



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

Mountain  
Plains  
Region

1244 Speer Boulevard  
Denver, CO 80204

Reply to  
Attn. of:

SP 94-61

**JAN 13 1994**

Subject:

Free and Reduced Price Eligibility--Special Certification, Provision 2

To:

STATE AGENCY DIRECTORS - Colorado ED, Iowa, Kansas, Missouri ED,  
(Special Nutrition Programs) Montana OPI, Nebraska ED, North Dakota,  
South Dakota, Utah, Wyoming ED

Although we recently issued a guidance publication which deals with implementation of 7 CFR 245.9, Special Assistance Certification and Reimbursement Alternatives, we wish to provide the following additional guidance on Provision 2 of this Section. The following provides the general requirements for Provision 2:

Year 1

- A public announcement is made that all meals will be provided free to all children regardless of economic status, and the free/reduced price eligibility criteria are provided;
- Applications are distributed, and free and reduced price eligibility determinations are made using the standard procedures;
- Meals are served free to all students;
- Meal counts are taken and claimed for reimbursement using standard procedures, i.e., by the eligibility category of the child receiving the meal; and
- The percentage of the total meals is calculated for each category;
- Federal funds provided for other purposes may not be used to make up the difference between the Federal assistance provided for meals and the costs of providing free meals to all students.

Years 2 and 3

- No applications are distributed and no eligibility determinations are made.
- Officials count only the total number of reimbursable meals served to eligible students each day, using a point-of-service counting system or an approved alternate counting system; and
- Apply the monthly percentages developed during the first year to the monthly total of meals served to determine the counts by type for the reimbursement claim;

- Federal funds provided for other purposes may not be used to make up the difference between the Federal assistance provided for meals and the costs of providing free meals to all students.

At the end of the 3-year cycle, schools that elect to continue with Provision 2 begin the cycle again with the year one requirements.

There is a misconception about Provision 2 which maintains that during the first year students ineligible for free meals may still be charged the full or reduced price. In fact, meals must be served free to all children in all 3 years, although school officials need to claim meals by actual count by category (free, reduced price and paid) only in the first year in order to determine the claiming percentages to be used in years 2 and 3 of the cycle.

The Agency has noted renewed interest in Provisions 1 and 2 which appears to be due to the current emphasis on paperwork reduction. Due to this interest and to the need to correct some of the misunderstandings about the provisions, the Agency plans to revise the "Special Assistance Certification and Reimbursement Alternatives Guidance," which States were sent as an attachment to memorandum INF 93-42, of August 16, 1993. Please let us know what you believe is unclear about the provisions and what types of questions you receive from school food authorities about the provisions so that we can suggest that these issues be addressed by our National Office in its revision of the guidance. We request that you forward such comments to us by February 28, 1994.

If you wish to have additional information about Provisions 1 and 2, or if you have any questions about this issue please contact our office.

*Ann C. DeGroat*

ANN C. DEGROAT  
Regional Director  
Special Nutrition Programs