Center for Students, Families & Communities

Susan Tave Zelman

Superintendent of Public Instructio

Office for Safety, Health and Nutrition
Cecelia Torok
Associate Director of Nutrition Programs

MEMORANDUM

DATE: 10/23/2007

TO: Family Child Care Sponsors

FROM: Mary Kershaw
Assistant Director, CACFP

SUBJECT: Documentation of Tier I Eligibility Determinations in the Child and Adult Care Food Program

PROGRAM: CACFP

The purpose of this memorandum is to re-issue guidance concerning what constitutes acceptable documentation of tier I eligibility for family cay care homes (FDCHs).

Documenting Tier 1 Status Using Elementary School Data
Using aggregate free and reduced price lunch data from elementary schools is the preferred method of determining tier I eligibility. To document that a FDCH is located in the attendance area of a school with a least 50 percent of the enrolled children eligible for free or reduced price school meals, the sponsoring organization must use one of the following, as explained in the guidance entitled, Elementary School Attendance Area Determinations (April 25, 1997):

- A current (i.e. dated) official school boundary map that shows where the FDCH is located within the attendance area of an eligible school and the date of the determination; or
- A letter from the school official, signed and dated, verifying that the home's address is within an eligible elementary school's attendance area boundaries; or
- A memo to the file with the name of the school official and the information provided, dated and initialed by the staff person of the sponsoring organization who talked to the school official, verifying that the provider's address is within the attendance area.

Documenting Tier I Status Using Census Data

In accordance with §226.15 (f), a sponsoring organization may use the special CACFP tabulation of census data provided by FNS to SA to document the FDCH's area eligibility when:

- After reasonable efforts are made, as defined by the SA, the sponsoring organization is unable to obtain local elementary school attendance area information;
- Pockets of poverty in rural areas are obscured by geographically large elementary school attendance areas; or
- School data shows an area to be close to the 50% threshold (between 40 percent 49 percent); or
- The local elementary school data does not reflect the surrounding area's socio economic condition, due to busing, magnet schools, or charter schools.
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Census data information is located on the following website: http://factfinder.census.gov , input the FDCH address, identify the block number, and call the SA to identify the percent of poverty in the block where the FDCH resides.

The documentation that sponsoring organizations maintain to support a FDCH's tier I eligibility based on current decennial census data must be based on:

- A current census block group boundary map; and
- A list that includes the provider's street address, permitting each address to be matched to the eligible census block groups shown in geo-mapping software, and showing that each address is located within the boundaries of an eligible block group.

Documenting Tier I Status Based on the Income or Categorical Eligibility of the Provider's Household

The sponsoring organization may also determine whether the home qualifies for tier I rates based on the provider's household income. When using household income to determine tiering status, sponsors must independently verify all income information provided by the FDCH.

To classify a FDCH as tier I based on household income information, the sponsoring organization must have on file:

- A complete and correct income eligibility statement that lists all household members and all income available to the household, and that shows the household is eligible for free or reduced price meals; or
- A complete and correct income eligibility statement that lists all household members and that provides proof of the household's eligibility for benefits under the Food Stamp Program (FSP), or the State-administered Temporary Assistance to Needy Families Program (TANF).

Once this information has been obtained, the sponsor must independently verify the information on the income eligibility statement. There are three acceptable ways of verifying the household's eligibility information -- written evidence, collateral contacts, or agency records.

- Written Evidence must be the primary source of information for verification. Examples of acceptable written evidence include:
    - Wage statements, pay stubs, or a letter from an employer confirming the wages; and/or
    - Tax forms, specifically the Federal 1040 form from the most recently completed tax year
    - Dated documentation (such as a "Notice of Eligibility" or certification) showing current eligibility for the FSP or TANF, or other eligible program.
- Collateral Contacts are to be used only in cases when the provider does not have adequate written evidence. Acceptable collateral contacts are persons who have knowledge about the household's income or receipt of FSP or TANF and who have no personal stake in the providers qualifying for tier I reimbursement rates. Collateral

contacts may include employers, social service agencies, migrant worker agencies, or religious or civic organizations. The collateral contact may be obtained by phone or in person and must be supported by documentation including the date of contact, and the name or initials of the sponsoring organization staff making contact.

- Agency records indicating that the provider's household is categorically eligible for FSP or TANF benefits may also be used to verify income eligibility. The sponsoring organization may submit the name and the case number to the local food stamp or Job and Family Services Office to request verification of the provider's categorical eligibility. The agencies dated and signed response may be considered verification.

Record Retention

Records relating to tiering determination must be maintained for at least three years after the end of the Program year for which the eligibility determination has been made. This may result in different retention periods based upon the method used to determine eligibility. Determinations based on census data remain in effect from the point of the determination until such time as the next census tabulation is complete and a new determination is made. Determinations based on family size and income of the provider, or on school data, are more standard - one year for income based determinations and five years for determinations based on school data. In each case records must be retained for at least three years from the final month of the fiscal year for which the determination is valid, or longer if required for audit or investigation purposes.

Documentation of tiering determinations may be retained in each individual provider's file, or the sponsor may maintain a master file related to tiering determinations. Any form of record retention that allows a tiering determination and all related documentation to be associated with the specific FDCH to which it applies is acceptable.

Approved 10-07

File Attachment