community for his or her personal use. For Federal income tax purposes, we understand that the Internal Revenue Service figures per-person income by first subtracting the community's overall corporate expenses from its overall corporate gross income, and then dividing that net community income total by the total number of members of the community.

The community Board of Directors spends the income of the community on those expenses which support the needs and welfare of community members, and in conformity with the style of life the members live. The community may, through the Board of Directors, decide that children from the community who

attend school should eat meals offered through Child Nutrition Programs school programs. However, if the parents of those children submit free and reduced price applications to the School Food Authority (SFA), their eligibility for free or reduced priced benefits should be based upon the income the community has available to pay for all or part of the meals that the children are served.

Under the above circumstances our guidance is that the "household" should be defined in the conventional terms of the parents and their children, with income represented as each person's per capita share of the community's net proceeds.

We caution that the SFA's determining official(s) should carefully review the actual household income circumstances of each Hutterian Brethren household that submits an application, as the circumstances in any particular situation may not fully conform to the ones described above. For instance, there have been rare instances in which individuals have some personal income from the sale of crafts they have made, received in addition to their share of the community's income.

These procedures are applicable to the Child and Adult Care Food Program and Summer Food Service Program as well as School Programs. If you have any questions, please contact our office.

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