

At-Risk/Free Lunch Count Audit Resource Guide for 2016

Effective June 2016

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Field Analyst Support Team (FAST)
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Introduction and Overview

The purpose of this guide is to provide helpful information to assist districts in preparing for their at-risk/ free lunch count audit. With the emergence of new technology capabilities, it is recommended whenever possible that districts retain their audit documentation in electronic format.

How to Utilize This Guide

Within each section of the At-Risk and Free Lunch Count Audit Resource Guide for 2016, there are subsections marked by icons to assist districts in identifying relevant information within the guide:



- **Magnifying Glass:** This symbol will accompany the overview or description of the topic being covered in the noted subsection of this guide



- **Checklist:** This symbol identifies required audit “Documentation” that districts may be asked to provide in order to evidence free lunch eligibility for any reported free lunch eligible student who is subsequently included in the district’s at-risk/free lunch count sample



- **Book:** This symbol identifies the “Reference” (i.e. board rule and/or state statute - if applicable) from which the noted requirements are derived. Districts are encouraged to click on the links to review the source documentation



- **Lightbulb:** This symbol identifies specific “Take Away” items or helpful hints relevant to a given section. Similar to a “Frequently Asked Question” (FAQ) Section, these items will provide clarification and additional guidance to districts



Each year all public school districts across the State of Colorado participate in the Student October Count data submission to the Colorado Department of Education (CDE). The purpose of this data collection is to obtain required student level data as provided for by statute and board rule, including information regarding students' eligibility for at-risk funding as outlined in the Public School Finance Act of 1994 and the Rules for the Administration of the Public School Finance Act of 1994. CDE collects this data through the Data Pipeline with the Information Management Services (IMS) unit of CDE overseeing the collection.

For every student included in the district's Student October Count data submission, the district must report the student's free and reduced lunch eligibility status. Applicable codes are as follows:

- 0 = Not eligible/Paid
- 1 = Free lunch eligible
- 2 = Reduced lunch eligible

While several factors come into play when determining a district's at-risk funding, the most significant factor is the total number of students reported as free lunch eligible.

Pupil Enrollment Count Date

The 2016/2017 Pupil Enrollment Count Date is Wednesday, Oct. 5, 2016 unless the district has requested an alternative count date. It is recommended that district staff responsible for identifying the lunch eligibility status for its district students submitted in the Student October Count data submission confirm the pupil enrollment count date with the district pupil count coordinator.

All current year documentation evidencing free lunch eligibility must be dated on or before the pupil enrollment count date in order for the district to report a student as free lunch eligible in the Student October Count data submission. In the event a district or school is approved for an alternative count date, the district or school must use the alternative count date when determining free lunch eligibility for the Student October Count data submission reporting purposes. All documentation evidencing free lunch in this instance should be dated on or before the alternative pupil enrollment count date for the current school year. *Throughout this guide, in the event a district or school has been granted an alternative count date, said date should be used wherever pupil enrollment count date is referenced.*

Carryover Provision and Variance Waivers

In the absence of current year documentation, the district may utilize carryover documentation evidencing free lunch eligibility if the pupil enrollment count date falls within the first 30 school days of the current year. Carryover of the previous year's eligibility applies to all adequate audit documentation as outlined in the following pages. Carryover is for up to the 30th school day into the current year or until new eligibility determination is made, either approved or denied. The new eligibility determination supersedes the carryover eligibility.



In cases where students transfer between districts on or before the pupil enrollment count date, the USDA does allow for the transfer of lunch eligibility status from one district to another. In such cases, if the receiving district is able to include the student in the Student October Count data submission, this district can report the student's lunch eligibility status from the sending district if it has documentation in writing as to the student's eligibility. In the absence of written documentation, the receiving district must obtain new or updated documentation evidencing the student's lunch eligibility in order to report a lunch eligibility code other than "0 – Not eligible/Paid" in the Student October Count data submission.

In the event a district is unable to use carryover documentation to evidence free lunch eligibility because the pupil enrollment count date does not fall within the first 30 days of school, the district may request a variance waiver to extend the 30 school day requirement as it relates to the at-risk count only. Such a variance waiver will not impact the carryover provisions as it relates to the child nutrition program. All waiver requests for this purpose should outline the reason for the waiver, and must be addressed to, and received by, Jennifer Okes, School Finance Director (okes_j@cde.state.co.us) no later than Sept. 15.

At-Risk Count Audit

In an effort to ensure accurate reporting of those data fields associated with at-risk funding, the Field Analyst Support Team (FAST) of the Office of School Finance for the Colorado Department of Education conducts periodic compliance audits of each district's Student October Count data. During each at-risk/free lunch count audit, a random sample of reported free lunch eligible students is selected for eligibility confirmation. These samples generally include between 25 and 270 students for a given year.

Districts must retain all required documentation until audited by CDE or until five years from the certification due date (Nov. 10), whichever comes first. *Special provision schools (CEP and Provision 2) need to retain documentation for up to nine years because documentation evidencing free lunch eligibility collected beginning with the base year for their students may be used throughout the four-year cycle for Student October Count reporting purposes. (This is true as long as the special provision students continue to be reported at the special provision schools).*

Audit Documentation

For purposes of the at-risk audit, districts must be prepared to provide documentation to support any funded students' free lunch eligibility as reported in the Student October Count data submission. Acceptable documentation to support a student's free lunch eligibility includes:

- SNAP Direct Certification Lists
- Applications for Free and Reduced Price School Meals
- Family Economic Data Survey (FEDS) forms
- Categorical Eligibility Determinations (such as district migrant, homeless, runaway, and/or foster child lists)

All documentation submitted to the FAST during the at-risk/free lunch count audit will be evaluated based on criteria outlined in the United States Department of Agriculture (USDA) Eligibility Manual for School Meals (Determining and Verifying Eligibility). As a reminder, and as outlined in the Rules for the Administration of the Public School Finance Act of 1994, all documentation evidencing free lunch eligibility must be dated as of the pupil enrollment count date, unless the use of carryover provision is allowable and appropriate.



Extended Eligibility

Free lunch eligibility may be extended to students who are not included or listed on the source documentation for a given household, but who reside or belong to that household. Students with extended eligibility who are identified on or before the pupil enrollment count date for the current year may be reported as free lunch eligible in the Student October Count data submission if the district notes the following:

- The date extended eligibility was granted
- The initials or name of the district staff member who granted the extended eligibility
- The name of the household member who appears on the source documentation
- The source document type, along with applicable date
 - Source document includes:
 - SNAP Direct Certification Lists (with the run/generate date of the list)

As allowed by the CDE Office of School Nutrition, this information may be documented in one of the following ways:

- In the district's nutrition services system using notes, comments, etc.
- Handwritten on the source document
- On a separate document that is maintained by the district nutrition services department that contains all applicable information as outlined above

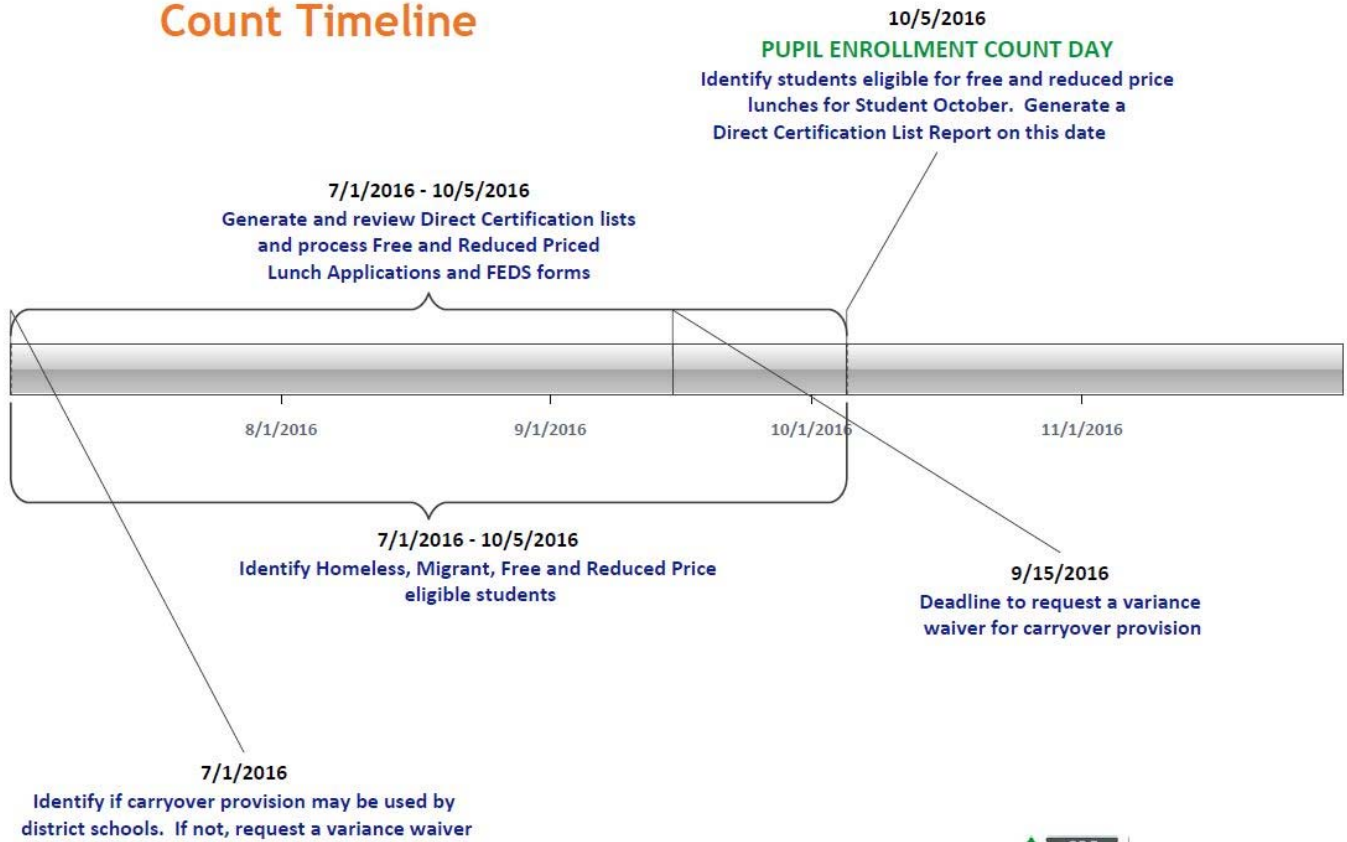
Reference



- [Section 22-4-103\(1.5\), C.R.S.](#)
- [1 CCR 301-39-6.00](#)
- http://www.cde.state.co.us/cdefinance/auditunit_atrisk_freeandreduced
- <http://www.cde.state.co.us/offices/schoolnutritionoffice>



October 2016 At-Risk/Free Lunch Count Timeline





INCOME ELIGIBILITY GUIDELINES

(EFFECTIVE FROM JULY 1, 2016 TO JUNE 30, 2017)

FOR SCHOOL USE ONLY. DO NOT DISTRIBUTE TO PARENTS.

Household Size	Free Guidelines					Reduced Guidelines				
	Yearly	Monthly	2x/Month	Bi-weekly	Weekly	Yearly	Monthly	2x/Month	Bi-weekly	Weekly
1	\$15,444	\$1,287	\$644	\$594	\$297	\$21,978	\$1,832	\$916	\$846	\$423
2	\$20,826	\$1,736	\$868	\$801	\$401	\$29,637	\$2,470	\$1,235	\$1,140	\$570
3	\$26,208	\$2,184	\$1,092	\$1008	\$504	\$37,296	\$3,108	\$1,554	\$1,435	\$718
4	\$31,590	\$2,633	\$1,317	\$1,215	\$608	\$44,955	\$3,747	\$1,874	\$1,730	\$865
5	\$36,972	\$3,081	\$1,541	\$1,422	\$711	\$52,614	\$4,385	\$2,193	\$2,024	\$1,012
6	\$42,354	\$3,530	\$1,765	\$1,629	\$815	\$60,273	\$5,023	\$2,512	\$2,319	\$1,160
7	\$47,749	\$3,980	\$1,990	\$1,837	\$919	\$67,951	\$5,663	\$2,832	\$2,614	\$1,307
8	\$53,157	\$4,430	\$2,215	\$2,045	\$1,023	\$75,647	\$6,304	\$3,152	\$2,910	\$1,455
For each additional family member add	\$5,408	\$451	\$226	\$208	\$104	\$7,696	\$642	\$321	\$296	\$148
Error Prone Thresholds	\$1,200	\$100	\$50	\$44	\$24	\$1,200	\$100	\$50	\$44	\$24

SNAP Direct Certification Lists



Any student who appears on a district SNAP direct certification list, ran between July 1 and the pupil enrollment count date for the current school year, may be reported as free lunch eligible in the Student October Count data submission.

Documentation



If any student is identified as free lunch eligible in the Student October Count data submission as evidenced by a SNAP direct certification list, the district must retain all applicable documentation until after the completion of the at-risk/free lunch count audit for the given school year.

Documentation includes, but is not limited to:

- SNAP direct certification lists generated between July 1 and the pupil enrollment count date for the current school year
- Documentation to support extended eligibility based on a SNAP direct certification list (with the accompanying SNAP direct certification list)
- Documentation evidencing carryover provision eligibility (as well as the applicable carryover documentation from the prior school year)
 - District calendar showing the pupil enrollment count date fell within the first 30 school days for the current school year **OR**
 - Letter from the Colorado Department of Education stating that the district's request for a variance waiver to the carryover provision was granted

Reference



- [Section 22-4-103\(1.5\), C.R.S.](#)
- [1 CCR 301-39-6.00](#)
- http://www.cde.state.co.us/cdefinance/auditunit_atrisk_freeandreduced
- <http://www.cde.state.co.us/offices/schoolnutritionoffice>

Take Away



- In order to ensure inclusion of all possible free lunch eligible students in the at-risk/free lunch count and to maximize at-risk funding, it is recommended that the district's nutrition services unit run SNAP direct certification uploads monthly after each new file is available. Additionally, districts are encouraged to run a SNAP direct certification upload in July, August, September, and on the pupil enrollment count date (Wednesday, Oct. 5, 2016). Any upload conducted for Student October Count purposes (on or before the pupil enrollment count date) is in addition to the October upload required by the Colorado Department of Education's Office of School Nutrition to support the child nutrition programs

Application for Free and Reduced Price School Meals



If a student is identified as free lunch eligible through the completion of an Application for Free and Reduced Price School Meals, the student may be reported as such in the district's Student October Count data submission. The district must ensure that the application is filled out correctly and completely, as well as processed accordingly by the district.

During the at-risk/free lunch count audit, the field analyst will review applications for all students included in the at-risk count sample to ensure that, at a minimum, the following information is completed as appropriate:

- The application is for the current school year
- All students are included on the application (first and last name)
- Household income is stated (if applicable)
- The last four digits of the social security number of an adult member of the household is listed (if applicable)
- Signature of an adult member of the household
- The date the application was completed or received by the district (on or before the pupil enrollment count date)

In the event an application states the student is (1) a foster child, (2), homeless, (3) migrant, or (4) a runaway, then the student is automatically eligible for free lunch. Additionally, if the application states that the household is receiving SNAP, FDPIR, or TANF (Temporary Aid to Needy Families) benefits, and the case number for any of the above is included, all students listed on the application may be reported as free lunch eligible. *In any of these cases, the application must be signed and dated appropriately in order to avoid an at-risk/free lunch count audit exception.*

State statute requires every school to include the federal Application for Free and Reduced Price Meals (or the state Family Economic Data Survey form as appropriate) in its registration materials. The materials shall include an explanation that these documents will be used to determine whether the school is eligible for at-risk funding on behalf of the pupil, and by filling out the form, the parent is ensuring the district or school will receive at-risk funding which it is entitled.

Documentation



If any student is identified as free lunch eligible in the Student October Count data submission as evidenced by an Application for Free and Reduced Priced School Meals, the district must retain all applicable documentation until after the completion of the at-risk/free lunch count audit for the given school year.

Documentation includes, but is not limited to:

- Applications for Free and Reduced Priced School Meals completed or received between July 1 and the pupil enrollment count date for the current school year
- Documentation evidencing carryover provision eligibility (as well as the applicable carryover documentation from the prior school year)
 - District calendar showing the pupil enrollment count date fell within the first 30 school days for the current school year **OR**
 - Letter from the Colorado Department of Education stating that the district's request for a variance waiver to the carryover provision was granted

Reference



- [Section 22-4-103\(1.5\), C.R.S.](#)
- [Section 22-54-112\(4\), C.R.S.](#)
- [1 CCR 301-39-6.00](#)

Take Away



- In the event a district accepts online Applications, the documentation provided by the district must include all information included on a paper version of the application. In place of a signature and date, the online application data must include appropriate evidence of signature, and the date and time the application was submitted
- Districts should ensure that total household income is being calculated correctly, especially if there are multiple household incomes that occur at varying frequencies
- Districts should ensure that all members of the household are listed on the application and should also take care in the event a child is listed in both the student section and the household section to only include the child once in the total household size

Family Economic Data Survey (FEDS) Form



While the state Family Economic Data Survey (FEDS) form has historically been used only by those districts and/or schools not participating in the federal child nutrition programs, it can now be used to document eligibility for at-risk funding for districts and/or schools: (1) not participating in the child nutrition programs and (2) participating in the Community Eligibility Provision (CEP) (including the base year), or Provision 2 program (following the base year).

If a student is identified as free lunch eligible through the completion of a Family Economic Data Survey form, the student may be reported as such in the district's Student October Count data submission. The district must ensure the form is filled out correctly and completely, as well as processed accordingly by the district.

Since the intent of the FEDS form is to mirror the Application for Free and Reduced Price School Meals, these forms will be evaluated in the same manner. As such, during the at-risk/free lunch count audit, the field analyst will review FEDS forms for all students included in the at-risk count sample to ensure that, at a minimum, the following information is completed as appropriate:

- The form is for the current school year
- All students are included on the form (first and last name)
- Household income is stated (if applicable)
- Signature of an adult member of the household
- The date the form was completed or received by the district (on or before the pupil enrollment count date)

In the event a form states the student is (1) a foster child, (2), homeless, (3) migrant, or (4) a runaway, then the student is automatically eligible for free lunch. Additionally, if the form states that the household is receiving SNAP, FDPIR, or TANF (Temporary Aid to Needy Families) benefits, and the case number for any of the above is included, all students listed on the form may be reported as free lunch eligible. *In any of these cases, the form must be signed and dated appropriately in order to avoid an at-risk/free lunch count audit exception.*

State statute requires every school to include the federal Application for Free and Reduced Price Meals (or the state Family Economic Data Survey form as appropriate) in its registration materials. The materials shall include an explanation that these documents will be used to determine whether the school is eligible for at-risk funding on behalf of the pupil, and by filling out the form, the parent is ensuring the district or school will receive at-risk funding which it is entitled.

Documentation



If any student is identified as free lunch eligible in the Student October Count data submission as evidenced by a FEDS form, the district must retain all applicable documentation until after the completion of the at-risk/free lunch count audit for the given school year.

Documentation includes, but is not limited to:

- Family Economic Data Survey forms completed or received between July 1 and the pupil enrollment count date for the current school year
- Documentation evidencing carryover provision eligibility (as well as the applicable carryover documentation from the prior school year)
 - District calendar showing the pupil enrollment count date fell within the first 30 school days for the current school year **OR**
 - Letter from the Colorado Department of Education stating that the district's request for a variance waiver to the carryover provision was granted

Reference



- [Section 22-4-103\(1.5\), C.R.S.](#)
- [Section 22-54-112\(4\), C.R.S.](#)
- [1 CCR 301-39-6.00](#)

Take Away



- In the event a district accepts online FEDS forms, the documentation provided by the district must include all information included on a paper version of the form. In place of a signature and date, the online application data must include appropriate evidence of signature, and the date and time the form was submitted
- Districts should ensure that total household income is being calculated correctly if there are multiple household incomes that occur at varying frequencies
- Districts should ensure that all members of the household are listed on the FEDS form and should also take care in the event a child is listed in both the student section and the household section to only include the child once in the total household size

Categorical Eligibility Determinations



Students who are identified as eligible for free lunch based on a categorical designation may be reported as free lunch eligible in the Student October Count data submission. Such categories include students who are identified as foster children, homeless, migrant, or runaway. Documentation provided by the district at the time of audit must show that the student with a categorical designation was identified as such on or before the pupil enrollment count date of the current school year.

Foster Children

Generally foster children are identified on an Application for Free and Reduced Price School Meals or on the Family Economic Data Survey form. In other instances, districts may receive documentation from a state agency, a local agency or a court identifying district foster children. This documentation may include a listing of foster children or a letter confirming foster status.

Migrant Students

If a student has been identified as migrant by the district's Migrant Education Program Director using guidelines established under Section 107 of the Child Nutrition and WIC Reauthorization Act of 2004, and was included on the district's Migrant List on or before the pupil enrollment count date, then the student may be reported as free lunch eligible in the Student October Count data submission. A student may also be reported as free lunch eligible if the student was identified as migrant on either an Application for Free and Reduced Price School Meals or on the Family Economic Data Survey form, and the application or form was completed correctly and dated appropriately.

Homeless or Runaway Students

If a student has been identified as homeless or runaway by the district's Homeless Liaison using guidelines established under McKinney-Vento Act, and was included on the district's Homeless or Runaway list on or before the pupil enrollment count date, then the student may be reported as free lunch eligible in the Student October Count data submission. A student may also be reported as free lunch eligible if the student was identified as homeless or as a runaway on an Application for Free and Reduced Price School Meals or on the Family Economic Data Survey form, and that form was completed correctly and is dated appropriately.

Documentation



If any student is identified as free lunch eligible in the Student October Count data submission based on a categorical designation, the district must retain all applicable documentation until after the completion of the at-risk/free lunch count audit for the given school year.

- Applications for Free and Reduced Priced School Meals and/or Family Economic Data Survey forms completed or received between July 1 and the pupil enrollment count date for the current school year
- Foster Child, Homeless, Runaway, or Migrant student lists dated on or before the pupil enrollment count date
- Documentation evidencing carryover provision eligibility (as well as the applicable carryover documentation from the prior school year)
 - District calendar showing the pupil enrollment count date fell within the first 30 school days for the current school year **OR**
 - Letter from the Colorado Department of Education stating that the district's request for a variance waiver to the carryover provision was granted

Reference



- [Section 22-4-103\(1.5\), C.R.S.](#)
- [Section 22-54-112\(4\), C.R.S.](#)
- [1 CCR 301-39-6.00](#)

Take Away



- In the event there are multiple students listed on an Application for Free and Reduced Priced School Meals or Family Economic Data Survey form, and only some of them are identified as being categorically eligible (i.e., there is one foster child student in a household where there are five total students), the remaining students are only eligible for free lunch if the household income level requirement has been met, and if the Application/FEDS form is completed correctly and dated appropriately

Special Assistance Certification and Reimbursement Alternative



The USDA has developed alternative approaches for certification and reimbursement for the Child Nutrition Programs including (1) Community Eligibility Provision (CEP) and (2) Provision 2. The goal of these provisions is to eliminate or reduce the administrative burden of collecting eligibility documentation and simplify the counting and claiming procedures for reimbursement of school meals.

For CEP districts and schools, participation eligibility is determined based upon a minimum threshold being met as of April 1 in the preceding year of students being identified as free lunch eligible through a SNAP direct certification or homeless, migrant, foster, runaway or Head Start lists. If this threshold is met, and if the district or school decides to participate, no additional documentation (beyond the required yearly SNAP direct certification upload) must be collected beginning in the base year through the 4-year cycle in order for students at those schools to continue eating meals for free.

For Provision 2 schools, eligibility to participate is determined by the percentage of students who are identified as free lunch eligible as evidenced by SNAP direct certification lists and Applications for Free and Reduced Priced School Meals during the base year. Once identified as free lunch eligible in this manner, students at these schools continue to eat meals for free through the 4-year cycle.

For both of these provisions, while the administrative burden of collecting household applications is eliminated for the National School Lunch and School Breakfast Programs, this burden is only reduced, but not eliminated, for at-risk funding purposes.

During the base year, prior to the pupil enrollment count date (usually July 1 through Oct. 1), a CEP or Provision 2 district or school must collect documentation evidencing free lunch eligibility for its students in order to report them as such as in the Student October Count data submission.

In order to align with the goal for CEP and Provision 2, the following is true for students reported at participating CEP and Provision 2 districts and/or schools in the Student October Count data submission **ONLY**:

If a student is reported at a participating CEP and or Provision 2 district and/or school in the Student October Count data submission, the district can report the student as free lunch eligible if the district has documentation for the student evidencing free lunch eligibility any time between, and including, the base year through the pupil enrollment count date of the current Student October Count data submission (usually July 1 of the base year through Oct. 1 of the current school year) not to exceed the four-year cycle.

In the event a CEP or Provision 2 district/school resets its base year, then all new base year documentation must be collected.

Documentation



If any student attending a CEP or Provision 2 district/school is identified as free lunch eligible in the Student October Count data submission based on documentation listed below, the district must retain this documentation until after the completion of the at-risk/free lunch count audit for the given school year.

CEP (base year through the completion of the 4-year cycle)

- SNAP Direct Certification Lists
- Foster Child, Migrant, Homeless, Runaway, Head Start Lists
- Family Economic Data Survey form

Provision 2

- Application for Free and Reduced Priced School Meals (base year only)
- Family Economic Data Survey form (years 2-4 only)
- SNAP Direct Certification Lists
- Foster Child, Migrant, Homeless, Runaway, Head Start Lists

Reference



- [Section 22-4-103\(1.5\), C.R.S.](#)
- [Section 22-54-112\(4\), C.R.S.](#)
- [1 CCR 301-39-6.00](#)

Take Away



- In the event documentation is not collected evidencing free lunch eligibility prior to the pupil enrollment count date of the base year for any student reported at a CEP/Provision 2 district or school, the district should continue to monitor these students to determine if they may be eligible to be reported as free lunch eligible in subsequent Student October Count data submissions during the four-year cycle
- If students transfer into one of these districts or schools after the base year Student October Count data submission, the district will need to have documentation evidencing free lunch eligibility for that student in order to submit them as such in subsequent Student October Count data submissions
- Districts with CEP and Provision 2 schools should ensure that they have a process in place for tracking lunch eligibility status in the Student October Count data submission for students reported at these schools as this status may differ from the student's actual eligibility status for the National School Lunch and School Breakfast Programs
- Districts cannot use funds received from the National School Lunch and School Breakfast Programs to process Family Economic Data Surveys
- District Nutrition Service staff should coordinate with the district Pupil Count or Student October Count coordinator to ensure accurate reporting and collection of required audit documentation
- CEP/Provision 2 districts and schools are encouraged to communicate with parents the value in completing the Family Economic Data Survey form which may include specific intended usage for determining additional at-risk funding available to the school