

How to Complete the Free and Reduced-Price Policy Statement



Health and Nutrition Services
Arizona Department of Education





Disclaimer

This training was developed by the Arizona Department of Education (ADE) Health and Nutrition Services Division (HNS). The content in this training is intended for professionals operating one or more USDA Child Nutrition Programs in Arizona under the direction of ADE. The information in this training is subject to change. Attendees are encouraged to access professional development materials directly from the training library to prevent use of outdated content.

Intended Audience

This training is intended for School Food Authorities (SFAs) operating the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP).

Objectives

At the end of this training, attendees should be able to:

- understand key terms used in the Free and Reduced-Price Policy Statement;
- understand the requirements of the Free and Reduced-Price policies;
- and complete all required parts of the Free and Reduced-Price Policy Statement.

TRAINING HOURS

Information to include when documenting this training for Professional Standards:

Training Title: How-To Complete the Free and Reduced-Price Policy Statement

Key Area: 3000 - Administration

Learning Code: 3100

Length: 30 minutes



TRAINING AND GUIDANCE SPECIFIC TO FREE AND REDUCED-PRICE ELIGIBILITY CAN BE FOUND IN THE NSLP ONLINE TRAINING LIBRARY AND THE USDA ELIGIBILITY MANUAL FOR SCHOOL MEALS



The instruction within this Online Course is based on guidance from the Code of Federal Regulations 7 CFR 245.

It is recommended to review this manual in addition to reviewing this course for complete guidance on the Free and Reduced-Price Policy Statement.

[Click here](#) to access the manual.

Quiz Time



Throughout this guide, there will be comprehension quiz questions to test your knowledge and help you apply what you're learning. Be sure to review these quiz questions and answers available within the guide.

The question mark icon below will indicate a comprehension quiz question.



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Definitions

Categorically Eligible

All children in a household with at least one child or household member who receives benefits from Assistance Programs (SNAP, TANF, FDPIR, DC-M Free) are categorically eligible for free meals. Any one child's or household member's receipt of benefits from an Assistance Program extends free school meal eligibility to all children who are members of the household.

Competitive Foods

All food and beverages other than reimbursable meals are available for sale to students on the school campus during the school day.

Direct Certification

Direct Certification means determining which children are eligible for free meal benefits based on documentation obtained directly from the appropriate State or local agency. In most situations, Direct Certification of a child's eligibility status should not involve communication with the household or require the household to submit supporting documentation.

Disclosure

The LEA may only disclose aggregate information, such as the number of children eligible for free or reduced-price meals, to any program or individual. Aggregate information does not identify individual children. Parental notification/consent is needed to disclose any personal information.

Definitions

Income Eligibility Guidelines

Household income size and amounts used for determining free meals and milk and reduced-price meal eligibility. These are obtained by multiplying the current year Federal income poverty guidelines by 1.30 and 1.85, respectively, and by rounding the result upward to the next whole dollar.

Limited English Proficiency (LEP)

Individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English.

Local Educational Agency (LEA)

A public board of education or other public or private nonprofit authority legally constituted within a state for either administrative control or direction of, or to perform a service function for, public or private nonprofit elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a state. This also includes Residential Child Care Institutions (RCCIs), Bureau of Indian Affairs (BIAs), education service agencies, and a consortia of those agencies.

Media Release

The public release that LEAs must provide at the beginning of the school year, announcing the availability of the National School Lunch Program, School Breakfast Program, or Special Milk Program in the school district.

Verification

Confirmation of eligibility for free and reduced-price meals under the NSLP and SBP. Verification is only required when eligibility is determined through the application process, not through direct certification conducted with an Assistance Program or agencies that document Other Source Categorical Eligibility.

Purpose of the Free and Reduced-Price Policy Statement



SECTION 1

Free and Reduced-Price Policy

THE REGULATION

In accordance with 7 CFR 245.10, each School Food Authority (SFA) participating in the National School Lunch Program (NSLP), School Breakfast Program (SBP), and/or the Special Milk Program (SMP) with the free milk option must have an approved Free and Reduced-Price Policy Statement on file with the Arizona Department of Education (ADE) that accurately describes its current free and reduced-price policies. SFAs just beginning participation in the NSLP, SBP, or SMP must submit their policy statement to ADE for review as part of the new SFA application process. The policy statement becomes a **permanent document** but must be amended when the SFA makes a substantive change to its free and reduced-price policies. Amendments must be submitted for review by ADE **by October 15** each year.




Free and Reduced-Price Policy

THE STATEMENT

ADE has created a fillable Free and Reduced-price Policy Statement template for SFAs to use that fulfills its responsibilities to implement a policy that conforms to United States Department of Agriculture (USDA) regulations regarding the determination of children's eligibility for free and reduced-price benefits.

New and amended free and reduced-price policies must be submitted for review by **October 15** each school year.



Free and Reduced-Price Policy Statement

Introduction

In accordance with 7 CFR 245.10, each School Food Authority (SFA) participating in the National School Lunch Program (NSLP), School Breakfast Program (SBP), and/or the Special Milk Program (SMP) with the free milk option must have an approved Free and Reduced-Price Policy Statement on file with the Arizona Department of Education (ADE) that accurately describes its current free and reduced-price policies. SFAs just beginning participation in the NSLP, SBP, or SMP must submit their policy statement to ADE for review as part of the new SFA application process. The policy statement becomes a permanent document but must be amended when the SFA makes a substantive change to its free and reduced-price policies. Amendments must be submitted for review by ADE by October 15 each year.

Policy Statement

SFA Name: _____

Date: _____

This statement applies to the programs in which the SFA will be participating as indicated on the application and agreement.

In fulfilling its responsibilities to implement a policy that conforms to United States Department of Agriculture (USDA) regulations regarding determination of children's eligibility for free and reduced-price benefits _____ wishes to state the following:

A. _____'s CNPWeb Sponsor Application will be updated each school year to reflect the following:

- The household application, application letter, and notification letters provided to households applying for benefits will be those provided by ADE
- And/or a customized household application, application letter, and notification letters have been developed and will be provided to households applying for benefits. Customized applications and letters must be reviewed and approved by ADE prior to use.

B. _____ is the LEA official that has been designated to make eligibility determinations.

C. The following direct certification procedures have been implemented:


June 2023 | Health and Nutrition Services | Arizona Department of Education | This institution is an equal opportunity provider.

Free and Reduced-Price Policy

THE ADDENDUMS

Addendums to the Free and Reduced-Price Policy Statement will be required for the following operators:

- Special Assistance Provision 2/3
- Community Eligibility Program
- Non-Pricing
- RCCI without Day Students
- Special Milk Pricing



**Free and Reduced-Price Policy Statement - Addendum:
Special Provision Option 2**

Introduction

This addendum is in addition to/in lieu of where applicable to the Free and Reduced-Price Policy Statement as some or all sites operating the NSLP and/or SBP will be participating in Special Provision Option 2 (Provision 2). It must be provided to ADE when schools begin participation in Provision 2.

Policy Statement

SFA Name: _____

Date: _____

This statement applies to the following schools operating Provision 2 and the meal services indicated:

School(s): _____

Check all that Apply: NSLP **SBP**

_____ wishes to state the following:

A. _____ acknowledges that this addendum becomes effective when CNPWeb Site and Sponsor Applications have been updated to reflect Provision 2 participation AND a Provision 2 application containing the following has been submitted by: _____ and approved by ADE.

- A list of all schools participating in Provision 2
- The initial school year of implementation for Provision 2
- The school years the cycle is expected to remain in effect
- The school year that Provision 2 must be reconsidered
- The available and approved data that will be used in reconsideration, as applicable

B. _____ will publicly notify and certify students for free and reduced-price benefits for up to four consecutive school years, provided that eligibility determinations are in accordance with 7CFR 245.3 during the first school year.

C. Except for assistance properly made available under 7 CFR 210, 220, 240, and 250, the Indian Child Welfare Act 95-608, and by other legislation, _____ will pay with funds from non-Federal sources the cost of serving meals to all children at no charge for all schools listed above, which includes:

- The cost of meals served to children not eligible for free or reduced-price meals
- The differential between the per-meal cost and Federal reimbursement received for each free or reduced-price meal, respectively, served to children eligible to receive such meals under applicable program regulations.

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Filling out the Free and Reduced-Price Policy



SECTION 2



Part B

ELIGIBILITY DETERMINING OFFICIAL

Operators must designate the person or position required to make eligibility determinations.

Part A

SPONSOR APPLICATION

Operators are required to update the household application, application letter, parent letter, and notification letter yearly. Updated templates may be used from HNS; however, if the operator chooses to customize these documents, they must be reviewed and approved by HNS.

Part C

DIRECT CERTIFICATION PROCEDURES

This fillable portion of the policy must describe the operator's procedures for directly certifying students. This should include how often direct certification will be performed, how directly identified student eligibility will be applied and notified, how benefits are extended to additional students in the household, and how partial matches will be reviewed.

Part D

ACCEPTING HOUSEHOLD APPLICATIONS

This fillable portion of the policy will detail how the operator accepts and processes household applications. This should include procedures accepting paper and/or online applications, notification of eligibility, and effective dates.



TRAINING AND GUIDANCE ON DIRECT CERTIFICATION AND PROCESSING HOUSEHOLD APPLICATIONS CAN BE FOUND IN THE NSLP ONLINE TRAINING LIBRARY AND THE USDA ELIGIBILITY MANUAL FOR SCHOOL MEALS

Child Nutrition Programs
Income Eligibility Guidelines
Effective July 1, 2024 - June 30, 2025

The following are the income guidelines to be used by child nutrition program operators when processing meal benefit income eligibility forms using reported income.
Effective July 1, 2024 - June 30, 2025
For Determining Official's Use Only

Household Size*	How often was income received?									
	Weekly		Bi-Weekly		2x Month		Monthly		Annually	
	Free	Reduced	Free	Reduced	Free	Reduced	Free	Reduced	Free	Reduced
1	\$377	\$538	\$753	\$1,072	\$818	\$1,181	\$1,832	\$2,322	\$19,578	\$27,881
2	\$517	\$728	\$1,022	\$1,455	\$1,108	\$1,576	\$2,215	\$3,152	\$26,572	\$37,814
3	\$648	\$919	\$1,291	\$1,838	\$1,399	\$1,991	\$2,798	\$3,981	\$33,588	\$47,767
4	\$780	\$1,110	\$1,580	\$2,220	\$1,690	\$2,405	\$3,380	\$4,810	\$40,580	\$57,720
5	\$915	\$1,302	\$1,829	\$2,603	\$1,982	\$2,820	\$3,963	\$5,640	\$47,554	\$67,873
6	\$1,048	\$1,493	\$2,098	\$2,988	\$2,273	\$3,235	\$4,548	\$6,489	\$54,548	\$77,828
7	\$1,184	\$1,685	\$2,387	\$3,389	\$2,585	\$3,650	\$5,129	\$7,299	\$61,540	\$87,979
8	\$1,318	\$1,878	\$2,638	\$3,752	\$2,858	\$4,084	\$5,712	\$8,128	\$68,538	\$97,532
Additional member, add:	\$135	\$192	\$269	\$383	\$292	\$415	\$583	\$830	\$6,994	\$9,953

*Household size must be supported by the number of names listed on the meal benefit income eligibility form.

Annual Income Conversion for Multiple Reported Incomes

If a household reports only one income or multiple incomes with the same frequency, do not convert to annual income. If a household reports multiple income sources with different frequencies (e.g., 1 income is received weekly, another income is received monthly), convert all reported incomes to annual using the conversion factors below. Then, add the income together and compare it to the annual income guidelines to make a determination.

Weekly Income x 52 Bi-Weekly Income x 26 2x Month Income x 13 Monthly Income x 12

Example: A household has returned their meal benefit income eligibility form. The enrolled individuals are not categorically eligible so they must be categorized based on income. On their application, they reported two incomes: \$200 weekly and \$3,000 monthly. To determine their eligibility status, their incomes must be converted to annual income.

\$200 weekly x Weekly Income Conversion = \$200 x 52 = \$10,400 Total Annual Income
\$3,000 monthly x Monthly Income Conversion = \$3,000 x 12 = \$36,000 Total Annual Income
The incomes are then added together to determine total annual income. Total Income: \$10,400 + \$36,000 = \$46,400

There are four listed names on their meal benefit income eligibility form - demonstrating a household's size of four. The annual income cap for a household of four to be free is \$40,580 and reduced is \$57,720. This household's annual income is \$46,400 - greater than \$40,580, less than \$57,720. Therefore, this household qualifies for reduced-price meals.

March 2024 | Meal Benefit Policies Review | Illinois Department of Education | This information is not to be disseminated outside of the Department.

Part E

INCOME ELIGIBILITY GUIDELINES

This part states that eligibility for meals will be determined using the current year income eligibility guidelines.

Current Income Eligibility Guidelines are posted under the [Eligibility Documents for School Meal Benefits](#) accordion.

The training [Step by Step Instruction: How to Process Household Applications](#) will provide guidance on how to certify free and reduced-price eligible household applications.

Part F

FOSTER CHILD

This part states that a foster child will be categorically eligible for free meals. A foster child may be included as a member of the foster family if the foster family chooses to also apply for benefits for other children, as including children in foster care as household members can help other children in the household qualify for free or reduced-price meals. If the foster family is not eligible for free or reduced-price meal benefits, this does not prevent a foster child from receiving free meal benefits.

Part G

OTHER SOURCE CATEGORICAL ELIGIBILITY

This part states that households with children who are categorically eligible under Other Source Categorically Eligible Programs will be instructed to contact the school for assistance in receiving benefits and to mark the relevant box on the application to indicate their status.

Parts H, I, J, K, L

PART H-LIMITED ENGLISH PROFICIENCY (LEP)

The operator must designate the person or position that will ensure no barriers to participation with LEP families.

PART I - HEARING PROCEDURES

The operator must designate the person or position that will ensure compliance with hearing procedures and non-discrimination requirements.

PART J- VERIFICATION ACTIVITIES

The operator will designate the person or position that will be responsible for completing verification activities by November 15, as well as provide the verification procedures that will be followed.

PART K - VERIFICATION RECORD KEEPING

The operator must designate the person or position that will maintain all verification activity records.

PART L - VERIFICATION REPORTING

The operator must designate the person or position that will be responsible for completing the verification report by February 1 annually.



Training on Verification can be found in the [NSLP Online Training Library](#).

Part M

DISCLOSURE OF CONFIDENTIAL INFORMATION

This fillable portion of the policy will need to describe the measures taken to prevent the disclosure of personal eligibility information. Overt identification is any action that may result in a child being recognized as potentially eligible to receive free or reduced-price school meals. SFAs must ensure that a child's eligibility status is not disclosed at any point in the process of providing free or reduced-price meals, including notification of the availability of free or reduced-price benefits; certification and notification of eligibility; provision of meals in the cafeteria; and the point of service.

Part N

MEAL CHARGE POLICIES

This fillable portion of the policy will need to designate the person or position responsible for implementing meal charge policies and outline the LEAs meal charge policies. A description of the method or methods to be used to collect payments from those children paying the full price of the meal or milk, or a reduced-price of a meal, which will prevent the overt identification of the children receiving a free meal or free milk or a reduced-price meal.

Part O

MEAL CHOICE

This fillable portion of the policy will need to outline how children eligible to receive free and reduced-price meals will be offered the same meal choices as those children paying full price and how paying for these meals will not result in overt identification.

Part P

COMPETITIVE FOODS

This fillable portion of the policy will need to outline the procedures followed to ensure that children eligible to receive free or reduced-price meals are not overtly identified when competitive foods are sold.

MEDIA RELEASE TEMPLATE

A copy of the Media Release must be attached to the Free and Reduced-Price Policy Statement. HNS has provided a media release template linked above.

PRESS (MEDIA) RELEASE

SENT TO: (NAMES OF NEWS/MEDIA OUTLETS AND MAJOR EMPLOYERS CONTEMPLATING LAYOFF)

[Make appropriate changes as applicable to reflect the programs operated]

[Local school food authority] will be participating in the [School Breakfast Program and/or National School Lunch Program]. As part of this program, [Local school food authority] will offer healthy meals every school day. [breakfast will cost (breakfast cost)] and lunch will cost [lunch cost]. Your children may qualify for free or reduced-price meals. Reduced-price meals cost [reduced-price breakfast cost] for breakfast and [reduced-price lunch cost] for lunch.

Qualifications for children to receive free or reduced-price meals include: belonging to a household whose income is at or below the Federal Income Eligibility Guidelines, belonging to a household that receives public assistance, or if the child is homeless, migrant, runaway, foster, or participates in a Head Start or Even Start pre-Kindergarten program.

Household size and income criteria are used to determine eligibility for free and reduced-price benefits if the household does not receive assistance or the children are not in the other categories mentioned above. Children can get free or reduced-price meals if the household's gross income falls at or below the limits on the Federal Income Eligibility Guideline chart.

Household Size	FREE			REDUCED-PRICE		
	Yearly Income	Monthly Income	Weekly Income	Yearly Income	Monthly Income	Weekly Income
1	\$18,954	\$1,580	\$365	\$26,973	\$2,248	\$519
2	\$25,636	\$2,137	\$493	\$36,482	\$3,041	\$702
3	\$32,318	\$2,694	\$622	\$45,991	\$3,833	\$885
4	\$39,000	\$3,250	\$750	\$55,500	\$4,625	\$1,068
5	\$45,682	\$3,807	\$879	\$65,009	\$5,418	\$1,251
6	\$52,364	\$4,364	\$1,007	\$74,518	\$6,210	\$1,434
7	\$59,046	\$4,921	\$1,136	\$84,027	\$7,003	\$1,618
8	\$65,728	\$5,478	\$1,264	\$93,536	\$7,795	\$1,799
Each additional person	\$6,682	\$557	\$129	\$9,509	\$793	\$183

To apply for free or reduced-price meals, households can fill out the application and return it to the school unless the household has already received notification that their children are approved for free meals this year. Application forms are being distributed to all households with a letter informing households of the availability of free and reduced-price meals for their children and what is required to complete on the application. Applications also are available [insert locations where the applications are available, i.e., at the principal's office in each school, on the school's website].

Only one application is required for all children in the household and the information provided on the application will be used for the purpose of determining eligibility and verification of data. Applications may be verified at any time during the school year by the school or other program officials. An application for free or reduced-price benefits cannot be approved unless it contains complete eligibility information as indicated on the application and instructions. In the operation of child feeding programs, no child will be discriminated against because of race, sex, color, national origin, age, or disability.

Families can apply for benefits at any time. If a household member becomes unemployed or if the household size increases, the household should contact the school. Such changes may make the children of the household eligible for benefits if the household's income falls at or below the Federal Guidelines. Contact [school official] at any time to request an application.

Part Q

MEDIA RELEASE

The fillable portion of the policy will need to designate the person or position responsible for notifying the public of the availability of the meal programs through a media release. This media release will be provided to applicable local media, unemployment offices, and major employers contemplating large layoffs in the attendance area of its schools. The release will include the name(s) of the school(s) approved to operate the NSLP, SBP, and/or SMP, Income Eligibility Guidelines (IEGs) for free and reduced-price meals, and other information required to be contained in the letter to households.

Complete and Sign

AUTHORIZED SIGNATURE

This policy must be signed by a designated official selected by the LEA. Authorized signers can be found on the signature page of the Food Program Permanent Service Agreement.



Adding Addendums

The addendums required for Special Assistance Provision 2/3, Community Eligibility Program, Non-Pricing, RCCI without Day Students, and Special Milk Pricing will require the operator to designate a person or position to specific regulatory requirements necessary for these applicable operators. Addendums will need to be signed by an Authorized signer.

ADDENDUM LOCATIONS

Addendums are located under program forms, in the [Eligibility Documents for School Meal Benefits](#) and [Special Provision Options](#) accordions.

Quiz Time

1 An Authorized Signer from the Food Program Permanent Service Agreement will need to sign the Free and Reduced-Price Policy Statement.

A True

B False

2 The Free and Reduced-Price Policy Statement must be revised and submitted yearly.

A True

B False



Quiz Time

1 An Authorized Signer from the Food Program Permanent Service Agreement will need to sign the Free and Reduced-Price Policy Statement.

A True

B False

The Free and Reduced-Price Policy Statement and accompanying addendums must be signed by an authorized signer.

2 The Free and Reduced-Price Policy Statement must be revised and submitted yearly.

A True

B False

The Free and Reduced-Price Policy Statement becomes a permanent document and only needs to be revised and submitted when the SFA makes a substantive change to its free and reduced-price policies.



CONTACT US

If you have a question or require additional assistance, please contact your assigned specialist or contact HNS.



602-542-8700



ContactHNS@azed.gov



www.azed.gov/hns





Congratulations

**You have completed the Online Course:
How-To Complete the Free and Reduced-Price
Policy Statement**

Information to include when documenting this
training for Professional Standards:

**How-To Complete the
Free and Reduced-Price
Policy Statement**

Key Area: 3000 – Administration

Learning Code: 3100

Length: 30 Minutes

Please note, attendees must document the amount of training hours
indicated on the training despite the amount of time it takes to complete it.

Certificate

Requesting a training certificate

Please click the button to complete a brief survey about this online training. Once the survey is complete, you will be able to print your certificate of completion from Survey Monkey.



Information to include when documenting this training for Professional Standards:

**How-To Complete the
Free and Reduced-Price
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**Key Area: 3000 – Administration
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In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410;
2. fax: (833) 256-1665; or (202) 690-7442
3. email: program.intake@usda.gov.

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